

# Macquarie Professional Series Global Alternatives Fund

## Supplement – Information on underlying funds



ARSN 617 266 127  
APIR code MAQ7578AU  
ASX mFund code MPS05

Macquarie Investment Management Australia Limited  
ABN 55 092 552 611 AFSL 238321

DATE OF ISSUE / 14 DECEMBER 2020



# Macquarie Professional Series Global Alternatives Fund

## Supplementary Product Disclosure Statement

Dated 19 May 2021

ARSN 617 266 127

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Issuer: Macquarie Investment Management Australia Limited

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**Other than Macquarie Bank Limited (MBL), none of the entities noted in this document are authorised deposit-taking institutions for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of MBL. MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities, unless noted otherwise.**

This Supplementary Product Disclosure Statement dated 19 May 2021 (**Supplementary PDS**) is supplemental to the Product Disclosure Statement (**PDS**), dated 14 December 2020, for the Macquarie Professional Series Global Alternatives Fund (**Fund**). The PDS, any previous Supplementary Product Disclosure Statements or updates and this Supplementary PDS should be read together.

On 23 April 2021, it was communicated that the IPM Global Macro Fund, one of the Underlying Funds that the Fund invests in, had been terminated.

Macquarie Investment Management Australia Limited (**Macquarie, we, us**) has completed the due diligence on a replacement Underlying Fund for the Fund and has selected Wells Fargo (Lux) Worldwide Fund - Global Long/Short Equity Fund (**Replacement Underlying Fund**), sub-advised by Wells Capital Management Incorporated, as the replacement underlying fund. From 1 June 2021 (**Effective Date**), the strategic allocation of the Fund will be as follows:

Underlying fund	Strategic allocation (% of Fund)
P/E Global FX Alpha Fund	35
Wells Fargo (Lux) Worldwide Fund - Global Long/Short Equity Fund	30
Winton Global Alpha Fund	35

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

As a result, the following changes will be made to the Fund from the Effective Date:

**a. Expanded investment universe**

We will expand the investment universe of the Fund from the Effective Date to include select external funds outside of the Macquarie Investment Management suites of funds, and also absolute return funds, in order to allow the Fund to access a broader range of specialist liquid alternative funds.

**b. Reduced management fee**

Due to the termination of the IPM Global Macro Fund, we temporarily reduced the Fund's management fee from 26 April 2021 until the date that the Fund invested into a replacement underlying fund, from 1.38% per annum of the net asset value of the Fund to 0.97% per annum of the net asset value of the Fund.

We have now decided to keep the management fee at 0.97% per annum of the net asset value of the Fund after the Fund has invested in the Replacement Underlying Fund.

### c. Change to Fund's indirect costs

Unlike the Fund's existing underlying funds, the administrative costs of the Replacement Underlying Fund are deducted from its assets. These include custody and administrator fees, audit, accounting and tax fees and the fee paid to the management company for the Replacement Underlying Fund, which oversees the management of all of the sub-funds of the Replacement Underlying Fund by their respective adviser/sub-adviser. The Fund will indirectly bear its share of these costs through its holding in the Replacement Underlying Fund.

We expect any increase in the Fund's indirect costs resulting from it investing in the Replacement Underlying Fund to be low relative to the Fund's management fee. For example, based on the Replacement Underlying Fund's administrative costs for its last financial year ending 31 March 2021, the Fund's indirect costs would have increased by 0.05% per annum over that period had it been invested in the Replacement Underlying Fund.

The PDS will be amended as follows on the Effective Date:

**1. The second paragraph in the 'Important information' section on the inside front cover of the PDS will be replaced with the following:**

There are a number of references to additional information about the underlying funds, in which the Fund can potentially invest 35% or more of its assets (**Significant Underlying Funds**). This information is contained in a separate supplement (**Supplement**). The Supplement forms part of the PDS and you should read the Supplement together with the PDS before making a decision to invest in the Fund.

**2. References in the PDS to the Supplement for information on each 'Underlying Fund' will be replaced with 'Significant Underlying Fund'.**

**3. The content under 'Macquarie Professional Series Global Alternatives Fund at a glance' on page 1 of the PDS will be replaced with the following:**

The Fund is a 'fund of hedge funds' for the purposes of Australian Securities and Investments Commission (**ASIC**) Regulatory Guide 240.

The following table sets out a summary of the disclosure that ASIC requires for fund of hedge funds, the key features of the Fund and a guide to where more detailed information can be found in this PDS. A copy of ASIC Regulatory Guide 240 dated October 2013 (as may be amended, supplemented or replaced from time to time) is available from [www.asic.gov.au](http://www.asic.gov.au).

Information on the underlying funds in which the Fund can potentially invest 35% or more of its assets (each a Significant Underlying Fund) is available in the 'Supplement for Significant Underlying Funds' which you can access at [macquarie.com.au/pds](http://macquarie.com.au/pds).

**4. The content in the sub-section entitled 'ASIC Regulatory Guide – Benchmarks' in the 'Macquarie Professional Series Global Alternatives Fund at a glance' section of the PDS will be replaced with the following:**

ASIC Regulatory Guide 240 – Benchmarks	
<b>Valuation of non-exchange traded assets</b>	<p>The Fund invests in hedge funds and other absolute return funds (<b>Underlying Funds</b>), which can include funds managed or operated by members of Macquarie Group (<b>Macquarie Underlying Funds</b>) and select external funds managed and operated by non-Macquarie Group companies (<b>External Funds</b>). The Fund may also hold cash and cash equivalents.</p> <p>This benchmark addresses whether valuations of the Fund's non-exchange traded assets are provided by an independent administrator or valuation service provider. The Fund's non-exchange traded assets are its interests in Underlying Funds and the cash and cash equivalents that it holds. The Fund does not meet this benchmark as we have not appointed an independent administrator or independent valuation service provider to value the Fund's non-exchange traded assets. However:</p> <ul style="list-style-type: none"><li>• Macquarie relies on valuation information from the administrators/investment managers of the External Funds, who are independent of Macquarie, to value the Fund's interests in those funds, and</li><li>• for Macquarie Underlying Funds, and cash and cash equivalents, Macquarie has expertise and experience in financial risk modelling and valuing financial products and other asset types, including non-exchange traded assets. Macquarie has in place valuation methods and policies which describe how non-exchange traded assets and liabilities are to be classified and the methodology to be used to value those assets and liabilities. These methods and policies are consistent with acceptable industry standards.</li></ul> <p>Refer to the Supplement for information on whether the Significant Underlying Funds meet this benchmark. Refer to Section 1.4 of this PDS for more information on how the Fund's assets are valued and the Supplement for information on how the assets of the Significant Underlying Funds are valued.</p>
<b>Periodic reporting</b>	<p>This benchmark addresses whether the responsible entity of the Fund provides periodic disclosure of certain key information for the Fund and each Significant Underlying Fund on an annual and monthly basis.</p> <p>This benchmark is not met as we do not provide some of the information specified in the benchmark. The table below sets out the information that we provide, how often it is available, where you can access it and also the</p>

information that we do not provide.

Type of information	Fund	P/E Global FX Alpha Fund	Winton Global Alpha Fund
<b>Actual allocation to each asset type</b>	Available. The actual allocation to each Underlying Fund will be available. Provided monthly in performance report available on our website.	Available. The Underlying Fund's exposure to each asset will be available. Provided annually in performance report for period ending 30 June available on our website.	Not available. Considered proprietary to investment manager of Underlying Fund ( <b>Winton</b> ). The percentage of the Underlying Fund's net asset value used as margin and the initial margin allocation to each sector will be available. Provided monthly in performance report for existing investors only. Contact us to request a copy.
<b>Liquidity profile of assets (that is, the estimated time required to sell an asset at the value ascribed to that asset in the most recently calculated net asset value)</b>	Not available. The liquidity profile for the Winton Global Alpha Fund is not provided. Accordingly, the liquidity profile for the Fund cannot be calculated.  Macquarie expects to realise at least 80% of the Fund's assets under normal market conditions at the value ascribed to those assets within ten days.	Available. Provided annually in performance report for period ending 30 June available on our website.	Not available. Considered proprietary to Winton.
<b>Leverage ratio (after taking into account the leverage embedded in the assets, other than listed equities and bonds)</b>	Not available. The leverage ratio for the Winton Global Alpha Fund is not provided. Accordingly, the leverage ratio for the Fund cannot be calculated.	Available. The initial margin to equity ratio will also be available. Provided annually in performance report for period ending 30 June available on our website.	Not available. However, the total initial margin to equity ratio for the Underlying Fund will be available. Provided monthly in performance report for existing investors only. Contact us to request a copy.
<b>Names of derivatives counterparties engaged</b>	Not available. Not relevant to Fund. However, will be available for Significant Underlying Funds.	Available. Provided annually in performance report for period ending 30 June available on our website.	Available. Provided annually in performance report for existing investors only for period ending 30 June. Contact us to request a copy.

	<b>Any changes (including changes in related party status) to any of the key service providers</b>	Available. Provided monthly in performance report available on our website.	Available. Provided monthly in performance report available on our website.	Available. Provided monthly in performance report available on our website.	
	<b>Monthly or annual investment returns over at least a five-year period (or since its inception if a shorter period)</b>	Available. Provided monthly in performance report available on our website.	Available. Provided monthly in performance report available on our website.	Available. Provided monthly in performance report available on our website.	
	<b>Current total net asset value</b>	Available. Provided monthly in performance report available on our website.	Available. Provided monthly in performance report available on our website.	Available. Provided monthly in performance report available on our website.	
	<b>Redemption value of a unit</b>	Available. Provided monthly in performance report available on our website.	Available. Provided monthly in performance report available on our website.	Available. Provided monthly in performance report available on our website.	
	<b>Net return on the assets after fees and costs (but before investor level taxes)</b>	Available. Provided monthly in performance report available on our website.	Available. Provided monthly in performance report available on our website.	Available. Provided monthly in performance report available on our website.	
	<b>Any material change in the risk profile, strategy or individual(s) playing a key role</b>	Available. Provided monthly in performance report available on our website.	Available. Provided monthly in performance report available on our website.	Available. Provided monthly in performance report available on our website.	

