Ironbark GCM Global Macro Fund

OBJECTIVE

Seeks to deliver returns with low correlation to the broader equity and fixed income markets and other alternative strategies.

APIR	DEU0109AU	**ARSN**	089 896 837
INCEPTION DATE	30 November 1999	**FUND SIZE**	$163.7m
MANAGER APPOINTED	1 April 2019	**EXIT PRICE**	$1.0942

Net performance (%) and statistics

	1 month	3 months	6 months	1 year	2 years p.a.	3 years p.a.	5 years p.a.	Since inception p.a.
Fund[1]	**-3.08**	**-1.64**	**1.80**	**6.47**	**-1.23**	**-1.41**	**0.01**	**3.08**
GCM Composite[2]	**-3.08**	**-1.64**	**1.80**	**6.47**	**-1.23**	**5.65**	**6.14**	**7.12**

[1]Shaded Fund performance prior to 1 April 2019 is not attributable to GCM, but the previous investment manager. The GCM track record since strategy inception is presented below.

GCM Composite 1 month rolling returns[2]

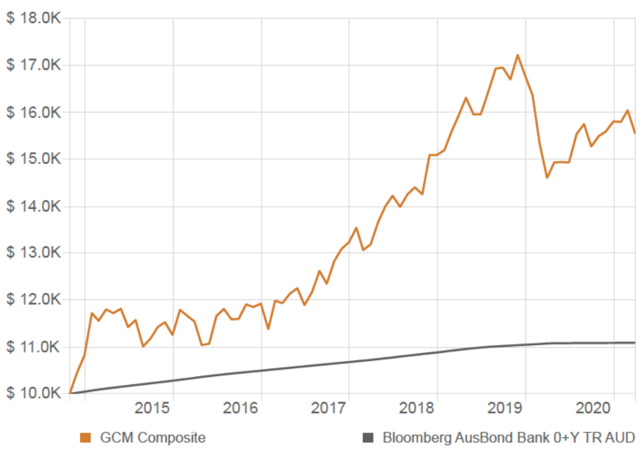
CY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CYTD
2021	-0.07	1.57	-3.08										**-1.64**
2020	-2.52	-6.25	-4.79	2.28	0.02	-0.03	4.02	1.38	-3.02	1.44	0.66	1.36	**-5.82**
2019	0.69	2.51	2.31	2.34	-2.15	-0.02	2.97	3.07	0.10	-1.48	3.12	-2.55	**11.21**
2018	2.35	-3.51	0.91	3.53	2.56	1.60	-1.67	1.93	1.03	-1.04	5.87	0.02	**14.07**
2017	-4.56	5.30	-0.40	1.66	0.97	-2.93	2.33	3.71	-2.17	3.91	2.00	1.11	**10.96**
2016	4.76	-1.05	-1.07	-4.36	0.26	5.36	1.27	-1.86	0.07	2.68	-0.48	0.62	**5.94**
2015	8.33	-1.38	2.09	-0.68	0.81	-3.31	1.31	-4.87	1.48	2.26	0.89	-2.35	**4.04**

GCM Composite statistics since inception[2]	
Standard deviation p.a.	9.58%
Sharpe ratio	0.60
% of winning months	63.64%
Average win	2.25%
% of losing months	36.63%
Average loss	-2.29%

GCM Composite correlations since inception[2]	
S&P 500 Total Return Index AUD	0.33
MSCI World NR Index AUD	0.30
S&P/ASX 300 TR	0.29
Barclays US Aggregate Bond Index AUD	0.05
Bloomberg Ausbond Bank 0+Y TR AUD	0.16

Investment growth of $10,000 since inception[2]

Time Period: 1/11/2014 to 31/03/2021



Past performance is not indicative of future performance. Net performance figures are calculated using exit prices, net of fees and reflect the annual reinvestment of distributions.

[2]For periods between 1 November 2014 to 31 March 2019, the GCM Composite returns in AUD are based on the Graham Quant Macro Series A ('GCM strategy') track record in USD. **The GCM strategy was incepted 1 November 2014**. From 1 November 2014 to 31 December 2015, the GCM performance record reflects the pro forma rates of return of a proprietary account trading the strategy. No assurance can be made that any assumptions used in calculating the pro forma performance would not have a material impact on the performance presentations. The performance record from 1 January 2016 to 31 March 2019, reflects the actual net performance of Series A of the Graham Global Investment Fund SPC Ltd - Quant Macro Segregated Portfolio. For periods from 1 November 2014 to 31 March 2019, returns are net of all underlying fees and the Fund level fee of 0.97% p.a. Performance from 1 April 2019 reflects the actual net returns of the Ironbark GCM Global Macro Fund. Data source: GCM and Morningstar Direct.

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Sector exposure (%)

Sectors	Long	Short	Net	Gross
Commodities	12.0	0.9	11.1	12.8
Base Metals	5.8	0.0	5.8	5.8
Energy	17.6	1.0	16.6	18.6
Equities	25.1	17.8	7.3	42.9
FX	34.6	84.4	-49.7	119.0
Long Term/Intermediate Rates	68.6	53.9	14.7	122.5
Precious Metals	3.4	4.4	-1.1	7.8
Short Term Rates	31.3	0.0	31.3	31.3
Total[1]	**198.4**	**162.4**	**36.0**	**360.7**

[1]Totals may not equal due to rounding.

