QUARTERLY REPORT
AS AT 30 JUNE 2022

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**	$105.1m
MANAGER APPOINTED	1 April 2019	**EXIT PRICE**	$1.3078

Net performance (%) and statistics

	1 month	3 months	6 months	1 year	3 years p.a.	5 years p.a.	7 years p.a.	Since inception p.a.[2]
Fund[1]	**2.14**	**7.93**	**19.52**	**14.44**	**5.21**	**2.70**	**2.40**	**3.72**
[1]Fund performance prior to 1 April 2019 is not attributable to the current investment manager, but the previous investment manager. Presented below is the longer-term track record of the current investment manager's strategy since its inception.								
GCM Composite[3]	--	--	--	--	--	**9.34**	**7.20**	**8.42**

GCM Composite 1 month rolling returns[3]

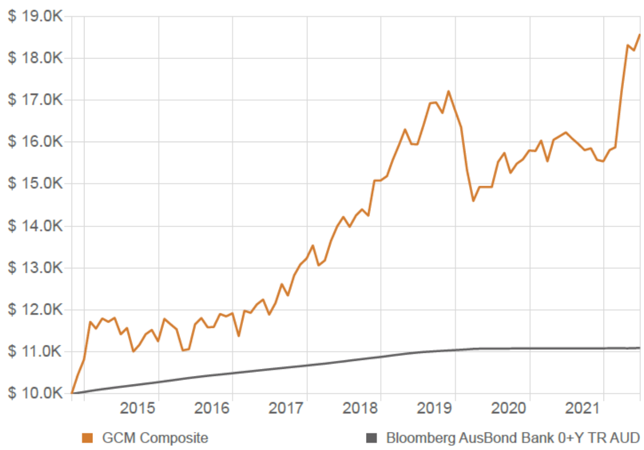
CY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CYTD
2022	1.73	0.41	8.41	6.40	-0.68	2.14							**19.52**
2021	-0.07	1.57	-3.08	3.30	0.56	0.55	-0.92	-0.81	-0.90	0.28	-1.74	-0.23	**-1.64**
2020	-2.52	-6.25	-4.79	2.28	0.02	-0.03	4.02	1.38	-3.02	1.44	0.66	1.36	**-5.82**
2019	0.69	2.51	2.31	2.34	-2.15	-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**

GCM Composite statistics since inception[3]	
Standard deviation p.a.	9.61
Sharpe ratio	0.75
% of winning months	63.04
Average win	2.30
% of losing months	36.96
Average loss	-2.04

GCM Composite correlations since inception[3]	
S&P 500 Total Return Index AUD	0.22
MSCI World NR Index AUD	0.19
S&P/ASX 300 TR	0.27
Barclays US Aggregate Bond Index AUD	-0.03
Bloomberg Ausbond Bank 0+Y TR AUD	0.05

Investment growth of $10,000 since inception[3]

Time Period: 1/11/2014 to 30/06/2022



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]Returns since inception represent the annualised performance from the first full month of operation.

[3] The inception date of the GCM Composite is 1 November 2014. Performances periods from 1 November 2014 to 31 March 2019 represent the Graham Quant Macro Series A ('GCM strategy') track record in USD, converted to AUD, net of fees. From 1 November 2014 to 31 December 2015, the GCM strategy represents 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. From 1 January 2016 to 31 March 2019, the GCM strategy represents the actual net returns of Series A of the Graham Global Investment Fund SPC Ltd - Quant Macro Segregated Portfolio. Performance periods from 1 April 2019 represent the actual net returns of the Ironbark GCM Global Macro Fund. Source: GCM and Morningstar Direct.

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Sector exposure (%)

Sectors	Long	Short	Net	Gross
Ags/Softs	8.5	0.6	7.9	9.1
Base Metals	0.3	3.7	-3.4	4.0
Energy	18.7	0.0	18.7	18.7
Equities	4.4	14.4	-10.0	18.8
FX	11.0	51.6	-40.5	62.6
Long Term/Intermediate Rates	26.7	21.0	5.7	47.7
Precious Metals	7.5	0.0	7.5	7.5
Short Term Rates	0.0	7.8	-7.8	7.8
Total[1]	**77.2**	**99.0**	**-21.8**	**176.3**

[1]Data is stated in USD terms and reflects the underlying fund. Totals may not equal due to rounding.

All currency references in the commentary below are in US dollar terms unless stated otherwise.

Market review

Despite a month-end rally, global equities declined in June as rising inflation and growing recession risk weighed on major benchmark indices. In the US, the S&P finished 8.3% lower but fell as much as 11% early in the month following higher-than-expected CPI inflation and a surprising increase in long-term inflation expectations data. The US Federal Reserve reacted to the surprisingly strong inflation data with a 0.75% rate hike, in contrast to their previous guidance for a 0.50% hike, and equities subsequently recovered some of their earlier losses. European equities also experienced intramonth volatility. The DJ Eurostoxx ultimately finished 8.8% lower as investors faced similar recession fears, driven not only high inflation and expectations for tighter monetary policy, but also by the possibility of losing access to key energy resources in industrial nations. Asian equities were mixed and the Nikkei was pressured 3.3% lower while the Hang Seng rallied on optimism surrounding the easing of COVID lockdowns.