5. The content in the sub-section entitled 'ASIC Regulatory Guide – Disclosure Principles' in the 'Macquarie Professional Series Global Alternatives Fund at a glance' section of the PDS will be replaced with the following:

ASIC Regulatory Guide 240 – Disclosure Principles											
<b>Investment manager</b>	<p><b>Fund</b></p> <p>Macquarie Investment Management Global Limited (<b>Investment Manager</b>) is the investment manager of the Fund.</p> <p><b>Underlying Funds</b></p> <ul style="list-style-type: none"> <li>• P/E Global LLC (<b>P/E Global</b>) manages the futures exposure of the P/E Global FX Alpha Fund on a discretionary basis.</li> <li>• Winton Capital Management Limited (<b>Winton</b>) manages the investments (other than cash) of the Winton Global Alpha Fund on a discretionary basis.</li> <li>• Wells Capital Management Incorporated (<b>Wells</b>) is the sub-adviser for the Wells Fargo (Lux) Worldwide Fund – Global Long/Short Equity Fund.</li> </ul> <p>Each of P/E Global, Winton and Wells are referred to in this PDS as an <b>Underlying Manager</b>.</p> <p>Macquarie Investment Management Global Limited manages the cash investments of the Macquarie Underlying Funds in excess of their margin requirements.</p> <p>Refer to Section 1 of this PDS and the Supplement for more information on the Underlying Managers of the Significant Underlying Funds.</p>										
<b>Investment objective and strategy</b>	<p>The Fund aims to generate long-term total returns by investing in hedge funds and other absolute return funds (<b>Underlying Funds</b>).</p> <p>The Underlying Funds can include funds managed or operated by members of Macquarie Group (<b>Macquarie Underlying Funds</b>) and select external funds managed and operated by non-Macquarie Group companies (<b>External Funds</b>).</p> <p>At the date of this PDS, the Underlying Funds are:</p> <table> <tr> <th>Significant Underlying Fund</th><th>Strategy</th></tr> <tr> <td><b>P/E Global FX Alpha Fund</b></td><td>Invests in exchange-traded futures providing long and short exposure to developed market and emerging market currencies and gold. Employs a disciplined and dynamic quantitative model to determine the positions held by the Underlying Fund. The model relies on statistical analysis to forecast returns and volatilities for each position based on underlying fundamental factors identified by P/E Global.</td></tr> <tr> <td><b>Winton Global Alpha Fund</b></td><td>Invests in exchange-traded futures contracts and forward contracts, and collective investment vehicles (Underlying Winton Funds) managed by Winton or its related bodies corporate providing long and short exposure to equities, fixed income, interest rates, currencies and commodities. Employs a combination of quantitative investment strategies developed by Winton. Uses systematic and statistical techniques to find patterns and relationships in data, such as trend following and other empirical effects.</td></tr> <tr> <th>Underlying Fund</th><th>Strategy</th></tr> <tr> <td><b>Wells Fargo (Lux) Worldwide Fund – Global Long/Short Equity Fund</b></td><td> <p>Seeks long-term capital appreciation while preserving capital in down markets. Employs a strategy of gaining long and short exposure in equity securities of issuers in developed markets (that is, countries included in the MSCI World Index). Will gain long exposure to equity securities (including through participatory notes, swaps, depository receipts, convertible securities, equity linked notes and/or certificates) that it believes will outperform the equity market on a risk-adjusted basis, and will gain short exposure to equity securities that it believes will underperform the equity market on a risk-adjusted basis. Uses a quantitative investment process which evaluates multiple fundamental, statistical, and technical characteristics covering stock valuation, growth, return history, risk, liquidity and economic sensitivity. May have long equity exposure of up to 100% of its net assets. Short exposure is achieved through the use of total return swaps /contracts for difference and other types of derivatives. May have a short equity exposure of up to 50% of its assets.</p> <p>Long-short exposure will vary over time based on its assessments of market conditions and other factors, and it may increase its short equity exposure when it believes that market conditions are particularly favourable for a short strategy, such as during periods of heightened volatility in the global equity markets, or when the market is considered to be overvalued. May invest in the equity securities of companies of any market capitalisation.</p> <p>May also use futures, forward contracts, options, or swap agreements, as well as other derivatives, for hedging or efficient portfolio management purposes.</p> </td></tr> </table>	Significant Underlying Fund	Strategy	<b>P/E Global FX Alpha Fund</b>	Invests in exchange-traded futures providing long and short exposure to developed market and emerging market currencies and gold. 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Employs a strategy of gaining long and short exposure in equity securities of issuers in developed markets (that is, countries included in the MSCI World Index). Will gain long exposure to equity securities (including through participatory notes, swaps, depository receipts, convertible securities, equity linked notes and/or certificates) that it believes will outperform the equity market on a risk-adjusted basis, and will gain short exposure to equity securities that it believes will underperform the equity market on a risk-adjusted basis. Uses a quantitative investment process which evaluates multiple fundamental, statistical, and technical characteristics covering stock valuation, growth, return history, risk, liquidity and economic sensitivity. May have long equity exposure of up to 100% of its net assets. Short exposure is achieved through the use of total return swaps /contracts for difference and other types of derivatives. May have a short equity exposure of up to 50% of its assets.</p> <p>Long-short exposure will vary over time based on its assessments of market conditions and other factors, and it may increase its short equity exposure when it believes that market conditions are particularly favourable for a short strategy, such as during periods of heightened volatility in the global equity markets, or when the market is considered to be overvalued. May invest in the equity securities of companies of any market capitalisation.</p> <p>May also use futures, forward contracts, options, or swap agreements, as well as other derivatives, for hedging or efficient portfolio management purposes.</p>
Significant Underlying Fund	Strategy										
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<b>Wells Fargo (Lux) Worldwide Fund – Global Long/Short Equity Fund</b>	<p>Seeks long-term capital appreciation while preserving capital in down markets. Employs a strategy of gaining long and short exposure in equity securities of issuers in developed markets (that is, countries included in the MSCI World Index). Will gain long exposure to equity securities (including through participatory notes, swaps, depository receipts, convertible securities, equity linked notes and/or certificates) that it believes will outperform the equity market on a risk-adjusted basis, and will gain short exposure to equity securities that it believes will underperform the equity market on a risk-adjusted basis. Uses a quantitative investment process which evaluates multiple fundamental, statistical, and technical characteristics covering stock valuation, growth, return history, risk, liquidity and economic sensitivity. May have long equity exposure of up to 100% of its net assets. Short exposure is achieved through the use of total return swaps /contracts for difference and other types of derivatives. May have a short equity exposure of up to 50% of its assets.</p> <p>Long-short exposure will vary over time based on its assessments of market conditions and other factors, and it may increase its short equity exposure when it believes that market conditions are particularly favourable for a short strategy, such as during periods of heightened volatility in the global equity markets, or when the market is considered to be overvalued. May invest in the equity securities of companies of any market capitalisation.</p> <p>May also use futures, forward contracts, options, or swap agreements, as well as other derivatives, for hedging or efficient portfolio management purposes.</p>										

	<p>The Fund offers the potential for attractive long-term total returns with low correlation to traditional asset classes. We believe that each Underlying Fund has an investment strategy that is complementary to the other Underlying Funds in the Fund. By combining complementary investment styles, the Fund aims to produce consistent risk-adjusted returns from a diversified and well- balanced liquid alternatives portfolio.</p> <p>Refer to Section 2 of this PDS for more information on the investment strategy and process of the Fund and the Supplement for more information on the investment strategy and process of each Significant Underlying Fund.</p>
<b>Fund structure</b>	<p>The Fund is an Australian unit trust registered under the Corporations Act as a managed investment scheme. The responsible entity of the Fund is Macquarie Investment Management Australia Limited (<b>Macquarie, we, us, our</b>).</p> <p>We may appoint service providers to assist in the operation, management and administration of the Fund. The key service providers to the Fund are:</p> <ul style="list-style-type: none"> <li>• Macquarie Investment Management Global Limited (<b>Investment Manager</b>), the investment manager of the Fund</li> <li>• Citigroup Pty Limited (<b>Citi</b>), the custodian of the Fund, and</li> <li>• Ernst &amp; Young Australia, the auditor of the Fund.</li> </ul> <p>Refer to Section 1 of this PDS for more information and the Supplement for information on the fund structure of the Significant Underlying Funds.</p>
<b>Valuation, location and custody of assets</b>	<p><b>Valuation of the assets</b></p> <p>The Fund's assets are normally valued at their most recent market value, using independent pricing sources where available for the particular asset type and in accordance with industry standards. Interests in each Underlying Fund are valued using their most recent net asset value price. Cash is valued at face value plus accrued interest.</p> <p>Refer to Section 1.4 of this PDS for more information and the Supplement for information on how the assets of each Significant Underlying Fund are valued.</p> <p><b>Location and custody of the material assets</b></p> <p>The Underlying Funds may be located in Australia or overseas and denominated in any currency. At the date of this PDS, the current Underlying Funds are located in Australia or Luxembourg and the Fund's interests in the Underlying Funds are denominated in Australian dollars. However, the underlying investments to which the Fund is exposed through the Underlying Funds may be located in any jurisdiction worldwide and denominated in any currency.</p> <p>The cash holdings of the Fund will generally be denominated in Australian dollars and will be held in bank accounts with Australian authorised deposit-taking institutions, or such other cash or cash equivalent investments as determined by the Investment Manager.</p> <p>Citi is the custodian of the Fund and holds the Fund's interests in some of the Underlying Funds. The Fund's cash and its interests in some of the Underlying Funds are held by Macquarie as responsible entity of the Fund.</p> <p>Refer to Section 2 of this PDS for more information on the location and custody of the Fund's assets and the Supplement for information on the location and custody of the assets of the Significant Underlying Funds.</p>
<b>Liquidity of assets</b>	<p>At the date of this PDS, Macquarie reasonably expects to be able to realise at least 80% of the assets of the Fund, and reasonably expects that each Underlying Fund would be able to realise at least 80% of its assets, at the value ascribed to those assets in calculating the net asset value of the Fund or the Underlying Fund (as relevant), within ten days.</p> <p>You should note that there are risks associated with liquidity. Refer to Section 3 of this PDS for those risks and the Supplement for information on the liquidity of the Significant Underlying Funds.</p>
<b>Exposure to leverage</b>	<p>Although the Fund does not directly use leverage, it is exposed to leverage through its investments in the Underlying Funds. Each Underlying Fund typically employs leverage through the use of derivatives but may also employ leverage by physically borrowing, which may be effected through brokerage firms, banks or other financial institutions.</p> <p>Therefore, at any point in time, the Fund is likely to have gross market exposure (on a look-through basis) in excess of 100% of its net asset value. Leverage generally provides a much larger exposure to the underlying assets with a relatively small initial outlay. While the use of leverage may increase the potential return on an investment in the Fund, it also increases the level of risk and may result in the Fund incurring substantial losses.</p> <p>The Fund does not set a limit on the level of gross leverage permitted across its portfolio or permitted to be held by an Underlying Fund. However, each Underlying Fund, as at the date of this PDS, applies its own leverage limits or guidelines and/or limits on the percentage of net assets that can be pledged as initial margin, which are monitored by Macquarie.</p> <p>Refer to Section 2 of this PDS for more information and the Supplement for information on the leverage employed by the Significant Underlying Funds.</p> <p>You should note that there are risks associated with the use of leverage by the Underlying Funds. Refer</p>



