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Dear Investor

Macquarie Professional Series Global Alternatives Fund ARSN 617 266 127 (Fund) – Changes to the Fund

Following a review of the Fund's portfolio and a rigorous due diligence process, Macquarie Investment Management Australia Limited (**Macquarie, we, us, our**) is pleased to announce that the Fund's portfolio managers have selected the FORT Global Trend Fund and the PGIM QMAW Keynes Systematic Absolute Return Fund (**New Underlying Funds**) to replace the Winton Global Alpha Fund (**Winton**) in the Fund's line-up of Underlying Funds.

The Fund's portfolio managers have tracked the investment strategies of the New Underlying Funds over several years, which has included discussions and meetings with business representatives and portfolio managers of each New Underlying Fund. Over time, they have developed a deep understanding of each New Underlying Fund's investment philosophy and process, and how these strategies can contribute to the Fund.

As a result, from on or around 29 October 2021 (**Effective Date**), the strategic allocation of the Fund will be as follows:

| Underlying Fund | Strategic allocation (% of Fund)* |
|--|-----------------------------------|
| FORT Global Trend Fund | 30 |
| P/E Global FX Alpha Fund | 25 |
| PGIM QMAW Keynes Systematic Absolute Return Fund | 20 |
| Wells Fargo (Lux) Worldwide Fund - Global Long/Short Equity Fund | 25 |

*We may change the Fund's strategic allocation to the Underlying Funds without notice to investors. The Fund's actual allocation to the Underlying Funds is likely to differ from its strategic allocation as we generally only rebalance the Fund's holdings when actual allocations move outside specified tolerance thresholds.

FORT Global Trend Fund (FORT Fund)

The FORT Fund is an Australian registered managed investment scheme. Macquarie, as the responsible entity of the FORT Fund, has appointed FORT, L.P. (**FORT**) to manage the FORT Fund's futures on a discretionary basis.

FORT, founded in 1993, is an alternative investment firm based in the United States, and is exclusively committed to quantitative investment strategies. As at 31 August 2021, FORT had US\$5.9 billion in assets under management mainly focused on managed futures strategies.

The FORT Fund aims to generate long-term total returns by investing in exchange-traded futures providing exposure to equities, bonds, interest rates, currencies and commodities. The FORT Fund

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holds both long and short positions in futures. The FORT Fund also holds cash and cash equivalents either directly or through funds managed by a member of the Macquarie Group.

FORT's investment process is based on a proprietary systematic trading strategy that seeks to identify both positive and negative trends in market prices across a broad spectrum of futures contracts traded on recognised exchanges, allowing the FORT Fund to gain exposure to the underlying assets. This global and sector diversification provides the FORT Fund with opportunities to seek profit in a variety of market environments.

PGIM QMAW Keynes Systematic Absolute Return Fund (KSAR Fund)

The KSAR Fund is a sub-fund of PGIM Funds plc, an Irish investment company regulated as a UCITS under European Union law. The sub-investment manager of the KSAR Fund is PGIM Wadhvani LLP (**PGIM Wadhvani**), a London-based quantitative multi-asset macro specialist. PGIM Wadhvani is a part of PGIM, Inc. (**PGIM**), which as at 30 June 2021, had US\$1.1 trillion in assets under management across a broad range of asset classes and strategies covering fixed income, equity, alternatives, multi-asset and real estate.

The KSAR Fund aims to achieve a positive return on capital while simultaneously attempting to limit the risk of capital loss using a multi-faceted risk management approach. The KSAR Fund may invest in various instruments such as financial derivatives including forward foreign exchange contracts, swaps, futures, currency spots and total return swaps, as well as ETFs, other UCITS (that is, investment funds regulated by European Union law) and direct equities. Furthermore, in order to facilitate trading in derivatives, the KSAR Fund may also invest in cash and cash equivalents, including certificates of deposits and/or money market instruments.

