

P/E Global FX Alpha Fund

Macquarie Professional Series

Monthly report – 31 December 2022

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	\$186.6m
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

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

Fund performance to 31 December 2022

	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	-5.27	0.50	-5.77
3 months (%)	-13.86	0.96	-14.82
1 year (%)	17.48	1.51	15.97
3 years (% pa)	6.48	0.60	5.88
5 years (% pa)	8.74	0.90	7.84
Since inception (% pa)	5.68	0.98	4.70

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 (%)

Year	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	4.42	-3.69	8.70	-3.32	11.93
2022	5.11	-3.14	-0.88	14.30	-4.09	7.78	1.61	5.40	6.80	0.25	-9.29	-5.27	17.48

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Performance summary

- The Fund returned -5.27%, net of fees, in December 2022.
- The Japanese yen strengthened considerably during the month, when the Bank of Japan widened the band on its Yield Curve Control (YCC) policy. Short term rates in Japan remain at 0%; however, Japanese 10 Year Notes can now yield up to 0.5%, versus 0.25% prior to the announcement. While this change was not material, it did fuel investor expectations of greater moves in the future. The US Federal Reserve and European Central Bank both raised rates by 50 bps in December; still, investors interpreted these moves divergently, seeing a more dovish Fed and a more hawkish ECB. Over the past two months, changes in speculative positions, rather than material changes in fundamental factors, have driven currency prices. Investors liquidated speculative long US dollar positions in November. In December, speculative short US dollar positions grew crowded. This crowding should support the US dollar into January.
- Currently, the main factors driving FX positioning are 1) relative growth expectations, where countries with higher growth expectations are more attractive, 2) yield curve characteristics, where steeper curves are more attractive, and 3) capital flows, where the level of speculative positions has become material.

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

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