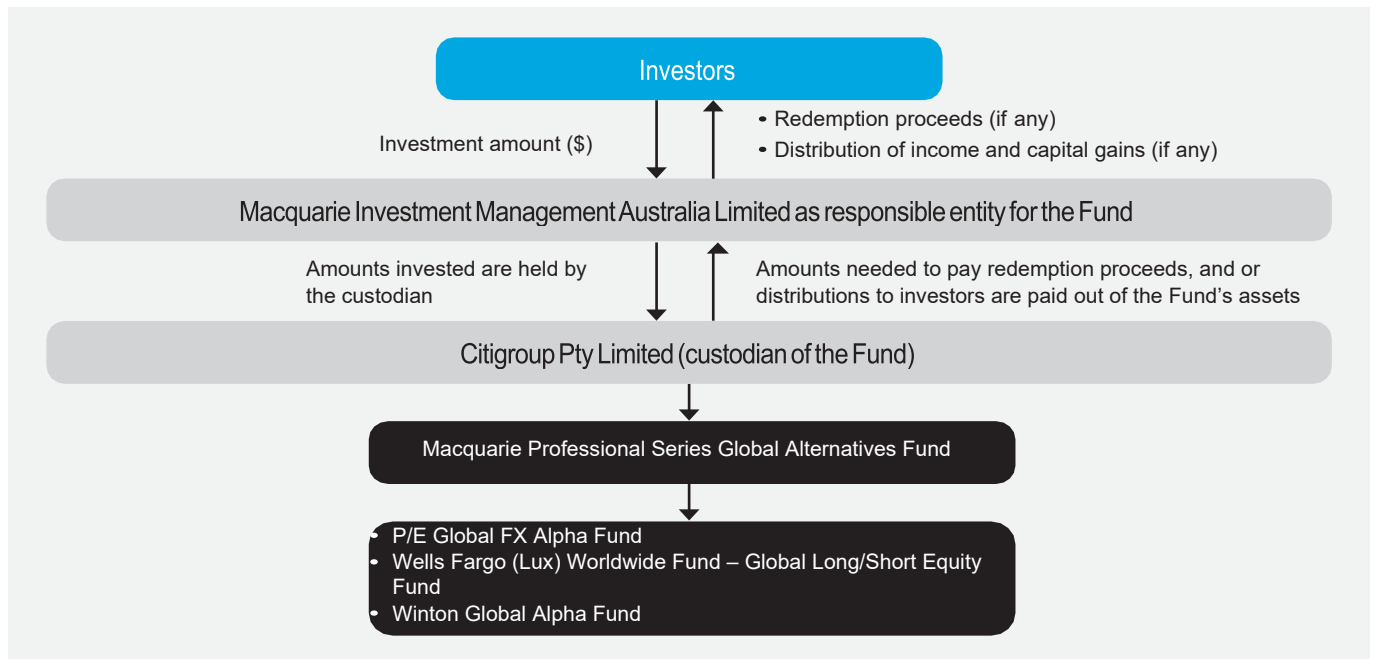
	to Section 3 of this PDS for more information on those risks.
<b>Exposure to derivatives</b>	<p>Although the Fund does not directly invest in derivatives, it is exposed to the use of derivatives through its investments in the Underlying Funds. The use of derivatives is key to the investment strategy of each Underlying Fund. The Underlying Funds take both long and short positions in derivatives, which provide returns linked to movements in underlying assets or investments. The Fund may have exposure to exchange-traded or over-the-counter derivatives. The Fund does not set limits on the types of derivatives that an Underlying Fund may hold.</p> <p>Each Underlying Fund's derivatives counterparties must, in the reasonable opinion of the relevant Underlying Manager, have sufficient expertise and experience in trading such financial instruments.</p> <p>Refer to the Supplement for information on the use of derivatives by the Significant Underlying Funds.</p> <p>You should note that there are risks associated with the use of derivatives by the Underlying Funds including the requirement to post collateral. Refer to Section 3 of this PDS for more information on those risks.</p>
<b>Exposure to short-selling</b>	<p>Although the Fund does not directly engage in short-selling, it typically has exposure to short derivatives positions, and may also have exposure to physical short-selling, through its investments in the Underlying Funds.</p> <p>The Fund does not impose a limit on the level of short-selling across its portfolio or that applies to an Underlying Fund.</p> <p>For short positions to which it is exposed, the Fund bears the risk of an increase in price of the underlying investment over which the short position is taken. Such an increase could lead to a substantial loss. In the case of physical short-selling, there can be no guarantee that the securities or other assets necessary to cover a short position will be available for purchase or available at a fair value price.</p> <p>Refer to Section 2 of this PDS for more information and the Supplement for information on the Significant Underlying Funds' exposure to short positions.</p> <p>You should note that there are specific risks associated with exposure to short positions. Refer to Section 3 of this PDS for more information on those risks.</p>
<b>Redemptions</b>	<p>You can generally redeem part or all of your investment in the Fund. Redemption requests will generally need to be received by us prior to 1.00pm Sydney time on a Business Day to receive the redemption price calculated for the relevant Business Day (although we have discretion to reject or delay redemptions even if received by this time). Requests received after the cut-off time will generally receive the redemption price for the next Business Day.</p> <p>In some circumstances, investors may not be able to redeem their investment in the usual period or at all.</p> <p>Refer to Section 6.2 of this PDS for more information.</p> <p>Redemptions through the mFund Settlement Service must be submitted to your broker and the Australian Securities Exchange (<b>ASX</b>) by the earlier cut-off times specified by the ASX Settlement Operating Rules and your broker. Please contact your broker for further information.</p>

**6. The content of the rows below in the sub-section entitled 'Fees and other costs' in the 'Macquarie Professional Series Global Alternatives Fund at a glance' section of the PDS will be replaced with the following:**

<b>Management fee</b>	<p>0.97% pa of the net asset value of the Fund (inclusive of GST and net of reduced input tax credits). The management fee accrues daily and is payable monthly. It is deducted from the Fund's assets and reflected in the Fund's unit price.</p>
<b>Buy/Sell spread</b>	<p>The buy/sell spread for the Fund, as at the date of the preparation of this PDS, is +0.02% for applications and -0.02% for redemptions.</p> <p>We may vary the buy/sell spread from time to time. In particular, we may need to increase the buy spread for the Fund in order to pass on an increase in the buy spread for the Winton Global Alpha Fund, made to account for estimated carried forward losses incurred by the Winton Global Alpha Fund in previous performance fee periods.</p> <p>We will not usually provide investors with notice of changes to the buy/sell spread. The latest buy/sell spreads for the Fund are posted on our website at <a href="http://macquarie.com.au/daily_spreads">macquarie.com.au/daily_spreads</a>.</p> <p>Refer to Section 4.2.4 for more information.</p>



7. The diagram in the sub-section entitled 'Other key service provider' in Section 1.1 of the PDS will be replaced with the following:



8. The heading and content in Section 1.3 of the PDS will be replaced with the following:

### Key individuals of the investment manager

The Macquarie Professional Series multi-manager committee is responsible for overseeing the decisions made by the Fund's portfolio manager. It has oversight of the investment management framework including the portfolio weights and risk limits applied by the Macquarie Professional Series multi-manager funds (including the Fund). The Macquarie Professional Series multi-manager committee ensures the implementation of appropriate controls, approves material changes to the portfolio weights of the Macquarie Professional Series multi-manager funds (including the Fund), and approves the removal and addition of new Underlying Funds.

The following provides details of the identity, relevant qualifications and commercial experience of the key individuals of the Fund. The individuals noted below are responsible for the strategic direction of the Fund.

#### Luke Crozier – Head of Global Solutions (Asia Pacific) and Portfolio Manager, Macquarie Professional Series

Luke Crozier is responsible for the Global Solutions business across Asia Pacific, which includes the Macquarie Professional Series. He oversees manager search and selection for the Macquarie Professional Series, and is a member of the multi-manager committee, as well as chairing the Sub-Advisory Oversight Committee across Macquarie Asset Management Public Investments. Luke joined Macquarie in 2002, where he worked in investment risk management before joining the Macquarie Professional Series in 2007 and was appointed to Head of Global Solutions (Asia Pacific) in 2021. He holds a Bachelor of Economics from the University of Sydney, a Graduate Diploma of Applied Finance and Investment from the Securities Institute of Australia and is a Certified Investment Management Analyst.

#### Jason Koo – Portfolio Manager, Macquarie Professional Series

Jason Koo is a portfolio manager of the Fund with responsibilities including manager search and selection, investment research, and portfolio construction analysis. Jason also has a broader role within the Macquarie Professional Series focussing on product and business development, as a dedicated investment specialist, and ongoing manager due diligence. Prior to joining Macquarie Professional Series in 2012, Jason was in the strategy team for Macquarie Global Investments, a specialist investment management business which included third-party funds management, agricultural investments and a principal co-investment business. He holds a Bachelor of Commerce and Bachelor of Economics from the University of New South Wales, and is a Certified Investment Management Analyst.

Macquarie Professional Series has a high conviction, low manager turnover approach to multi-manager funds. In this context, the Underlying Funds and their respective weights in the Fund are not expected to change on a regular basis. As a result, the proportion of time the key individual devotes to executing the Fund's investment strategy is generally expected to be limited to ongoing monitoring of the Underlying Funds, the appropriateness of the Fund's portfolio weights and assessing prospective investment managers.

As at the date of the preparation of this PDS, there have been no adverse regulatory findings against the Investment Manager or the key individuals responsible for the strategic direction of the Fund.

**9. The content in ‘Valuation of assets’ in Section 1.4 of the PDS will be replaced with the following:**

The Fund's assets are normally valued at their most recent market value, using independent pricing sources where available for the particular asset type and in accordance with industry standards. The Fund's assets are interests in the Underlying Funds, and cash and cash equivalents. In accordance with our valuation methods and policies, interests in the Underlying Funds are valued using their most recent net asset value price and cash is valued at face value plus accrued interest.

Refer to the Supplement for information on how the assets of each Significant Underlying Fund are valued.

**10. The content in Section 2.1 of the PDS will be replaced with the following:**

Macquarie Professional Series Global Alternatives Fund	
<b>Investment objective and strategy</b>	<p>The Fund aims to generate long-term total returns by investing in hedge funds and other absolute return funds (<b>Underlying Funds</b>).</p> <p>The Underlying Funds can include funds managed or operated by members of Macquarie Group (<b>Macquarie Underlying Funds</b>) and select external funds managed and operated by non-Macquarie Group companies (<b>External Funds</b>).</p> <p>At the date of this PDS, the Underlying Funds are:</p> <ul style="list-style-type: none"> <li>• P/E Global FX Alpha Fund</li> <li>• Wells Fargo (Lux) Worldwide Fund – Global Long/Short Equity Fund, and</li> <li>• Winton Global Alpha Fund.</li> </ul> <p>The Fund offers the potential for attractive long-term total returns with low correlation to traditional asset classes. We believe that each Underlying Fund has an investment strategy that is complementary to the other Underlying Funds. By combining complementary investment styles, the Fund aims to produce consistent risk-adjusted returns from a diversified and well-balanced liquid alternatives portfolio.</p> <p>Refer to Section 2.2 of this PDS for more information on the selection process that we apply before the Fund invests in an Underlying Fund and the Supplement for information on the investment objective and strategy of each Significant Underlying Fund.</p>
<b>Exposure to derivatives</b>	<p>Although the Fund does not directly invest in derivatives, it is exposed to the use of derivatives through its investments in the Underlying Funds.</p> <p>The use of derivatives is key to the investment strategy of each Underlying Fund. The Underlying Funds use derivatives, which provide returns linked to the movements in the underlying assets, to obtain both long and short exposures. The Fund may have exposure to exchange-traded or over-the-counter derivatives. The Fund does not set limits on the types of derivatives that each Underlying Fund may hold.</p> <p>Each Underlying Fund's derivatives counterparties must, in the reasonable opinion of the relevant Underlying Manager, have sufficient expertise and experience in trading such financial instruments.</p> <p>Refer to Section 3 of this PDS for information on the risks associated with the use of derivatives by the Underlying Funds and the Supplement for information on the restrictions that each Significant Underlying Fund applies in relation to its derivatives exposure.</p>
<b>Currency denomination</b>	<p>The Underlying Funds may be located in Australia or overseas and denominated in any currency. At the date of this PDS, the current Underlying Funds are located in Australia or Luxembourg and the Fund's interests in the Underlying Funds are denominated in Australian dollars. However, the underlying investments to which the Fund is exposed through the Underlying Funds may be located in any jurisdiction worldwide and denominated in any currency.</p> <p><b>Cash and cash equivalents</b></p> <p>The cash holdings of the Fund will generally be denominated in Australian dollars and will be held in bank accounts with Australian authorised deposit-taking institutions, or such other cash or cash equivalent investments as determined by the Investment Manager.</p> <p>Refer to Section 3 of this PDS for more information on the risks associated.</p>
<b>Liquidity of assets</b>	<p>At the date of this PDS, Macquarie reasonably expects to be able to realise at least 80% of the assets of the Fund, and reasonably expects that each Underlying Fund would be able to realise at least 80% of its assets, at the value ascribed to those assets in calculating the net asset value of the Fund or Significant Underlying Fund (as relevant), within ten days.</p> <p>You should note that there are risks associated with liquidity. Refer to Section 3 of this PDS for those risks and the Supplement for information on the liquidity of the Significant Underlying Funds.</p>