PGIM Wadhvani's investment process employs a systematic approach to capture returns associated with both traditional and alternative beta from holding positions in equity, foreign exchange and government bond markets. Traditional beta refers to market returns available from investing in broad market equity indices and bond markets, while alternative beta refers to the time variation in returns associated with factors such as valuation, macroeconomic signals and sentiment. PGIM Wadhvani utilises proprietary quantitative models that attempt to forecast returns, risk, correlation and transaction costs and vary the allocation to each asset class dynamically over time (including sometimes having net short positions).

Why are the New Underlying Funds being added to the Fund?

- ***More distinct and specialised underlying components***

We are replacing Winton's diversified strategy, which included both trend and non-trend following signals, with two distinct strategies:

- the FORT Fund's pure trend-following strategy, which provides exposure to price momentum across various asset classes, and
- the KSAR Fund's systematic macro strategy, which provides exposure to non-trend signals across various asset classes.

In line with the Fund's bottom-up investment process of picking distinct drivers of returns, we believe that the combination of these two specialist strategies, with both aiming to deliver absolute risk-adjusted returns, will create a greater potential for the Fund to generate long-term total returns.

- ***Ability to systematically allocate to underlying signals more dynamically***

Both of the New Underlying Funds use a systematic approach to dynamically select and allocate to signals across different asset classes and holding periods. This gives the investment strategies of each New Underlying Fund the ability to respond rapidly to changing market conditions, which we see as a benefit in the current market environment.

- ***Increase the number of Underlying Funds in the Fund***

The Fund's portfolio managers aim to create a high conviction portfolio of complementary Underlying Funds that, when combined, are capable of achieving the Fund's investment objective. The COVID-19 period showed that investment strategies and businesses, such as the IPM Global

Macro strategy, can come under strain in extremely stressed market environments. By increasing the number of Underlying Funds from three to four, we feel that we are able to diversify the Fund's Underlying Fund risk while also retaining a high conviction approach.

We believe that the New Underlying Funds are complementary to the Fund's existing holdings in the P/E Global FX Alpha Fund and the Wells Fargo (Lux) Worldwide Fund – Global Long/Short Equity Fund, and that their contribution will enhance the Fund's potential to produce attractive risk-adjusted returns from a diversified and well-balanced liquid alternatives portfolio, while also seeking to maintain a low correlation to traditional asset classes such as equities and fixed income.

Beyond the investment rationale, how will this impact the Fund?

- ***No change to Fund liquidity profile***
Adding the New Underlying Funds to the Fund's portfolio will not impact the liquidity profile of the Fund.
- ***No change to management fee***
The management fee charged by the Fund will remain unchanged.
- ***Do the New Underlying Funds charge performance fees?***
Neither the FORT Fund nor the KSAR Fund charge performance fees. As such, the Fund will not indirectly bear any performance-related fees as a result of investing in the New Underlying Funds.

Other changes to the Fund

In addition to the above, we also wish to inform you of two further upcoming changes to the Fund.

- JP Morgan Chase Bank, N.A. (ABN 43 074 112 011, AFSL 238367) (**JPM**) will provide fund accounting services to the Fund and the Significant Underlying Funds (P/E Global FX Alpha Fund and FORT Fund), including the following services: unit pricing, the maintenance of fund accounting records and the preparation of financial statements.
- Citigroup Pty Limited (**Citi**) will cease as custodian of the Fund on or around the Effective Date. From the Effective Date, the assets of the Fund previously held by Citi (units in P/E Global FX Alpha Fund) will be held in the name of Macquarie as responsible entity of the Fund.

More information

The changes to the Fund described in this letter are contained in the Supplementary Product Disclosure Statement for the Fund, dated 15 October 2021, which supplements and amends the Product Disclosure Statement for the Fund, dated 1 July 2021 (**PDS**). The Supplementary PDS is available at macquarie.com.au/pds or by contacting us.

Please contact Macquarie Investment Management Client Service on 1800 814 523 (8.30am to 5.30pm Sydney time, Monday to Friday) or email mim.clientservice@macquarie.com if you have any questions about the changes or would like more information about the Fund.

Yours sincerely



Graham Maiden
Head of Client Service
Macquarie Investment Management