

FUND UPDATE

FOR THE QUARTER ENDED 30 SEPTEMBER 2022



MACQUARIE

Macquarie Investment Funds

Macquarie Ethical Leaders Hedged Global Fixed Interest Index Fund¹

This fund update was first made publicly available on: 31 October 2022

What is the purpose of this update?

This document tells you how the Macquarie Ethical Leaders Hedged Global Fixed Interest Index Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Macquarie Asset Management Public Investments (NZ) Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

The fund is a passively managed international fixed interest portfolio that is designed to track the return of the Bloomberg Barclays MSCI Global Aggregate SRI Select ex-Fossil Fuels Index. The fund is managed to specific 'responsible investment' criteria which prohibit investments in certain companies or activities, and encourage investment in companies with strong environmental, social and governance characteristics. This fund is governed by the Ethical Leaders Charter.

The fund's investment is in a passively managed low tracking error portfolio managed against companies listed on the Bloomberg Barclays MSCI Global Aggregate SRI Select ex-Fossil Fuels Index.

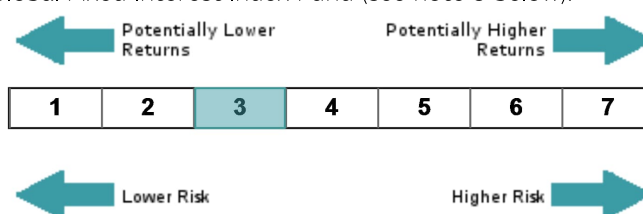
The fund targets a position of being fully hedged to the New Zealand dollar.

The performance objective is to provide a return that closely matches the return of Bloomberg Barclays MSCI Global Aggregate SRI Select ex-Fossil Fuels Index, fully hedged to the New Zealand dollar. (see note 2 below).

Total value of the fund	NZ\$149,087,764
The date the fund started	27 November 2017

What are the risks of investing?

Risk indicator for the Macquarie Ethical Leaders Hedged Global Fixed Interest Index Fund (see note 3 below):



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the 5 year period to 30 September 2022. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

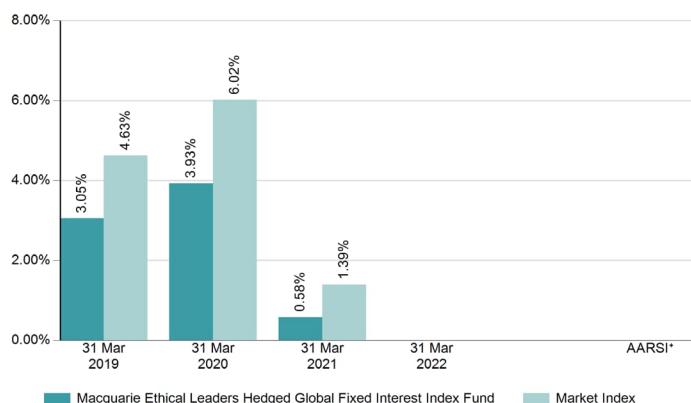
See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

	Past year
Annual return⁴ (after deductions for charges and tax)	-9.89%
Annual return⁴ (after deductions for charges but before tax)	-13.32%
Market index annual return⁴ (reflects no deduction for charges and tax)	-13.14%

The market index annual return is based on the Bloomberg Barclays MSCI Global Aggregate SRI Select ex-Fossil Fuels ex-IDR, CNY Treasury Index, fully hedged to NZD. Additional information about the market index is available on the offer register at www.companiesoffice.govt.nz/disclose.

Annual Return Graph⁵



* Average Annual Return Since Inception to 30 September 2022

This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 30 September 2022.

Important: This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Macquarie Ethical Leaders Hedged Global Fixed Interest Index Fund are charged fund charges. In the year to 31 March 2022 these were:

	% of net asset value
Total fund charges	0.43%
Which are made up of:	
Total management and administration charges	0.43%
Including:	
Manager's basic fee (excluding GST)	0.35%
Other management and administration charges (including GST)	0.08%

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for the Macquarie Investment Funds Index Funds on the offer register at www.companiesoffice.govt.nz/disclose for more information about those fees.

Example of how this applies to an investor⁶

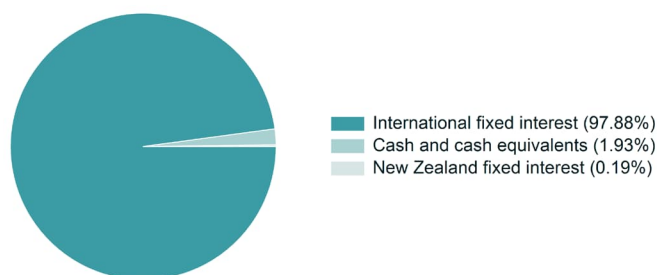
Small differences in fees and charges can have a big impact on your investment over the long term.

Jeff had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Jeff incurred a loss after fund charges were deducted of - \$435 (that is -4.35% of his initial \$10,000). This gives Jeff a total loss after tax of -\$344 for the year.