<b>Exposure to leverage</b>	<p>Although the Fund does not directly use leverage, it is exposed to leverage through its investments in the Underlying Funds. Each Underlying Fund typically employs leverage through the use of derivatives but may also employ leverage by physically borrowing, which may be effected through brokerage firms, banks or other financial institutions.</p> <p>Therefore, at any point in time, the Fund is likely to have gross market exposure (on a look-through basis) in excess of 100% of its net asset value. Leverage generally provides a much larger exposure to the underlying assets with a relatively small initial outlay. While the use of leverage may increase the potential return on an investment in the Fund, it also increases the level of risk and may also result in the Fund incurring substantial losses. The Fund does not set a limit on the level of gross leverage permitted across its portfolio or permitted to be held by an Underlying Fund. However, each Underlying Fund, as at the date of this PDS, applies its own leverage limits or guidelines and/or limits on the percentage of net assets that can be pledged as initial margin, which are monitored by Macquarie.</p> <p>Refer to the Supplement for information on any limits on leverage applied by the Significant Underlying Funds.</p> <p>You should note that there are risks associated with the use of leverage by the Underlying Funds. Refer to Section 3 of this PDS for more information on those risks.</p> <p><b>Example of impact of leverage on investment returns and losses</b></p> <p>The example below is provided for illustrative purposes only to show the impact that leverage may have on an investment. It does not represent any actual or prospective level to leverage for the Fund or any Underlying Fund and is not reflective of the expected return outcome of the Fund or any Underlying Fund. The worked example excludes transaction costs and fees.</p> <p>If the Fund were to invest \$1,000,000 into the Underlying Funds, which were to employ a level of leverage of 3 times through a combination of long and short positions in derivatives, then the Fund would be exposed to leverage (through its investments in the Underlying Funds) of 3 times. The Fund would, in effect, have leveraged its \$1,000,000 to obtain gross market exposure of \$3,000,000, or have obtained \$3 of gross market exposure for every \$1 invested.</p> <p>In such a case, if the total gross market exposure of the derivatives contracts held by the Underlying Funds increased by 5%, then the total gross exposure of the Fund (through its investments in the Underlying Funds) would increase to \$3,150,000. The gain of \$150,000 would represent a return to the Fund of 15% on the \$1,000,000 invested by the Fund in the Underlying Funds, resulting in a net asset value for the Fund of \$1,150,000.</p> <p>Conversely, if the total gross market exposure of the derivatives contracts held by the Underlying Funds decreased by 5%, then the total gross market exposure of the Fund (through its investments in the Underlying Funds) would decrease to \$2,850,000. This \$150,000 loss would represent a 15% loss to the Fund on the \$1,000,000 invested in the Underlying Funds, resulting in a net asset value for the Fund of \$850,000.</p> <p>You should note that there are risks associated with the use of leverage by the Underlying Funds. Refer to Section 3 of this PDS for more information on those risks, and the Supplement for more information on the investment process of the Underlying Manager of each Significant Underlying Fund and how each manages risks relating to its management of that Significant Underlying Fund.</p> <p><b>Assets used as collateral</b></p> <p>The Fund does not pledge assets as collateral. However, the Significant Underlying Funds do post initial margin and variation margin as collateral to cover the risk of default on derivatives contract. Refer to the Supplement for further information.</p>						
<b>Exposure to short-selling</b>	<p>Although the Fund does not directly engage in short-selling, it typically has exposure to short derivatives positions, and may also have exposure to physical short-selling, through its investments in the Underlying Funds.</p> <p>The Fund does not impose a limit on the level of short-selling across its portfolio or that applies to an Underlying Fund.</p> <p>For short positions to which it is exposed, the Fund bears the risk of an increase in price of the underlying investment over which the short position is taken. Such an increase could lead to a substantial loss. In the case of physical short-selling, there can be no guarantee that the securities or other assets necessary to cover a short position will be available for purchase or available at a fair value price.</p> <p>Refer to Section 3 of this PDS for more information on the risks associated with exposure to short positions and the Supplement for details on how the Underlying Manager for each Significant Underlying Fund manages the risks associated with the investment process generally for that Significant Underlying Fund (including short positions).</p>						
<b>Allocation ranges</b>	<p>At the date of this PDS, the allocation ranges are:</p> <table data-bbox="387 1977 1519 2136"> <tr> <th></th><th>Allocation ranges (as a percentage of the net asset value of the Fund)</th></tr> <tr> <td>Each External Fund</td><td>0 to 35</td></tr> <tr> <td>Each Macquarie Underlying Fund</td><td>0 to 75</td></tr> </table>		Allocation ranges (as a percentage of the net asset value of the Fund)	Each External Fund	0 to 35	Each Macquarie Underlying Fund	0 to 75
	Allocation ranges (as a percentage of the net asset value of the Fund)						
Each External Fund	0 to 35						
Each Macquarie Underlying Fund	0 to 75						

The Underlying Funds are not expected to change on a regular basis. We will notify investors if the Underlying Funds do change.

The Fund is monitored on an ongoing basis to ensure that it complies with these guidelines. If an Underlying Fund moves outside these guidelines, the Fund will, subject to tolerance thresholds, be rebalanced as soon as practicable to ensure it meets these guidelines. These guidelines may change from time to time.

The Fund may reduce its holding of Underlying Funds for a period, pending the Fund investing in one or more additional Underlying Funds. During this period, the Fund's holding in the remaining Underlying Fund(s) will remain within the relevant maximum allowable allocation, with any remaining Fund assets being held in cash.

If, at any time, the Fund only holds one Underlying Fund pending the Fund investing in a new Underlying Fund(s), then until the Fund is invested in at least two Underlying Funds again, the management fee charged by the Fund will be reduced to be proportionate to the Fund's holding in that sole Underlying Fund relative to the Fund's overall net asset value.

**11. The content in Section 2.2 of the PDS will be replaced with the following:**

Macquarie Professional Series uses both quantitative and qualitative techniques in the selection of a fund to be considered for inclusion in the Fund. We conduct a rigorous due diligence process, which includes a quantitative review, investment strategy review, tailored due-diligence questionnaire, a series of meetings with key employees, and a review of its operations, technology and risk management capabilities. Macquarie then conducts on-going due diligence, which generally includes an annual on-site review (where possible).

We believe that each selected Underlying Fund offers the potential for attractive long-term returns and has an investment strategy that is complementary to the other Underlying Funds in the Fund. By combining complementary investment styles, the Fund aims to produce consistent risk-adjusted returns from a diversified and well-balanced liquid alternatives portfolio. We intend to select any new Underlying Fund for the Fund based on the same criteria. We also consider liquidity as part of the selection process and will look to only make investments in new Underlying Funds that we believe will allow us to continue to process redemption requests from Fund investors as set out in Section 6 of this PDS.

The Macquarie Professional Series multi-manager committee is responsible for overseeing the decisions made by the Fund's portfolio manager. It has oversight of the investment management framework of the Macquarie Professional Series multi-manager funds (including the Fund), including portfolio weights and risk limits. The Macquarie Professional Series multi-manager committee ensures the implementation of appropriate controls and approves material changes to the portfolio weights of the Macquarie Professional Series multi-manager funds (including the Fund).

**Risk management**

Macquarie Professional Series uses a number of quantitative tools to assess risks at both the Underlying Fund and Fund levels. Furthermore, the Macquarie Professional Series due diligence committee meets to review and evaluate the Fund and each Underlying Fund on a monthly basis.

**12. The content in Section 2.5 of the PDS will be replaced with the following:**

We may make changes to the Fund from time to time, including to the investment strategy or investors' redemption rights. We will provide such notice as required by the Corporations Act or constitution of the Fund, and if required by the Corporations Act or the Fund's constitution, we will seek unitholder approval at a meeting of unitholders (see Section 7.1 of this PDS for more information).

We may also terminate the Fund in accordance with its constitution. If the Fund terminates, both the Fund and unitholders may crystallise taxable gains or losses (including capital gains or losses). You are encouraged to seek independent tax advice on the implications of investing in managed funds.

Changes may also be made to the Underlying Funds or the Underlying Funds may be terminated. We will provide such notice of these changes or termination of an Underlying Fund as we are able and as required by the Corporations Act or the Fund's constitution.

Investors in the Fund will not be able to vote at meetings of unitholders in the Macquarie Underlying Funds and Macquarie, as responsible entity of the Fund, may not be able to vote on behalf of investors in the Fund at such meetings.

**13. 'Market risk' will be added to Section 3 of the PDS after 'Leverage risk':**

**Market risk:** The Underlying Funds may have exposures which are likely to have a broad correlation with share markets in general. Share markets can be volatile and have the potential to fall by large amounts over short periods of time. Poor performance or losses in domestic and/or global share markets are likely to negatively impact the overall performance of the Fund.



14. The fees and costs table in Section 4.1 of the PDS will be replaced with the following:

Type of fee or cost <sup>1,2</sup>	Amount	How and when paid
<b>Fees when your money moves in and out of the Fund</b>		
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Exit fee</b> The fee to close your investment	Nil	Not applicable
<b>Management costs</b>		
The fees and costs for managing your investment	<p>Management costs of 2.78% pa, comprising:</p> <p><b>Management fee</b> 0.97% pa of the net asset value of the Fund.</p> <p><b>Indirect costs<sup>3</sup></b> 1.81% pa of the net asset value of the Fund, comprising:</p> <ul style="list-style-type: none"> <li>• 0.00% pa expenses – Fund<sup>4</sup></li> <li>• 1.81% pa performance fees for Underlying Funds</li> <li>• 0.00% pa expenses from underlying funds</li> <li>• 0.00% pa other indirect costs.<sup>5</sup></li> </ul>	<p>The management fee:</p> <ul style="list-style-type: none"> <li>• accrues daily and is payable monthly, and</li> <li>• is deducted from the Fund's assets and reflected in the Fund's unit price.</li> </ul> <p>Indirect costs are generally deducted from the Fund's assets and reflected in the Fund's unit price. Indirect costs are generally paid when incurred.</p> <p>Indirect costs include performance fees charged by Underlying Funds.</p>
<b>Service fees</b>		
<b>Switching fee</b> The fee for changing funds	Nil	Not applicable

1 You may also incur a buy/sell spread when your money moves in or out of the Fund. Refer to Section 4.2.4 of this PDS for more information.

2 Fees may be individually negotiated if you are a wholesale investor under the Corporations Act and subject to compliance with applicable regulatory requirements. See 'Differential fees' in Section 4.2.6 of this PDS for more information.

3 Based on indirect costs for the previous financial year. Actual costs may vary including by material amounts. Past costs may not be a reliable indicator of future costs.

4 We do not currently seek reimbursement from the Fund for administrative expenses. Abnormal expenses will generally be paid by the Fund. Refer to Section 4.2.2 of this PDS for further details.

5 May also include certain costs such as over-the-counter derivatives and any other costs required to be included for the purposes of the Corporations Act.

15. The content under 'Example of annual fees and costs of the Fund' in Section 4.1 of the PDS will be replaced with the following:

#### Example of annual fees and costs of the Fund

This table gives an example of how the fees and costs in the Fund can affect your investment over a one-year period. You should use this table to compare the Fund with other managed investment products. From 26 April 2021, the management fee is 0.97% pa.