Global fixed income markets were very active during June. US Treasury yields rose over the month as markets anticipated a more aggressive tightening cycle from the Federal Reserve. The 2-year yield spiked mid-month to its highest level since late 2007 as the Federal Reserve delivered its 0.75% hike, signalled another 0.50% or 0.75% rate increase in July, and a cumulative 3.25% of tightening in 2022, but only ended the month up 0.40% as growth fears started to dominate the narrative. European government bond yields followed a similar path, with a spike in the first half of the month as the ECB guided towards a 0.25% rate hike in July, its first in over a decade, and signalled a high probability that they too would accelerate the tightening cycle with a 0.50% hike in September. While peripheral spreads widened in anticipation of this tightening path, the ECB quickly began socialising plans for an anti-fragmentation tool to support monetary policy transmission, helping to stifle the trend. In Japan, though markets remained focused on the possibility that the Bank of Japan would loosen its yield curve control policy given rapid currency depreciation, the Bank of Japan ultimately held fast at its June meeting and recommitted to the policy, keeping JGBs contained.

Major currencies also experienced short-term volatility in June. The US dollar index finished the month 2.9% higher, but first spiked almost 4% to a 20-year high by mid-month before retracing part of that move after equities bounced back and safe haven demand waned. The Japanese yen plunged to a 24-year low, finishing nearly 5.5% lower versus the US dollar on diverging central bank policies between the hawkish Federal Reserve and the dovish Bank of Japan. Meanwhile, the British pound sterling weakened versus the dollar, falling 3.3% for the month, given clear signs of weakening momentum and relatively lower interest rates in the UK.

Commodities reversed recent bullish trends and broadly sold off during the month, with many markets experiencing dramatic moves. Natural gas prices fell more than 33% due to less short-term demand than forecasted and the shutdown of a major US export plant halted exports and led to domestic oversupply. Brent crude oil also sold off more than 7.7%, as global recession concerns weighed on prices. In agricultural commodities, similar pressures in addition to improving weather conditions weighed on corn and the soy complex, which saw steep selloffs of 13% and 4%, respectively. In metals, gold ended the month 2% lower, pressured lower by a strong US dollar and rising yields while base metals posted declines well into the double digits.

Performance review

The Ironbark GCM Global Macro Fund (the 'Fund') returned 7.93% (net) for the quarter (in Australian dollar terms).

The Fund generated strong gains in fixed income, most notably from short positions across the yield curve in the US and Europe. The macro fundamental and trend sub-strategies were primarily responsible for generating short fixed income positions. The Fund also recorded profits in currencies, mainly due to short exposure to the Japanese yen and British pound versus the US dollar. Long US dollar positions continued to be influenced by a combination of carry, trend, and value strategies as well as portfolio construction considerations. In equities, gains resulted from short positions in European and US benchmark indices. Short equity positions were driven mainly by the macro fundamental and trend sub-strategies. Losses in commodities were primarily driven by positions in energy with smaller losses in grains and cotton.

Performance review (continued)

Long energy positions were driven by a combination the underlying strategies, while agricultural commodity positions were driven by a combination of carry, trend, and value strategies.

Market outlook

The extensive volatility across many markets during June highlights the large degree of uncertainty surrounding the current economic outlook, with investors particularly focused on how central banks will respond to the highest inflation in forty years and how their response will impact global markets. While high inflation dominated the narrative early in the month and central banks moved aggressively in response to higher-than-expected May data, the narrative quickly switched towards slowing growth, with markets beginning to fear that resolving the high inflation problem would come at the cost of recession. These concerns are not only weighing on market sentiment and adding to investor caution, but also starting to appear in the hard data, with US consumer spending showing signs of slowing through the first half off this year.

To illustrate this point, just last month, market participants were confident that the Federal Reserve would raise rates by 0.50% in June and July, with the Federal Reserve having clearly laid out the policy path at its May meeting. The Federal Reserve, however, reacted quickly to surprisingly strong inflation data early in the month, suggesting not only that they will be resolute in moving rates higher, but also that they are prepared to act very aggressively and flexibly in pursuit of their mandate, suggesting that markets cannot rely on the forward guidance that had helped to suppress volatility in the years prior to the pandemic. Central banks across the globe followed the lead, with the Swiss National Bank delivering a 0.50% rate hike when the Bloomberg consensus was expecting no change, the Norges Bank also surprising with a 0.50% hike, and the Hungarians announcing a massive 1.85% rate hike. While not all of these banks represent major markets, the key points are that central banks will not hesitate to surprise on the hawkish side in a high inflation environment and uncertainty is likely to remain elevated.

Going forward, the push and pull between growth and inflation concerns is likely to continue driving market activity. So far, the Federal Reserve has signalled that it will be resolute the face of high inflation, with Chair Powell openly acknowledging the risk of recession but indicating that the Federal Reserve simply cannot allow inflation to become entrenched at these high levels. At the same time, growth concerns are mounting, with growth momentum slowing across developed markets. Europe appears especially vulnerable, as the Russia-Ukraine war and a potential loss of energy resources could portend a sharp recession, but also very high inflation. Central banks are likely to face increasingly difficult trade-offs as the year progresses and, as learned this month, policy will become more difficult to predict in this environment.

Material matters

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.

The Fund is classified as a hedge fund in accordance with the Australian Securities and Investments Commission, Regulatory Guide 240 ‘Hedge funds: Improving disclosure’. This classification is based on the fact that the Fund currently exhibits two or more characteristics of a hedge fund, being:

- complexity of investment strategy or structure;
- use of leverage;
- use of derivatives;
- use of short selling;
- charges a performance fee.

This information contains general information only and is not intended to represent specific investment or professional advice. The information does not take into account an individual’s personal financial circumstances, objectives or needs. Before making an investment decision, you should consider obtaining professional investment advice that takes into account your personal circumstances and should read the current target market determination and offer document before making an investment decision to acquire or to continue to hold units in the Fund.