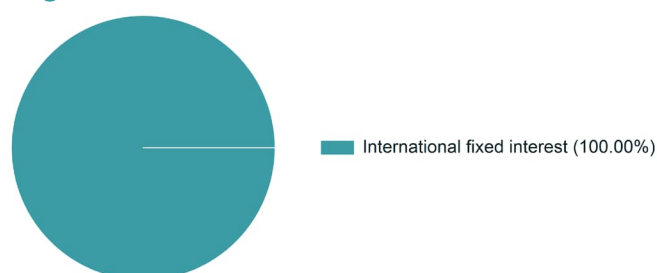
What does the fund invest in?

This shows the types of assets that the fund invests in.

Actual investment mix



Target investment mix



Top 10 investments

	Name	% of Fund net assets	Type	Country	Credit Rating (if applicable)
1	iShares MBS ETF	15.38%	International fixed interest	United States	N/A
2	Japan Government Twenty Year Bond - maturing 20 Sep 36	1.20%	International fixed interest	Japan	A
3	United States Treasury Note/Bond - maturing 15 May 24	1.16%	International fixed interest	United States	AA+
4	United States Treasury Note/Bond - maturing 31 Dec 24	1.12%	International fixed interest	United States	AA+
5	United States Treasury Note/Bond - maturing 15 Mar 24	1.11%	International fixed interest	United States	AA+
6	United States Treasury 150524 0.25 Gb - maturing 15 May 24	1.11%	International fixed interest	United States	AA+
7	United States Treasury Note/Bond - maturing 31 Mar 25	0.86%	International fixed interest	United States	AA+
8	United States Treasury Note/Bond - maturing 31 Aug 25	0.74%	International fixed interest	United States	AA+
9	United States Treasury Note/Bond - maturing 31 May 28	0.72%	International fixed interest	United States	AA+
10	Japan Government Five Year Bond - maturing 20 Dec 24	0.66%	International fixed interest	Japan	A

The top 10 investments make up 24.06% of the fund.

Key personnel

Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
1 Rebekah Swan	Head of New Zealand Public Investments, Macquarie Asset Management (NZ) Limited	7 months	Managing Director and Head of Client Services, AMP Capital Investors (New Zealand) Limited	1 year 5 months
2 Vicky Hyde-Smith	Associate Director, Macquarie Asset Management (NZ) Limited	7 months	Head of Fixed Income, AMP Capital Investors (New Zealand) Limited	5 years 1 month
3 Grant Hassell	Division Director, Macquarie Asset Management (NZ) Limited	7 months	Global Head of Fixed Income, AMP Capital Investors Limited	3 years 4 months
4 Michael Gray	Head of Investment Strategy (NZ), Macquarie Asset Management (NZ) Limited	7 months	Head of Investments NZ, AMP Capital Investors (New Zealand) Limited	1 year
5 Supriya Edwards	Investment Specialist, Macquarie Asset Management (NZ) Limited	7 months	Fixed Income Analyst, AMP Capital Investors (New Zealand) Limited	1 year 7 months

Further information

You can also obtain this information, the PDS for the Macquarie Investment Funds Index Funds, and some additional information from the offer register at www.companiesoffice.govt.nz/disclose.

Notes

1. In March 2022, Macquarie Asset Management Holdings Pty Limited completed the acquisition of the AMP Capital Global Equities and Fixed Income business from AMP Group Holdings Limited. Prior to that acquisition, Macquarie Asset Management Public Investments (NZ) Limited was known as AMP Investment Management (N.Z.) Limited and the Macquarie Ethical Leaders Hedged Global Fixed Interest Index Fund was known as the Ethical Leaders Hedged Global Fixed Interest Index Fund.
2. Prior to 21 June 2021 the fund's market index was the Bloomberg Barclays Global Aggregate Index. The reason for the change in market index is because the fund's investment strategy changed.
3. A combination of actual fund returns and market index returns were used to determine the risk indicator for the Macquarie Hedged Global Fixed Interest Index Fund as this fund commenced operation on 1 December 2017. The risk indicator may therefore provide a less reliable indicator of potential future volatility of this fund. For the five year period ending 30 September 2022, market index returns have been used up to 1 December 2017 with actual fund returns used for the balance of the period to 30 September 2022.
4. These returns are for the period ending 30 September 2022. See note 6 below regarding the market index return.
5. The bar graph shows fund returns after the deduction of fees and tax, however, the market index returns are shown before any fees or tax are deducted. The market index used to calculate the return for the period 21 June 2021 to 30 June 2021 was the Bloomberg Barclays Global Aggregate Index because the Bloomberg Barclays MSCI Global Aggregate SRI Select ex Fossil Fuels Index was not available until 1 July 2021.
6. The returns and tax calculations used in this example are the actual fund returns and tax charges (or rebates) for the year ended 31 March 2022. Net of tax returns can be more than gross of tax returns where, due to the fund's tax position, it receives a tax rebate rather than paying tax.

CONTACT US

If you have any enquiries about your investment or any of Macquarie's products or services please call us on 0800 400 499.

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