

Investment objective

Aims to generate long-term total returns by investing in exchange-traded futures providing exposure to currencies and gold. The Fund holds both long and short positions in futures. The Fund also holds cash and cash equivalents.

The investment process involves the use of a disciplined and dynamic quantitative model to determine the positions held by the Fund. The model relies on statistical analysis to forecast returns and volatilities for currencies and gold based on underlying fundamental factors identified by P/E Global.

Key information

Fund details

APIR code MAQ5143AU

Inception date 28 April 2017

Investment manager P/E Global LLC (Boston, US)

Fund size \$128.1m

Distribution frequency Semi-annually

Management fee* 1.88% pa

Performance fee* 20.5% incl. GST of the cumulative outperformance of the Fund (after management fees and expenses but before the deduction of performance fees (paid or accrued)) above the return of the RBA Cash Rate, subject to a high watermark

Minimum investment (Direct) \$20,000

Unit prices and spreads [macquarie.com.au/unit_prices](https://www.macquarie.com.au/unit_prices)

*Read the Product Disclosure Statement for more details on fees and costs.

Fund performance to 31 August 2021

	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	0.78	0.00	0.78
3 months (%)	11.20	0.01	11.19
1 year (%)	-2.43	0.05	-2.48
3 years (% pa)	2.78	0.66	2.12
Since inception (% pa)	2.27	0.93	1.34

Past performance is not a reliable indicator of future performance.

Total returns are calculated based on changes in net asset values and assumes the reinvestment of distributions.

Total net Fund returns are quoted after the deduction of fees and expenses. Due to individual circumstances, your net returns may differ from the net returns quoted above.

The benchmark is the RBA Cash Rate.

Post-fee monthly returns (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017					-5.09	2.53	-6.53	-1.94	2.74	4.88	-3.35	-3.10	-9.99
2018	-8.10	5.57	-0.54	5.23	6.00	2.19	-1.30	3.90	-0.87	6.94	-1.05	-0.37	17.88
2019	-1.26	2.74	3.34	0.47	1.97	-4.44	7.31	3.14	1.35	-5.19	3.67	-5.58	6.84
2020	5.64	3.97	10.74	-3.39	-3.34	-3.33	-3.52	-5.91	5.93	2.34	-8.60	-7.02	-8.18
2021	0.74	-1.61	5.17	-5.87	-2.93	7.97	2.20	0.78					5.91

P/E Global FX Alpha Fund

Macquarie Professional Series

Monthly report – 31 August 2021

Performance summary

- The Fund returned 0.78% in August 2021.
- The US dollar strengthened early in the month as the COVID-19 Delta variant gained traction globally and gave rise to renewed economic uncertainty. Safe haven currencies, such as the US dollar, Japanese yen, and the Swiss franc, outperformed early in the month. P/E saw a reversal in the latter part of the month as expectations for tapering by the US Federal Reserve lessened after Chairman Jay Powell's speech at Jackson Hole. Looking forward, P/E continues to expect that higher global inflation data will increase pressure on central banks to curtail their quantitative easing programs. P/E also continues to note positive yield curve spreads between the US and both Australia and the Euro area. Overall, P/E's factors continue to indicate stronger growth in the US versus other parts of the world, and a rebound in the US dollar.
- The Fund focuses on fundamental factors, employing a Bayesian statistical process to forecast currency returns. Currently, the main factors driving FX positioning are 1) the short end of the yield curve, where countries with steeper yield curves look more attractive, and 2) economic surprise, where European currencies are less attractive. This favours the US dollar versus the euro, Japanese yen and the Swiss franc.
- P/E is also pleased to announce two additions to the Fund. First, P/E have introduced a new factor, relative growth expectations. P/E relies on the regional Purchasing Manager Reports (PMIs) to measure these expectations. The factor will be phased in over the next three months and is not expected to materially change positions given current data. Second, P/E plans to implement an enhancement to the Fund's optimisation process. Specifically, P/E will actively seek to minimise exposure to currencies of countries with heightened Sustainability Risks, by imposing a penalty function that references environmental, social and corporate governance ("ESG") score data, issued by an independent third party, that is related to a particular country. The penalty function will act to reduce the Fund's exposures to currencies of countries with low ESG scores. P/E does not expect that this inclusion will result in a material impact on portfolio performance.

Fund changes

There have been no material changes to the following since the last performance report:

- Fund's risk profile
- Fund's strategy
- Fund's key service providers or related party status
- Individuals playing a key role in making the investment decisions for the Fund.

For more information speak to your financial adviser, call us on 1800 814 523, email mim.clientservice@macquarie.com or visit macquarie.com

Important information

Macquarie Investment Management Australia Limited ABN 55 092 552 611 AFS Licence 238321 is the issuer of units in, and responsible entity of the Fund.

The information in this report is provided for general information purposes only and is not, and should not be construed as, an advertisement, an invitation, an offer, a solicitation of an offer or a recommendation to participate in any investment strategy or take any other action, including to buy or sell any product offered by any member of the Macquarie Group. The above information is not personal advice and does not take into account the investment objectives, financial situation or needs of any person. Investors should consider the offer document of the Fund in deciding whether to acquire or continue to hold units in the Fund. The offer document is available by contacting us on 1800 814 523. Past performance is not a reliable indicator of future performance.

Future results are impossible to predict. In preparing this document, reliance may have been placed, without independent verification, on the accuracy and completeness of information available from external sources. This report may also include opinions, estimates and other forward-looking statements which are, by their very nature, subject to various risks and uncertainties. Actual events or results may differ materially, positively or negatively, from those reflected or contemplated in such forward-looking statements. Forward-looking statements constitute the investment manager's judgement as at the date of preparation of this report and are subject to change without notice. To the maximum extent permitted by law, no member of the Macquarie Group nor its directors, employees or agents accept any liability for any loss arising from the use of this document, its contents or otherwise arising in connection with it.

Other than Macquarie Bank Limited (MBL), none of the entities noted in this document are authorised deposit-taking institutions for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of MBL. MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities, unless noted otherwise.