Example		Balance of \$50,000 with total contributions of \$5,000 during the year
Contribution fees	Nil	For every additional \$5,000 you put in, you will not be charged any contribution fee.
<b>PLUS</b> Management costs comprising:	<b>3.39% pa<sup>1</sup></b>	<b>And for every \$50,000 you have in the Fund, you will be charged \$1,695 each year, comprising:</b>
Management fee – Fund	1.58% pa <sup>2</sup>	\$790
Indirect costs – Performance fees of Underlying Funds	1.81% pa	\$905
<b>EQUALS</b> cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of <b>\$1,695.<sup>3</sup></b> <b>What it costs you will depend on the fees you may be able to negotiate.</b>

1 Calculated using the 'indirect cost ratio' for the Fund for the previous financial year. The 'indirect cost ratio' refers to the management costs expressed as percentage of the average net asset value of the Fund. It is not a forecast of the amount of the total management costs, which may be higher or lower in the future.

2 From 26 April 2021, the management fee is 0.97% pa.

3 This example assumes that there is no variation in the value of your investment and the additional investment of \$5,000 is made at the end of the period. In practice, the value of an investor's investment and the fees paid will vary and if an additional investment is made during the period, a management fee will also be payable on the additional investment from the date that the additional investment is made.

16. The content under the sub-section entitled 'Fees and expenses – Underlying Funds' in Section 4.2.2 of the PDS will be replaced with the following:

#### Management fees

Any management fee charged by the Underlying Funds will be rebated to the Fund, reduced or paid by us rather than the Fund such that the management fee borne by the Fund (whether directly or indirectly) will not exceed the management fee of the Fund disclosed in this PDS. This excludes trustee or responsible entity fees (or equivalent fees) where the trustee/responsible entity (or equivalent) is not part of Macquarie Group and fees paid to management companies (or similar entities) who have an oversight role over the management of an Underlying Fund, rather than a direct investment management role. Such fees, if payable, will generally be borne by the Fund through its holding in that Underlying Fund and included in the indirect cost amount for the Fund.

#### Expenses and performance-related fees

Any performance-related fee and any expenses charged by the Underlying Funds will generally be indirectly borne by the Fund through the value of the Fund's holding in that Underlying Fund. These fees and costs are included in the indirect cost amount for the Fund.

17. The first two paragraphs in Section 4.2.4 of the PDS will be replaced with the following:

Transactional and operational costs incurred by the Fund or an Underlying Fund (such as brokerage, clearing costs, hedging costs, settlement costs, transaction fees, spreads on securities bought or sold, taxes and stamp duty) will generally be incurred as part of the management of the Fund.

These costs are an additional cost to you and are reflected in the Fund's unit price. They are not amounts paid to us, the Investment Manager or the Underlying Managers.

18. The fourth paragraph in the sub-section entitled 'Buy/Sell spread' in Section 4.2.4 of the PDS will be replaced with the following:

The buy/sell spread for the Fund, as at the date of the preparation of this PDS, is +0.02% for applications and -0.02% for redemptions, but may be varied from time to time. In certain circumstances, such as in the circumstances described below, the buy/sell spread may increase significantly. We will not usually provide investors with notice of changes to the buy/sell spread. The latest buy/sell spreads for the Fund are posted on our website at [macquarie.com.au/daily\\_spreads](http://macquarie.com.au/daily_spreads).

**19. The content' in the sub-section entitled 'Related party issues' in Section 7.1 of the PDS will be replaced with the following:**

In the execution of transactions, we deal with professional organisations that may include Macquarie Group Limited or its associated companies (**Macquarie Group**). All transactions are conducted on arm's length terms. We can also trade the investments of the Fund and the Macquarie Underlying Funds with members of the Macquarie Group including Macquarie Bank Limited (**MBL**), who acts as the futures clearing broker for the Macquarie Underlying Funds and is also a related body corporate of the responsible entity. These organisations may receive commissions at prevailing market rates for the execution of transactions. For example, MBL will receive fees for acting as futures clearing broker for a Macquarie Underlying Fund. Any conflict of interest or potential conflict of interest is managed in accordance with our Conflict of Interest Policy.

The Macquarie Group is a global provider of banking, financial, advisory, investment and funds management services. The Macquarie Group acts on behalf of institutional, corporate and retail clients and counterparties around the world. Macquarie Investment Management Australia Limited, as responsible entity of the Fund and the Macquarie Underlying Funds and Macquarie Investment Management Global Limited, as the Investment Manager of the Fund and the cash manager of the Macquarie Underlying Funds, generally have no control over these activities. As a result, from time to time the activities of the Fund and the Macquarie Underlying Funds may be restricted, for example due to regulatory constraints applicable to the Macquarie Group, and/or its internal policies designed to comply with such constraints.

In certain circumstances, statutory or internal Macquarie Group imposed restrictions may preclude the acquisition or disposal of securities by the Fund and the Macquarie Underlying Funds. Without limitation, this includes where the acquisition would cause the Macquarie Group's aggregated holdings in a company (including holdings that the Macquarie Group is required to aggregate) to exceed applicable takeover thresholds. In addition, where, due to such restrictions, there is limited capacity to acquire particular securities, the Fund and the Macquarie Underlying Funds will not have priority over any member of, or any other fund associated with, the Macquarie Group to acquire those securities. Such restrictions may result in an adverse effect on the value of the investments of the Fund or the Macquarie Underlying Funds due to the Fund or the Macquarie Underlying Funds (as relevant) being unable to enter into positions or exit positions, as and when desired.

The provision of services by us (and other entities forming part of the Macquarie Group) in relation to the Fund and the Macquarie Underlying Funds is not exclusive and we or other members of the Macquarie Group may act as the responsible entity, trustee, investment manager or adviser for other funds or separate client accounts that have the same or similar investment strategies to the Fund or the Macquarie Underlying Funds.

**20. The fourth paragraph in Section 7.2 of the PDS will be replaced with the following:**

For the purposes of ASIC Regulatory Guide 240, we will also make available or distribute to investors the reports for the Fund and Significant Underlying Funds referred to in 'Macquarie Professional Series Global Alternatives Fund at a glance' section above.

**21. The following will be added to Section 7.6 of the PDS:**

**Wells Capital Management Incorporated**

Wells has given its written consent to the statements about it appearing in this PDS in the form and context in which they appear (and has not withdrawn that consent before the date of this PDS).

**22. The Supplement will be renamed 'Supplement – Information on Significant Underlying Funds.'**

**23. Each reference to 'Underlying Fund' in the Supplement will be replaced with 'Significant Underlying Fund'.**

**24. The first paragraph in the 'Important information' section on the inside front cover of the Supplement will be replaced with the following:**

This document is a supplement to the PDS (**Supplement**) for the Macquarie Professional Series Global Alternatives Fund (**Fund**). The Supplement sets out certain information relating to the Significant Underlying Funds in which the Fund can potentially invest 35% or more of its assets (**Significant Underlying Funds**). The Supplement forms part of the PDS and you should read this Supplement with the PDS before making a decision to invest in the Fund.

**25. The content under ‘Macquarie Professional Series Global Alternatives Fund’ on page 1 of the Supplement will be replaced with the following:**

The Macquarie Professional Series Global Alternatives Fund, a ‘fund of hedge funds’ for the purposes of Australian Securities and Investments Commission (**ASIC**) Regulatory Guide 240, provides exposure to a portfolio of hedge funds and absolute return funds (each an **Underlying Fund**). This Supplement sets out certain information relating to the Underlying Funds in which the Fund can potentially invest 35% or more of its assets (**Significant Underlying Funds**).

As at the date of this PDS, the Significant Underlying Funds are:

- P/E Global FX Alpha Fund, and
- Winton Global Alpha Fund.

The PDS for the Fund and each Significant Underlying Fund are available at **macquarie.com.au/pds**.

The following pages set out the disclosure that ASIC requires responsible entities of funds of hedge funds to provide on their significant underlying funds. A copy of ASIC Regulatory Guide 240 dated October 2013 (as may be amended, supplemented or replaced from time to time) is available from [www.asic.gov.au](http://www.asic.gov.au).



# Macquarie Professional Series Global Alternatives Fund

## Supplementary Product Disclosure Statement

Dated 4 May 2021

ARSN 617 266 127

APIR code MAQ7578AU



**Issuer: Macquarie Investment Management Australia Limited**  
ABN 55 092 552 611 AFSL No. 238321

**Other than Macquarie Bank Limited (MBL), none of the entities noted in this document are authorised deposit-taking institutions for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of MBL. MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities, unless noted otherwise.**

This Supplementary Product Disclosure Statement dated 4 May 2021 (**Supplementary PDS**) is supplemental to the Product Disclosure Statement (**PDS**), dated 14 December 2020, for the Macquarie Professional Series Global Alternatives Fund (**Fund**). The PDS, any previous Supplementary Product Disclosure Statements or updates and this Supplementary PDS should be read together.

On 23 April 2021, it was communicated that the IPM Global Macro Fund, one of the Underlying Funds that the Fund invests in, had been terminated. Once all assets of the IPM Global Macro Fund are realised, net proceeds will be distributed to all investors, including the Fund.

Macquarie Investment Management Australia Limited (**we, us, Macquarie**) are in the final stages of completing due diligence on a suitable replacement Underlying Fund for the Fund. Details of any replacement fund to be invested in by the Fund will be communicated to Fund unitholders prior to the Fund investing in that replacement fund. In the interim, the Fund's strategic allocation of 30% of its net assets to the IPM Global Macro Fund will be held as cash.

Accordingly, with effect from 26 April 2021 until the date that the Fund invests into a new Underlying Fund, the Fund's management fee will temporarily be reduced from 1.38% per annum of the net asset value of the Fund to 0.97% per annum of the net asset value of the Fund.

As a result, the PDS will be amended as follows:

- With effect from 23 April 2021, all references to the IPM Global Macro Fund or IPM Informed Portfolio Management AB in the PDS and Supplement are deleted, and Section 1 of the Supplement is deleted.**
- With effect from 26 April 2021, the following changes will be made:**

- The fees and costs table in Section 4.1 of the PDS is replaced with the following:**

Type of fee or cost <sup>1,2</sup>	Amount	How and when paid
<b>Fees when your money moves in and out of the Fund</b>		
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Exit fee</b> The fee to close your investment	Nil	Not applicable
<b>Management costs</b>		
The fees and costs for managing your investment	Management costs of 2.78% pa, comprising: <b>Management fee</b> 0.97% pa of the net asset value of the Fund.	The management fee: <ul style="list-style-type: none"><li>accrues daily and is payable monthly, and</li></ul>

	<p><b>Indirect costs<sup>3</sup></b> 1.81% pa of the net asset value of the Fund, comprising:</p> <ul style="list-style-type: none"> <li>• 0.00% pa expenses – Fund<sup>4</sup></li> <li>• 1.81% pa performance fees for Underlying Funds</li> <li>• 0.00% pa expenses from underlying funds</li> <li>• 0.00% pa other indirect costs.<sup>5</sup></li> </ul>	<ul style="list-style-type: none"> <li>• is deducted from the Fund's assets and reflected in the Fund's unit price.</li> </ul> <p>Indirect costs are generally deducted from the Fund's assets and reflected in the Fund's unit price. Indirect costs are generally paid when incurred.</p> <p>Indirect costs include performance fees charged by each Underlying Fund. Each Underlying Fund's performance fee accrues daily and is payable quarterly in arrears and deducted from the relevant Underlying Fund's assets.</p> <p>Refer to section 4 of each Underlying Fund's product disclosure statement for more information on the performance fee for each Underlying Fund. You can access a copy of the latest version of the product disclosure statement for each Underlying Fund at <a href="http://macquarie.com.au/pds">macquarie.com.au/pds</a> or by contacting us.</p>
<b>Service fees</b>		
<b>Switching fee</b> The fee for changing funds	Nil	Not applicable

1 You may also incur a buy/sell spread when your money moves in or out of the Fund. Refer to Section 4.2.4 of this PDS for more information.