Market review

In March, success with the vaccine rollout in the US and UK coupled with continued monetary and fiscal aid fuelled optimism for the reopening of economies and the outlook for global growth.

Amidst this backdrop, equities continued their upward trend. US equities benefitted from an additional late month rally following the announcement of Biden's $2.3 trillion infrastructure plan, and the S&P 500 closed March up 4.2%. Despite new lockdown measures and lagging vaccination rates in the Eurozone, European equities were pulled higher along with US equities, with the DJ Eurostoxx index finishing the month 7.9% higher. Asian equity indices posted smaller gains in both the Nikkei and Hang Seng.

In bond markets, government bond yields generally rose as expectations took hold for a strong global rebound in economic activity coupled with higher inflation. In the US, the curve steepened as 5-year and 10-year yields rose 0.21% and 0.34%, respectively. Elsewhere, Eurozone bonds held steady as the German 10-year yield dropped 0.03%, supported by comments from the European Central Bank that they planned to maintain their supportive stance despite rising inflation.

The US dollar strengthened against its major counterparts and the dollar index closed March up 2.6%. The US currency notably recorded a 3.9% gain against the Japanese yen as investors digested positive economic data and signs of a US recovery. Likewise, the euro, Australian dollar, and British pound sterling declined 2.9%, 1.4%, and 1.1%, respectively, versus the US dollar.

Energy prices retreated in March, losing some of their recent momentum. Crude oil declined 3.7% as the potential for a lacklustre rebound in demand and a steep, single-day drop outweighed short-term production cuts and the grounding of a container ship that blocked the Suez Canal. Natural gas maintained a downward trajectory, finishing March 5.8% lower. Agricultural commodity prices generally fell, with American crops negatively impacted by a strong US dollar and favourable weather conditions. Precious metals also weakened due to the US dollar's positive performance and lack of safe haven demand, while base metals experienced mixed performance.

The Fund's strategy posted modest net losses from commodities and fixed income, which overshadowed strong gains in currencies.

Performance

The Ironbark GCM Global Macro Fund (the 'Fund') returned -1.64% (net) for the quarter.

The Fund recorded modest losses, primarily from long positions in energies and metals. Positions in the sector were driven primarily by the macro fundamental, trend, and carry sub-strategies. In fixed income, losses were also recorded from mixed positions on the yield curve in Europe and the US. Positioning in the sector was influenced by a mix of all four underlying sub strategies. In equities, the strategy was virtually flat as gains from long positions in Asian and UK indices were nearly offset by losses in European indices. Long equity positioning was driven by the carry and trend sub-strategies. Gains were recorded in currencies, primarily from long positions in the US dollar versus the Japanese yen, Swiss franc, and euro. Long US dollar positioning grew over the course of the month, influenced primarily by portfolio diversification benefits and the carry sub strategy.

Outlook

At the conclusion of the first quarter, increased optimism regarding the reopening of global economies continues to pave the way for markets. Global central banks remain patient and are still assessing incoming economic data regarding the speed of recovery which varies across economies. Meanwhile, new variants continue to introduce some uncertainty.

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Outlook (continued)

Although many central banks have communicated intentions to maintain accommodative policies for the medium to long-term, some market participants anticipate the potential of policy tightening sooner rather than later.

In the US, the Federal Reserve remains accommodative as it pursues its dual mandate and will be patient in awaiting actual data demonstrating a sustained recovery, especially in labour. In tandem, the Federal Reserve has confirmed its intention to let inflation run above its 2% target, as outlined in its Flexible Average Inflation Targeting regime. The European Central Bank, meanwhile, reacted to the rise in sovereign yields in the first quarter, viewing it as an unwarranted tightening in financial conditions, by announcing a significant increase in the pace of their Pan-European Personal Pensions ('PEPP') purchases in the second quarter. While the goal of this additional support is to keep the risk of derailing a recovery in check in the near term, the question remains how long the European Central Bank will maintain the increased pace of PEPP purchases beyond the second quarter.

Elsewhere, based on recent comments from the Bank of Canada's Deputy Governor Gravelle, expectations of a taper in easing as early as April appear unlikely, with Gravelle noting that they expect to continue adding stimulus through quantitative easing, although the pace of this stimulus may moderate. Lastly, the Reserve Bank of Australia exhibits a reaction function that is nearly maximally dovish when looking at the spectrum of global central banks. The Reserve Bank of Australia has communicated their determination to see actual progress towards their goals realised in the data before removing accommodation and are likely to be very slow in abandoning an easing bias.

In light of this, a reflation theme persists in the markets. The recovery trend has resulted in strong directional moves coupled with shifts in short-term correlations across many of the markets traded by the Fund this year.

The Fund has profited from the upward moves in various commodity markets and equities in recent months, recorded a modest decline for the quarter amidst reversals in energies and agricultural markets. Long exposure to the US dollar increased over March, partially offsetting losses and providing overall balance and diversification to other "risk-on" positions in the Fund.

Material matters

During the month, there have been no material changes to the Fund in terms of key service providers, the risk profile, investment strategy or changes to individuals in the investment team who play a key role in the investment decisions of the Fund.

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