

Macquarie Professional Series Global Alternatives Fund

Macquarie Professional Series

Monthly report – 31 December 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	\$99.6m
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 31 December 2022

	Total Fund return (net)
1 month (%)	-1.40
3 months (%)	-3.48
1 year (%)	2.24
3 years (% pa)	-1.05
5 years (% pa)	0.64
Since inception (% pa)	0.67

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	27.30
Allspring (Lux) Global Long/ Short Equity Fund	24.90
FORT Global Trend Fund	18.80
PGIM Wadhvani Keynes Systematic Absolute Return Fund	29.00

Post-fee monthly returns (%)

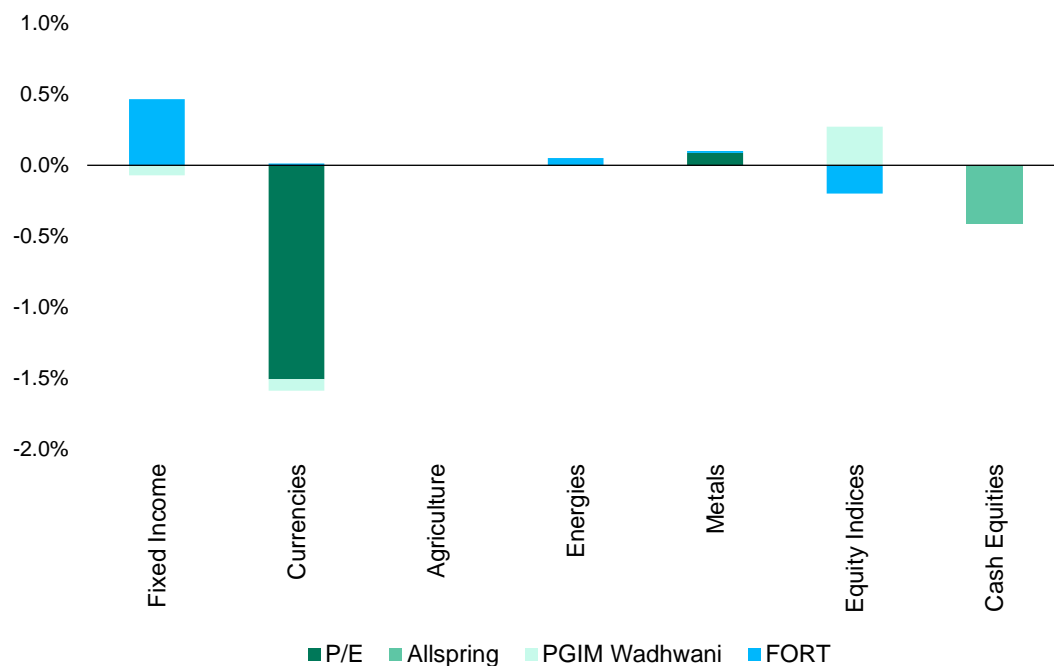
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017								-1.23	0.66	3.20	-1.65	-0.55	0.36
2018	-1.11	0.56	0.59	2.91	0.32	1.82	-0.36	-0.18	-0.16	1.68	-0.53	-0.55	5.02
2019	-1.00	0.78	1.06	2.14	-1.95	-1.39	1.87	2.09	-0.06	-1.12	-0.25	-0.60	1.47
2020	-0.11	-1.12	-0.23	-1.45	-2.19	-2.61	-0.05	-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	-1.40	2.24

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Sector performance by Underlying Funds



Performance summary

- The Fund returned -1.40%, net of fees, in December 2022. Risk markets declined in December, with, for example, the MSCI World Index falling -4.0% in US dollar terms, following a hawkish message delivered by the US Federal Reserve, which pointed to a scenario of persistent inflation and continued tightening in the short to medium term.
- The best performing underlying fund was the FORT Global Trend Fund, whose exposure is price-based momentum, returning +2.0% and contributing +0.4% to the Fund. The largest detractor was the P/E Global FX Alpha Fund, which delivers the strategy's dynamic currency allocation, returning -5.3% and contributing -1.5% to the Fund.
- From a sector perspective, FORT's fixed income positioning was the predominant contributor to the Fund. Gains in bonds were driven by short positions in Europe, where short exposure increased throughout the month. Short positions in the UK also contributed, while short positions in North America detracted. In interest rates, all regions contributed positively, primarily driven by short positions in Europe. In currencies, P/E's short Japanese yen position detracted notably as the Bank of Japan made a surprising announcement to widen the band on its Yield Curve Control policy, which fuelled investor expectations of greater moves in the future. P/E see the past two months of currency movements as driven primarily by changes in speculative positions rather than material changes in fundamental factors, such as relative growth expectations, which have remained broadly unchanged.
- Elsewhere, whilst gains were made in PGIM Wadhvani's directional equity positions across both developed and emerging markets (but most notably in North America), these were offset by FORT's equity positions, whose trend strategy entered the month long North America (only flipping to short during the last trading week). Allspring's cash equity positions also detracted, giving back some of the strong gains seen over the past two months.
- 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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