2 Fees may be individually negotiated if you are a wholesale investor under the Corporations Act and subject to compliance with applicable regulatory requirements. See 'Differential fees' in Section 4.2.6 of this PDS for more information.

3 Based on indirect costs for the previous financial year. Actual costs may vary including by material amounts. Past costs may not be a reliable indicator of future costs.

4 We do not currently seek reimbursement from the Fund for administrative expenses. Abnormal expenses will generally be paid by the Fund. Refer to Section 4.2.2 of this PDS for further details.

5 May also include certain costs such as over-the-counter derivatives and any other costs required to be included for the purposes of the Corporations Act.

**b. The content for 'Example of annual fees and costs of the Fund' in Section 4.1 of the PDS is replaced with the following:**

**Example of annual fees and costs of the Fund**

This table gives an example of how the fees and costs in the Fund can affect your investment over a one-year period. You should use this table to compare the Fund with other managed investment products. From 26 April 2021, the management fee was reduced to 0.97% pa.

Example		Balance of \$50,000 with total contributions of \$5,000 during the year
Contribution fees	Nil	For every additional \$5,000 you put in, you will not be charged any contribution fee.
<b>PLUS</b> Management costs comprising:	<b>3.39% pa<sup>1</sup></b>	<b>And for every \$50,000 you have in the Fund, you will be charged \$1,695 each year, comprising:</b>
Management fee – Fund	1.58% pa <sup>2</sup>	\$790
Indirect costs – Performance fees of Underlying Funds	1.81% pa	\$905
<b>EQUALS</b> cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of <b>\$1,695.<sup>3</sup></b>  <b>What it costs you will depend on the fees you may be able to negotiate.</b>

1 Calculated using the 'indirect cost ratio' for the Fund for the previous financial year. The 'indirect cost ratio' refers to the management costs expressed as percentage of the average net asset value of the Fund. It is not a forecast of the amount of the total management costs, which may be higher or lower in the future.

<sup>2</sup> From 26 April 2021, the management fee is 0.97% pa.

<sup>3</sup> This example assumes that there is no variation in the value of your investment and the additional investment of \$5,000 is made at the end of the period. In practice, the value of an investor's investment and the fees paid will vary and if an additional investment is made during the period, a management fee will also be payable on the additional investment from the date that the additional investment is made.

**c. The footnote in the sub-section entitled 'Net transactional and operational costs' in Section 4.2.4 of the PDS is replaced with the following:**

<sup>1</sup> Management costs may differ materially in the current financial year as from 26 April 2021, the management fee is 0.97% pa.

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## IMPORTANT INFORMATION

This document is a supplement to the PDS (**Supplement**) for the Macquarie Professional Series Global Alternatives Fund (**Fund**). The Supplement sets out certain information relating to the underlying funds in which the Fund may be invested from time to time. The Supplement forms part of the PDS and you should read this Supplement with the PDS before making a decision to invest in the Fund.

The information in the PDS and this Supplement may change from time to time. Where the information in the PDS and this Supplement changes, and such change is not materially adverse to you, we may update the information by publishing an update at [macquarie.com.au/pds](http://macquarie.com.au/pds). You can access a copy of the latest version of the PDS, this Supplement and any updated information free of charge from our website or by contacting us.

The information provided in the PDS and this Supplement is general information only, and does not take account of your personal financial situation or needs. You should obtain your own financial advice tailored to your personal circumstances.

Capitalised terms used and not defined in this Supplement have the meaning given to them in the PDS.

### Investments in the Fund are subject to investment risk

Other than Macquarie Bank Limited (**MBL**), none of the entities noted in this document are authorised deposit-taking institutions for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of MBL. MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities, unless noted otherwise.

### The offer

This offer is only open to persons receiving the PDS and this Supplement within Australia and New Zealand or any other jurisdiction approved by us. Unless otherwise stated all references to 'dollars' or '\$' herein refer to Australian dollars.

### No offering to United States persons

Without limiting the above, the offer is only open to persons who are:

- not a 'U.S. person' for the purposes of Regulation S under the U.S. Securities Act of 1933, and
- a 'Non-United States person' as defined in Section 4.7(a)(1)(iv) of the rules of the U.S. Commodity Futures Trading Commission.

If you are not an eligible investor as defined above, we reserve the right to compulsorily redeem your unitholding in the Fund.

### Warning statement for New Zealand investors

- The offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is Part 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
- The offer and the content of the PDS is principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and regulations made under that Act set out how the offer must be made.
- There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
- The rights, remedies and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies and compensation arrangements for New Zealand financial products.
- Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.
- The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
- If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.
- The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
- If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.\*
- The dispute resolution process described in the PDS is only available in Australia and is not available in New Zealand.
- If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

\* Redemptions and distributions of income will only be paid in Australian dollars to an Australian bank account.



## Benchmarks

### Valuation of non-exchange traded assets

This benchmark addresses whether valuations of the Underlying Fund's non-exchange traded assets are provided by an independent administrator or an independent valuation service provider. The Underlying Fund's non-exchange traded assets are over-the-counter foreign exchange forwards, which are typically valued by Macquarie based on independent sources of exchange rate data published by third party providers, and cash, which is valued at face value with the addition of accrued interest. Therefore, the benchmark is not met.

Macquarie has expertise and experience in financial risk modelling and valuing financial products and other assets types, including non-exchange traded assets. Macquarie has in place valuation methods and policies which describe how non-exchange traded assets and liabilities are to be classified and the methodology to be used to value those assets and liabilities. These methods and policies are consistent with acceptable industry standards. Given that the valuations are based on independent sources of exchange rate data and the risk controls in place, we do not believe that Macquarie performing the valuation results, in any material increase, in risk to investors.

### Periodic reporting

This benchmark addresses whether the responsible entity of the Underlying Fund provides periodic disclosure of certain key information on an annual and monthly basis.

Refer to the table in the 'Macquarie Professional Series Global Alternatives Fund at a glance' section of the PDS for the periodic disclosure of certain key information that will be provided on an annual and monthly basis for the Fund and the Underlying Fund, and whether each meets the benchmark.

## Disclosure Principle 1: Investment strategy

### Investment strategy and typical asset classes

The Underlying Fund aims to generate long-term absolute returns by investing in exchange-traded government bond, equity index and equity volatility index futures contracts, and over-the-counter foreign exchange forward contracts (**OTC FX forwards**) providing exposure to developed market and emerging market currencies. The Underlying Fund may also gain exposure to currencies by investing in currency futures.

The Underlying Fund holds both long and short positions in futures and OTC FX forwards. The Underlying Fund will also hold cash and cash equivalents.

IPM's investment process involves the use of models to determine the positions held by the Underlying Fund. The models are based on economic theory and rely on the belief that asset prices fluctuate around the true fundamental value of financial assets. The implementation of the investment process is

systematic, which means that the vast majority of the Underlying Fund's portfolio exposures are based on the output of the model.

The process, in constructing a diversified portfolio, has its starting point in the evaluation of investment opportunities grouped under the following investment themes.

- **Value** – Identifies and takes positions against discrepancies between observed prices and longer term intrinsic value.
- **Risk premia** – Identifies opportunities for compensation for accepting risk resulting from investors having different risk preferences and the assumption that these preferences do not change over time.
- **Macroeconomic** – Identifies shifts in global economic activity and takes forward-looking positions to profit from the expected market adjustment.
- **Market dynamics** – Each market has its own set of specific characteristics which offer opportunities (for example, investment flows, volatility of interest rate curves). Once individual investment opportunities have been evaluated, IPM aggregates all the investment ideas within each of the five portfolios, which make up a broader portfolio, consisting of four relative value and one directional portfolios.
- **Relative value portfolios** – These are segregated into four asset classes (developed market and emerging market currencies, government bonds and equity indices).
  - Each underlying asset is evaluated against an equally weighted basket of assets within that portfolio to establish long or short positions.
  - The aggregate of the long and short positions are expected to remain neutral; that is, the sum of net market exposures are targeted to be zero.
- **Directional portfolio**
  - This may include any of the four asset classes (developed market and emerging market currencies, government bonds, equity volatility indices and equity indices).
  - Unlike the relative value portfolios, this portfolio will take long or short positions across an asset class based on the model's prediction that the asset class (or certain features of the asset class) will rise or fall in value.

Refer to Section 2.2 of the Underlying Fund's PDS for more information on the investment strategy and process.

### Currency denomination and location of the assets

The Underlying Fund may invest in any futures markets globally. The futures, OTC FX forwards and underlying assets may be located in any jurisdiction worldwide and denominated in any currency. The futures and OTC FX forwards held by the Underlying Fund are generally not denominated in Australian dollars. The Underlying Fund may invest in any developed market and emerging market currencies.

The cash holdings of the Underlying Fund, in excess of margin requirements, will generally be denominated in Australian dollars. The cash posted with counterparties or exchanges as margin against the Underlying Fund's futures or OTC FX forwards may be denominated in any currency.

## Disclosure Principle 2: Investment manager

### The investment manager

IPM Informed Portfolio Management AB (**IPM**) has been appointed to manage the Fund's futures and over-the-counter foreign exchange forwards contracts exposure on a discretionary basis. IPM, founded in 1998 and based in Sweden, is a systematic investment manager offering macro and equity portfolio solutions to investors globally. IPM has been registered as a regulated investment firm with the Swedish Financial Supervisory Authority since 2002. IPM is also registered as a commodity trading adviser and commodity pool operator with the US Commodity Futures Trading Commission and is a member of the National Futures Association in such capacities.

The Investment Manager of the Fund, Macquarie Investment Management Global Limited, also acts as the cash manager of the Underlying Fund, managing the cash investments held by the Underlying Fund in excess of the margin requirements.

### Key individuals

IPM's strategy is systematic and does not have any one person who has discretionary decision-making responsibilities. 'Systematic' in this context means that the vast majority of the portfolio exposures are based on the forecasts generated by IPM's systems, other than in rare instances where IPM deems the circumstances to be exceptional.

The following provides details of the identity, relevant qualifications and commercial experience of the key individuals of IPM. The individuals noted below are ultimately responsible for the oversight of IPM's investment activities for the Underlying Fund and will devote as much as time as IPM deems necessary or appropriate in order to manage the Underlying Fund's futures and OTC FX forwards exposure.

#### **Björn Österberg – Managing Director, Chief Investment Officer and Head of Research**

Björn Österberg is responsible for the management and development of IPM's investment activities. He is a member of the executive, investment and risk management committees. Björn joined IPM in 2008, with extensive experience in managing quantitative research teams as well as in proprietary trading in a range of asset classes. Prior to IPM, he was Head of Quantitative Research and a member of the proprietary trading team at JP Bank, Head of Quantitative Research at Unibank/Nordea, and a Senior Equity Portfolio Manager at AP4. Björn holds a Masters of Science in Engineering Physics from the Royal Institute of Technology in Stockholm, and has several years of additional studies in both financial economics and macro economics from Stockholm University.

#### **Mattias Jansson – Executive Director, Deputy Head of Research**

Mattias Jansson joined IPM in 2005 and has been extensively involved in the research and development of IPM's strategies. His first years were spent at the research department where he worked closely with the advisory board on risk allocation issues and developing the novel approach still in place today in IPM's

strategy. Mattias worked on the trading desk between 2007 and 2009, where he gained an in-depth practical understanding of financial markets. After which, he has been fully dedicated to research. Mattias holds a Masters of Science in Engineering Physics from the Royal Institute of Technology in Stockholm.

