The IPM Global Macro Fund aims to provide investors with long-term absolute returns by examining key fundamental macroeconomic drivers behind an asset’s value.

Systematic global macro strategy
Seeks to generate alpha from insights into fundamental economic drivers

Diversified approach
Exposure to a portfolio of currencies, government bonds and equity market indices

Potential long-term absolute returns
Expected low correlation to equities, bonds, and other alternative strategies

Systematic global macro strategy
The IPM Global Macro Fund (the Fund) is founded on the belief that asset prices:

- are connected to fundamental macroeconomic drivers
- fluctuate around their fundamental value.

IPM use quantitative models to analyse how macroeconomic drivers interact with the dynamics of asset price returns. The Fund seeks to capitalise on an asset’s fundamental value, and not on trends in asset prices.

Opportunity: based on fundamental drivers of return, rather than trend following

What is ‘global macro’?
‘Global macro’ funds select fund positions based on worldwide and country-specific fundamental macroeconomic data, such as economic growth and inflation.

For example, when looking at government bonds, the IPM Global Macro Fund looks at the important individual macroeconomic drivers affecting their value, such as inflation, and the shape of the yield curve, and combines these individual drivers to form a single fundamental view.
Diversified approach

The Fund provides investors with returns from different sources via exposure to a wide range of asset classes; equities, government bonds, and developed and emerging market currencies.

Potential long-term absolute returns

The Fund aims to provide investors with long-term returns across different market conditions.

The Fund is expected to have low correlation to traditional asset classes such as equities and bonds, and other alternative investment strategies. There are potential diversification benefits of investing part of a portfolio into a fund that has low correlation to traditional asset classes. Strategies that have low correlation to bonds and equities have the potential to reduce the volatility of (or ‘smooth’) a portfolio’s return profile, compared to a portfolio holding only equities and bonds.

What is ‘correlation’?

- **Positive correlation**: performance tends to move in the same direction at the same time
- **Negative correlation**: performance tends to move in the opposite direction at the same time
- **Low correlation**: performance moves randomly and has no significant relationship.

<table>
<thead>
<tr>
<th>Negative correlation</th>
<th>Low correlation</th>
<th>Positive correlation</th>
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<tbody>
<tr>
<td>The closer to -1, the more negatively correlated and the more different the performance</td>
<td>0</td>
<td>The closer to +1, the more positively correlated and the more similar the performance</td>
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</tbody>
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A different approach to global macro investing

IPM Global Macro Fund

For a full description of the risks of investing in the Fund, please read the Product Disclosure Statement (PDS). You should read the PDS before deciding to invest in the Fund.

About IPM

IPM is a specialist systematic investment manager developing robust investment strategies based on fundamental economic theory. Established in 1998 in Sweden, IPM currently manages over $US6.2 billion (as at 30 June 2017) on behalf of institutional investors globally.

Risks

All investments carry risk. Different investments carry different levels of risk, depending on the investment strategy and the underlying assets. Generally, the higher the potential return of an investment, the greater the risk. The risks of investing in the fund include:

**Strategy, model and research risk:** The Investment Manager’s strategy is implemented through a proprietary quantitative model that has a heavy emphasis on research. However, research is based on what has occurred in the past. To the extent a market deviates from its accustomed response to an event or the event itself is unusual, extreme or never before experienced by the market, the value of a research based methodology will lessen. Mathematical models are representations of reality but they may be incomplete and/or flawed and there is an inherent risk that any forecasts derived from them may be inaccurate, particularly if the research or models are based on, or incorporate, inaccurate assumptions or data. Assumptions or data may be inaccurate from the outset or may become inaccurate as a result of many factors such as, changes in market structure or increased government intervention in markets. As a result, the investment Manager’s investment process may not generate profitable trading signals and the Fund may incur a loss.

**Investment risk:** The risk of an investment in the Fund is significantly higher than an investment in a typical bank account or fixed income investment. While the Fund’s benchmark is the RBA Cash Rate, the Fund is not a cash fund and is not expected to behave like a cash investment. Amounts distributed to unitholders may fluctuate, as may the Fund’s unit price. The unit price may vary by material amounts, even over short periods of time, including during the period between a redemption request or application for units being made and the time the redemption unit price or application unit price is calculated. Changes in the prices of futures and OTC FX forwards positions held by the Fund may result in loss of principal or large movements in the unit price of the Fund within short or long periods of time, including during the period between a redemption request being made and the time the redemption unit price or application unit price is calculated. Different factors may affect the price of individual futures positions, particular asset classes (such as currencies) or futures positions generally at different times. Due to market risk and the potential short-term volatility of the Fund, investors should have a medium to long-term investment horizon.

**Leverage risk:** Arises when the Fund takes on positions that are greater in size than its assets. The Fund will take leveraged positions with the aim of increasing returns which can also lead to increased losses. Leverage arises in the Fund through taking both long and short futures positions which are larger in size than the net asset value of the Fund. While this process forms a key part of the investment strategy, it may mean that gains and losses may be significantly greater than those in a Fund that is not leveraged.

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Macquarie Professional Series – enabling local access to global specialists

The IPM Global Macro Fund is proudly brought to you by Macquarie Professional Series.

We search the world to uncover differentiated investment solutions, enabling local investors to access strategies from world-class fund managers. We leverage our insights into the local investment landscape, seeking to anticipate investment needs and identify relevant opportunities currently overlooked in the market.
A different approach to global macro investing

IPM Global Macro Fund

For more information speak to your financial adviser, call us on 1800 814 523, email mim.clientservice@macquarie.com or visit macquarie.com/personal/managed-funds

Important information

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