

Macquarie Professional Series Global Alternatives Fund

Macquarie Professional Series

Monthly report – 30 November 2022

Investment objective

The Fund aims to generate long-term total returns by investing in hedge funds and other absolute return funds (Underlying Funds).

The Underlying Funds can include funds managed or operated by members of Macquarie Group (Macquarie Underlying Funds) and select external funds managed and operated by non-Macquarie Group companies (External Funds).

The Fund offers the potential for attractive long-term total returns with low correlation to traditional asset classes. We believe that each Underlying Fund has an investment strategy that is complementary to the other Underlying Funds in the Fund. By combining complementary investment styles, the Fund aims to produce consistent risk-adjusted returns from a diversified and well-balanced liquid alternatives portfolio.

Key information

Fund details	
APIR code	MAQ7578AU
Inception date	16 August 2017
Fund size	\$97.9m
Distribution frequency	Semi-annually
Management fee*	0.97% pa
Indirect costs*	Although the Fund does not charge a performance fee, please note that a performance fee is charged by each Underlying Fund
Minimum investment (Direct)	\$20,000
Unit prices and spreads	macquarie.com.au/unit_prices

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

Fund performance to 30 November 2022

	Total Fund return (net)
1 month (%)	-2.60
3 months (%)	0.37
1 year (%)	3.97
3 years (% pa)	-0.78
5 years (% pa)	0.82
Since inception (% pa)	0.95

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.

Weight of each Underlying Fund (as at date of report)

Underlying Fund	Weight (% of Fund)
P/E Global FX Alpha Fund	27.10
Allspring (Lux) Global Long/ Short Equity Fund	25.40
FORT Global Trend Fund	18.50
PGIM Wadhvani Keynes Systematic Absolute Return Fund	29.00

Post-fee monthly returns (%)

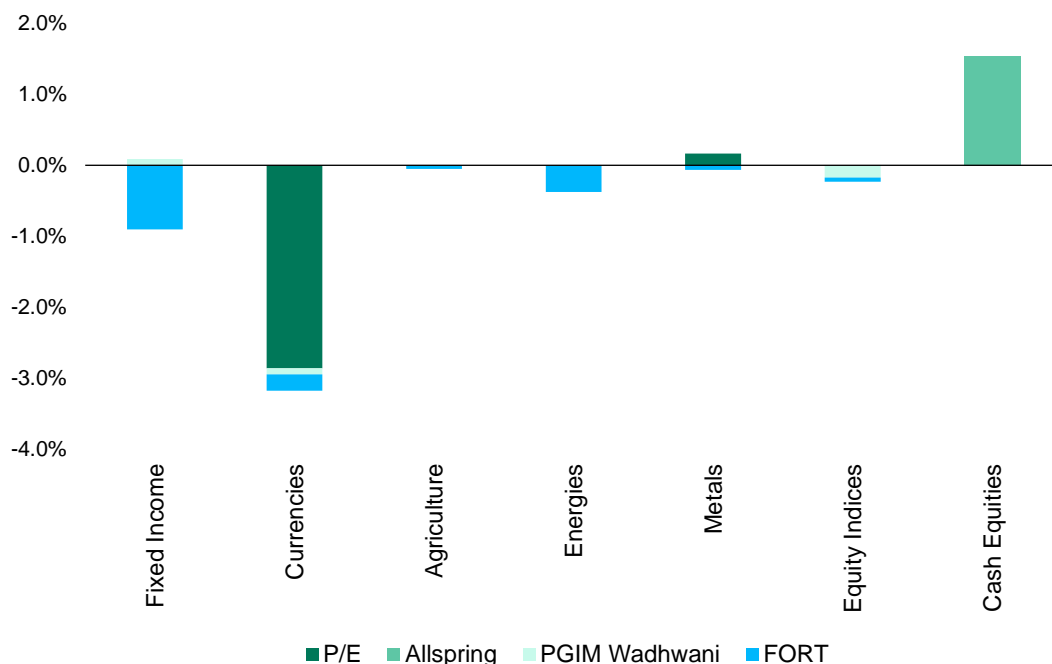
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017								-1.23	0.66	3.20	-1.65	-0.55	0.36
2018	-1.11	0.56	0.59	2.91	0.32	1.82	-0.36	-0.18	-0.16	1.68	-0.53	-0.55	5.02
2019	-1.00	0.78	1.06	2.14	-1.95	-1.39	1.87	2.09	-0.06	-1.12	-0.25	-0.60	1.47
2020	-0.11	-1.12	-0.23	-1.45	-2.19	-2.61	-0.05	-2.49	-0.01	0.09	-1.51	-0.55	-11.62
2021	-0.51	-0.93	0.33	0.46	-0.07	1.47	1.73	1.10	1.66	-0.87	2.45	0.26	7.23
2022	-0.15	-1.44	-0.10	4.04	-0.77	-0.35	0.32	1.81	2.53	0.51	-2.60		3.70

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Sector performance by Underlying Funds



Performance summary

- The Fund returned -2.60%, net of fees, in November 2022. Risk markets responded positively to lower-than-expected US inflation numbers and China relaxing Covid-19 restrictions, with the MSCI World Index rising +7.0% in US dollar terms.
- The best performing underlying fund was the Allspring Global Long/Short Equity Fund, which seeks to exploit equity market inefficiencies through fundamental factor exposures, returning +6.9% and contributing +1.6% to the Fund. The largest detractor was the P/E Global FX Alpha Fund, which delivers the strategy's dynamic currency allocation, returning -9.3% and contributing -2.6% to the Fund.
- From a sector perspective, performance was driven by Allspring, which exclusively trades cash equities, and P/E, which remains the dominant currency exposure for the Fund. In cash equities, Allspring's positive tilts to valuation and quality factors were rewarded in adding excess returns to its risk-adjusted benchmark. In currencies, P/E noted that while speculators sold their long US dollar exposures in November, the Fund's fundamental drivers, including stronger relative growth in North America and elevated global inflation, remained broadly unchanged.
- Elsewhere, the Fund's distinct trend and macro managers, in FORT and PGIM Wadhvani respectively, contributed to losses as they continued to be positioned defensively ranging from short fixed income, short equity indices and long energies (which flipped to a short energies position toward the end of the month).
- Beyond performance, the Fund's strategic weight to PGIM Wadhvani was increased from 20% to 30%, while the strategic weight to FORT was reduced to 20%. This change reflects our increased comfort in PGIM Wadhvani's investment approach and its ability to navigate both up and down markets. We believe PGIM Wadhvani has the ability to adapt quicker to changes in market conditions, relative to trend following managers such as FORT that need more price evidence to change directional positions and thus are more susceptible to getting caught out at market inflection points. The relatively higher adaptive nature of PGIM Wadhvani is also considered a positive given the current volatility in markets.
- The Fund remains positioned to capitalise on persistent volatility through our high conviction process of selecting and combining active managers with differentiated styles, who are able to generate absolute returns independent of one another.

Please click on the links below to view the report for each Macquarie Underlying Fund.

- [P/E Global FX Alpha Fund](#), and
- [FORT Global Trend Fund](#).

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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.

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

Important information

Information in this report has been sourced from the investment managers of the Underlying Funds and Macquarie.

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