As at the date of this PDS, there have been no adverse regulatory findings against IPM or the key individuals responsible for the oversight of IPM's investment activities for the Underlying Fund.

### Investment management agreement between Macquarie and IPM

The rights and obligations of each of Macquarie and IPM are set out in the terms of an investment management agreement which has been negotiated on an arm's length basis. There are no unusual or materially onerous terms (from an investor's perspective) in the investment management agreement.

Under the investment management agreement between Macquarie and IPM, Macquarie may terminate the appointment of IPM as the investment manager of the Underlying Fund in the following circumstances:

- three months' written notice to IPM, and
- upon the occurrence of certain 'default' events including, but not limited to, a change of control of IPM, liquidation or insolvency of IPM, IPM ceasing to carry on business, a key person event or breach of a material provision or warranty, representation or undertaking of the agreement that has not been remedied within ten business days of us asking IPM to do so.

On termination, IPM will generally be entitled to receive any accrued fees and expenses incurred in respect of the period to termination. Other than any accrued fees and expenses payable, there are no other payment obligations on termination of the investment management agreement by Macquarie.

## Disclosure Principle 3: Fund structure

The Underlying Fund is an Australian unit trust registered under the Corporations Act as a managed investment scheme. Macquarie is the responsible entity of the Underlying Fund and is responsible for operating the Underlying Fund in accordance with the Underlying Fund's constitution, and the Corporations Act.

The key service providers to the Underlying Fund are:

- the investment manager of the Underlying Fund, IPM Informed Portfolio Management AB, registered as a regulated investment firm with the Swedish Financial Supervisory Authority
- the cash manager of the Underlying Fund, Macquarie Investment Management Global Limited, a company incorporated under the laws of Australia
- the custodian of the Underlying Fund, Citi, a company incorporated under the laws of Australia
- the futures clearing broker and OTC FX forwards prime broker for the Underlying Fund, Morgan Stanley & Co.

The Underlying Fund has a gross maximum anticipated leverage, or maximum anticipated gross market exposure to derivatives, of 18 times of the net asset value of the Underlying Fund and a maximum allowable leverage, or maximum allowable gross market exposure to derivatives, of 18.5 times of the net asset value of the Underlying Fund.

As at the date of this Supplement, the investment strategy that IPM is implementing for the Underlying Fund has historically averaged a leverage of approximately 8 to 10 times the net asset value of the Underlying Fund. There is no guarantee that historical levels of leverage will continue.

IPM applies limits to manage the Underlying Fund's futures and OTC FX forwards investments. Refer to 'Investment limits and guidelines' in Disclosure Principle 4 above.

### Assets used as collateral

The initial margin and variation margin is collateral to cover the risk of default on the futures and/or OTC FX forwards contract. If the Underlying Fund's margin account goes below a certain value, then a margin call is made and the Underlying Fund must replenish the margin account. Calls for margin are expected to be paid on the same day. If not, the futures clearing broker, futures exchange or OTC FX forwards prime broker may terminate such futures and/ or OTC FX forwards contracts. Cash deposited as margin with the futures clearing broker, futures exchange or OTC FX forwards prime broker may be encumbered or exposed to set off rights in certain circumstances. For example, these parties may have rights to such collateral where an event of default occurs in relation to futures and/or OTC FX forwards trading undertaken on behalf of the Underlying Fund. Also, the claims against the collateral by third parties may be accelerated in the event of insolvency of Macquarie in certain circumstances.

### Disclosure Principle 7: Derivatives

The use of derivatives (in this case, futures and OTC FX forwards) is key to the investment strategy of the Underlying Fund. The Underlying Fund takes long and short positions in exchange-traded futures and OTC FX forwards, which provide returns linked to the movements in the underlying assets.

All of the Underlying Fund's derivatives counterparties must, in IPM's reasonable opinion, meet specified credit criterion, and have sufficient expertise and experience in trading such financial instruments.



Refer to Section 3 of the PDS for information on the risks associated with the use of derivatives.

### Disclosure Principle 8: Short-selling

The Underlying Fund may hold short futures positions and OTC FX forwards although it does not engage in short-selling physical assets. In taking short positions, the Underlying Fund bears the risk of an increase in price of the underlying investment over which the short position is taken.



Refer to Section 3 of the PDS for more information on the risks associated with short-selling and Disclosure Principle 1 above for details on how IPM manages the risks associated with the investment process generally (including short positions).

## Risk management processes employed by P/E Global

P/E Global manages the futures exposure of the Underlying Fund to a predetermined target portfolio volatility, which is measured using standard deviation. In addition to standard deviation, P/E Global also manages portfolio market risk exposure by using a statistical technique to measure and to quantify the level of financial risk of the investment portfolio over a specific short timeframe. Other ways in which P/E Global may manage risk include:

- investing globally across liquid markets
- monitoring initial margin-to-equity and gross market exposures, and
- taking a mixture of long and short positions.

### Disclosure Principle 2: Investment manager

## The investment manager

P/E Global LLC (**P/E Global**) has been appointed to manage the Underlying Fund's futures exposure on a discretionary basis. P/E Global is a limited liability company, based in Boston Massachusetts, which provides investment advisory and discretionary portfolio management services to clients. P/E Global is registered with the U.S. Commodity Futures Trading Commission as a commodity pool operator and a commodity trading adviser and is a member of the National Futures Association. P/E Global is also registered as an investment adviser with the U.S. Securities and Exchange Commission, which does not imply any certain level of skill or training.

The Investment Manager of the Fund, Macquarie Investment Management Global Limited, also acts as the cash manager of the Underlying Fund, managing the cash investments held by the Underlying Fund in excess of the margin requirements.

## Key individual

P/E Global's strategy is systematic and does not have any one person who has discretionary decision-making responsibilities. 'Systematic' in this context means that the vast majority of the portfolio exposures are based on the forecasts generated by P/E Global's quantitative models, other than in rare instances where P/E Global deems the circumstances to be exceptional.

The following provides details of the identity, relevant qualifications and commercial experience of the key individual of P/E Global. The individual noted below is ultimately responsible for the oversight of P/E Global's investment activities for the Underlying Fund and will devote as much time as P/E Global deems necessary or appropriate in order to manage the Underlying Fund's futures exposure.

## Warren Naphtal – Founder and Chief Investment Officer

Warren Naphtal is the co-founder of P/E Global LLC. Warren has served as Chief Investment Officer of P/E Global and its affiliated companies since 1995. He has extensive experience in the portfolio management and securities trading fields. From 1993 to 1995, Warren was a Senior Vice President and Head of Derivative Strategies at Putnam Investments. He was also responsible for Putnam's commodity investments and foreign exchange overlay areas working extensively with core clients in the U.S. and Japan. Warren served on Putnam's Capital Market Committee, setting the firm's overall investment strategy and was a founding member of Putnam's Risk Management Committee. From 1989 to 1993, he was a Managing Director of Continental Bank, where his responsibilities included Head of Global Risk Management, Head of Proprietary Trading and Managing Partner of Cardinal Capital Management. From 1987 to 1989, Warren was a Vice President of Continental Bank, where he was responsible for Derivatives Trading. From 1985 to 1986, he traded equity options for O'Connor & Associates, a leading options trading concern that was subsequently acquired by Swiss Bank. Warren graduated from the MIT Sloan School of Management in Massachusetts in 1985, and the University of California, Berkeley where he received a Bachelor of Science in Civil Engineering in 1983.

As at the date of this Supplement, there have been no adverse regulatory findings against P/E Global or the key individual responsible for the oversight of P/E Global's investment activities for the Underlying Fund.

#### Disclosure Principle 4: Valuation, location and custody of assets

The Underlying Fund's assets are normally valued at their most recent market value, using independent pricing sources where available for the particular asset type and in accordance with industry standards. Futures are generally valued by reference to the exchange settlement price. Cash is valued at its face value with the addition of accrued interest.

The Fund's assets, futures contracts and cash, are held by Macquarie as the responsible entity of the Fund. Citi has been appointed as the custodian of the Fund. However, as the Fund's assets are held by Macquarie, Citi's role is limited to providing services to the Fund in relation to some of the cash held by the Fund for day-to-day operational purposes (which is generally a small percentage of the Fund's total cash holdings).

 Please refer to Disclosure Principle 1 above for information on the location of the assets of the Underlying Fund.

#### Disclosure Principle 5: Liquidity

As at the date of this Supplement, Macquarie reasonably expects to be able to realise at least 80% of the Underlying Fund's assets, at the value ascribed to those assets in calculating the Underlying Fund's net asset value, within ten days.

#### Disclosure Principle 6: Leverage

The Underlying Fund uses leverage, which is inherent in futures contracts, to implement the investment strategy although it does not physically borrow to leverage. Leverage generally provides a much larger exposure to the underlying assets with a relatively small initial outlay. The Underlying Fund, therefore, may have gross market exposure (the sum of the combined market exposures of its long and short futures positions) in excess of 100% of the net asset value of the Underlying Fund. While the use of leverage may increase the potential return on an investment in the Underlying Fund, it also increases the level of risk and may also result in substantial losses being incurred by the Underlying Fund.

The maximum allowable leverage, or maximum gross market exposure, of the Underlying Fund is three (3) times the net asset value of the Underlying Fund.


#### Assets used as collateral

The initial margin and variation margin is collateral to cover the risk of default on the futures contract. If the Underlying Fund's margin account goes below a certain value, then a margin call is made and the Underlying Fund must replenish the margin account. Calls for margin are expected to be paid on the same day. If not, the futures clearing broker or futures exchange may terminate such futures contracts. Cash deposited as margin with the futures clearing broker or futures exchange may be encumbered or exposed to set off rights in certain circumstances. For example, the futures clearing broker may have rights to such collateral where an event of default occurs in relation to futures trading undertaken on behalf of the Underlying Fund. Also, the claims against the collateral by third parties may be accelerated in the event of insolvency of Macquarie in certain circumstances.

#### Disclosure Principle 7: Derivatives


The use of derivatives (in this case, limited to exchange-traded currency and gold futures) is key to the investment strategy of the Underlying Fund. The Underlying Fund takes both long and short positions in futures, which provide returns linked to the movements in the assets underlying the futures contracts.

All of the Underlying Fund's derivatives counterparties, being futures exchanges and futures brokers, must have, in P/E Global's reasonable opinion, sufficient expertise and experience in trading such financial instruments.

 Refer to Section 3 of the PDS for information on the risks associated with the use of derivatives.

#### Disclosure Principle 8: Short-selling

The Underlying Fund may hold short futures positions although it does not engage in short-selling physical assets. In taking short positions, the Underlying Fund bears the risk of an increase in price of the underlying asset over which the short position is taken.

 Refer to Section 3 of the PDS for more information on the risks associated with short-selling and Disclosure Principle 1 above for how P/E Global manages the risks associated with the investment process generally (including short positions).



## Currency denomination and location of the assets

The Underlying Fund may have exposure to markets globally across sectors such as equities, fixed income, interest rates, currencies and commodities. The investments to which the Fund is exposed may be located in any jurisdiction worldwide and denominated in any currency.

The Underlying Winton Fund, in which the Underlying Fund is invested, is incorporated in the Cayman Islands and shares in the Underlying Winton Fund are denominated in US dollars.

The cash holdings of the Underlying Fund, in excess of margin requirements, will generally be denominated in Australian dollars. Although a small portion of cash may be held in US dollars. The cash posted with counterparties or exchanges as margin against the Underlying Fund's futures may be denominated in any currency.

The Underlying Winton Funds may also hold, or have exposure to, cash or cash equivalent investments and fixed income instruments, which are likely to be denominated in currencies other than Australian dollars.

## Key assumptions and dependencies of the investment strategy

The ability of the investment strategy to produce investment returns will depend on a number of factors, including without limitation, the success of the strategy and the quality of the statistical research underlying the strategy. There is no guarantee that the Underlying Fund will achieve its performance objectives, or produce returns that are positive or compare favourably against its peers.

## Investment limits and guidelines

The Underlying Fund invests in exchange-traded derivatives (futures and forwards) and Underlying Winton Funds, and also holds cash and cash equivalents. Through its investments in Underlying Winton Funds, the Underlying Fund also has exposure to derivatives, over-the-counter and exchange-traded, and may have exposure to equities (including exchange-traded funds, depositary receipts and common equity) or fixed income securities directly held by the Underlying Winton Funds.

The Underlying Fund's investments may provide exposure to the following underlying assets:

- Australian listed equities
- international listed equities
- Australian government bonds
- international government bonds
- Australian corporate bonds
- international corporate bonds
- short-term interest rates
- commodities
- currencies, and
- cash and cash equivalent investments.

The Underlying Fund can be expected to trade in or provide exposure to approximately 100 individual markets worldwide across the following categories.

Examples can include but are not limited to those listed below	
Share indices	<ul style="list-style-type: none"> <li>• S&amp;P 500 (US)</li> <li>• SFE SPI 200 (Australia)</li> <li>• DJ EuroStoxx</li> <li>• Hang Seng (Hong Kong)</li> <li>• BOVESPA (Brazil)</li> </ul>
Bonds	<ul style="list-style-type: none"> <li>• US Treasury 10-year and 5-year bonds</li> <li>• Australian Commonwealth 10-year and 3-year bonds</li> <li>• Japanese Government bonds</li> </ul>
Interest rates	<ul style="list-style-type: none"> <li>• Australian bank bills</li> <li>• Canadian bank bills</li> <li>• US bank bills</li> <li>• Czech rates (swaps)</li> </ul>
Currencies	<ul style="list-style-type: none"> <li>• Australian dollar</li> <li>• Brazilian Real</li> <li>• British Pound</li> </ul>
Commodities (meat, grains, energies, base metal and precious metals)	<ul style="list-style-type: none"> <li>• Sugar</li> <li>• Coffee</li> <li>• Crude Oil</li> <li>• Aluminium</li> <li>• Gold</li> <li>• Cheese</li> <li>• Milk</li> </ul>

The following limits apply to the Underlying Fund's investments.

- Excluding margin committed by the Underlying Winton Funds, not more than 10% of the Underlying Fund's net asset value may be committed as initial margin to any single market.
- Excluding margin committed by the Underlying Winton Funds, not more than 50% of the Underlying Fund's net asset value may be committed as initial margin at any time.
- The Underlying Fund will not invest more than 12% of the Underlying Fund's net asset value in the Underlying Winton Funds.

The Underlying Fund does not have a maximum percentage allocation to derivatives. The Underlying Fund will not have a forecast annualised volatility of greater than 30%.

The Underlying Fund's excess cash will be held in bank accounts with Australian authorised deposit-taking institutions, or such other cash or cash equivalent investments as determined by the cash manager of the Underlying Fund. The margin of the Underlying Fund's futures is held with the futures clearing broker or futures exchanges. A small portion of cash may be held in US dollars. The Underlying Winton Funds may also hold or have exposure to cash or cash equivalent investments, and fixed income instruments, which are likely to be denominated in currencies other than Australian dollars.

These guidelines may be changed from time to time.

## Disclosure Principle 3: Fund structure

The Underlying Fund is an Australian unit trust registered under the Corporations Act as a managed investment scheme. Macquarie is the responsible entity of the Underlying Fund and is responsible for operating the Underlying Fund in accordance with the Underlying Fund's constitution, and the Corporations Act.

The key service providers to the Fund are:

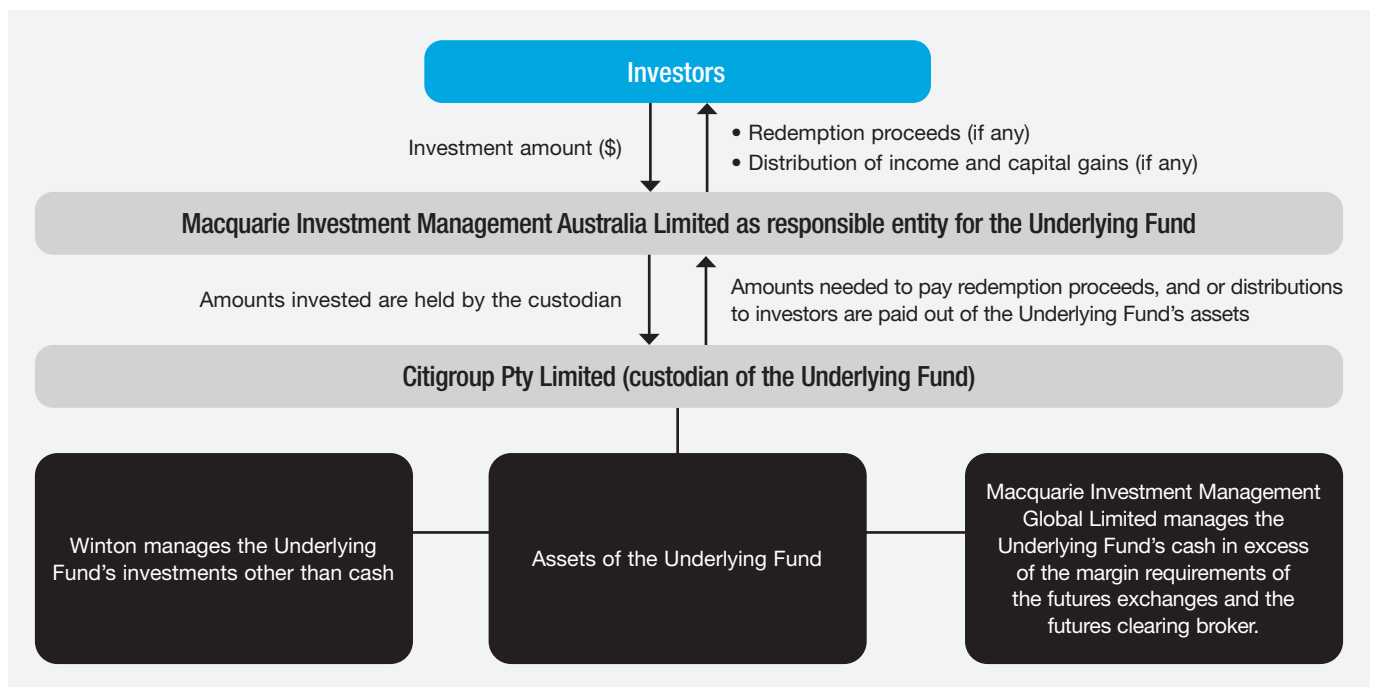
- the investment manager of the Fund, Winton Capital Management Limited
- the cash manager of the Underlying Fund – Macquarie Investment Management Global Limited, a company incorporated under the laws of Australia
- the custodian of the Underlying Fund, Citi, a company incorporated under the laws of Australia, and
- the auditor of the Underlying Fund – Ernst & Young Australia.

Winton or a related body corporate of Winton will be the investment manager of the Underlying Winton Funds.

For more information on the key service providers, please refer to Section 1 of the Underlying Fund's PDS.

Macquarie and the cash manager of the Underlying Fund, both part of Macquarie Group, are related corporations.

The diagram below shows the flow of investment money through the structure of the Underlying Fund.



	Number of contracts held	Notional contract size	Notional leverage
Equity futures contract	1	\$250,000	250,000/100,000 = 2.5
Interest rate futures contract	1	\$1,000,000	1,000,000/100,000 = 10

Volatility is a statistical measure of risk. The more sharply that the value of a portfolio moves up and down over time, the more volatile it is, and the higher the risk. In the same example, due to the higher volatility in equity futures markets compared to interest rate futures markets, the level of risk you take on would be considerably higher if one equity futures contract was held instead of one interest rate futures contract. This is reflected in the exchange requiring a much higher initial margin to trade equity futures than interest rate futures (refer to Table 2).

	Number of contracts held	Initial margin	Annualised volatility
Equity futures contract	1	\$60,000 <sup>1</sup>	24.00% <sup>2</sup>
Interest rate futures contract	1	\$441 <sup>1</sup>	0.57% <sup>2</sup>

<sup>1</sup> This is only an approximation of the initial margin of a typical equity and interest rate futures contract.

<sup>2</sup> Actual historical volatility, as at 31 May 2020, based on historical daily movements over 1 year for S&P 500 Index and 90 day Australian Bank Bill contracts.

The interest rate futures contract has higher notional leverage, but is lower in risk. This is reflected in lower volatility and lower initial margin requirements. The equity futures contract has lower notional leverage, but is higher in risk. This is reflected in higher volatility and higher initial margin requirements. The example provided is for illustrative purposes only and does not necessarily reflect the characteristics of other futures contracts or derivatives contracts in similar circumstances. The volatility and margin requirements of any futures contracts or derivatives contracts may be significantly different to the example provided.

## Assets used as collateral

The initial margin and variation margin is collateral to cover the risk of default on the derivatives contract. If the margin account of the Underlying Fund or an Underlying Winton Fund goes below a certain value, then a margin call is made and the Underlying Fund or the Underlying Winton Fund (as relevant) must replenish the margin account. Calls for margin are expected to be paid on the same day. If not, the clearing broker, or exchange or counterparty (as relevant) may terminate such derivatives contracts. Cash deposited as margin with the clearing broker, or exchange or counterparty (as relevant) may be encumbered or exposed to set off rights in certain circumstances. For example, the counterparty may have rights to such collateral where an event of default occurs in relation to trading undertaken on behalf of the Underlying Fund or an Underlying Winton Fund. Also, the claims against the collateral by third parties may be accelerated in the event of insolvency of Macquarie or the Underlying Winton Fund (as relevant) in certain circumstances.

Where an Underlying Winton Fund physically borrows to leverage, the Underlying Winton Fund is likely to need to grant security over the assets of the Underlying Winton Fund to the lender. The lender will have rights to take possession of and/or sell the secured assets if the Underlying Winton Fund defaults on its loan. The secured assets may be sold at below a fair or market value and/or may not generate net proceeds that are sufficient to fully satisfy the amount outstanding on the loan.

### Disclosure Principle 7: Derivatives

The use of derivatives is key to the investment strategy of the Underlying Fund and the Underlying Winton Funds. The Underlying Fund and the Underlying Winton Funds take both long and short positions in derivatives including futures, forwards, swaps and other derivatives, which provide returns linked to the movements in particular underlying investments, such as equities, fixed income, interest rates, currencies and commodities. The Underlying Fund may have exposure to exchange-traded or over-the-counter derivatives.

All of the Underlying Fund's executing brokers must have, in Winton's reasonable opinion, sufficient expertise and experience in trading such financial instruments.



Refer to Section 3 of the PDS for information on the risks associated with the use of derivatives.

### Disclosure Principle 8: Short-selling

The Underlying Fund may have exposure to short derivatives positions and could be indirectly exposed to the short-selling of physical assets through its investment in the Underlying Winton Funds. The key difference between a long position and a short position is that a short position involves the unlimited risk of an increase in the market price of the securities underlying the short position. Such an increase could lead to a substantial loss.

In the case of short-selling of physical assets, there can be no guarantee that the securities or other assets necessary to cover a short position will be available for purchase or available at a fair value price.



Refer to Section 3 of the PDS for more information on the risks associated with short-selling and Disclosure Principle 1 above for how Winton manages the risks associated with the investment process generally (including short positions).

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