

A Sub-fund of Fundlogic Alternatives plc, an Irish UCITS Fund

## Fund Objective and Investment Strategy

The IPM Systematic Macro UCITS Fund provides an opportunity to access IPM's Systematic Macro Strategy (the "Strategy") in a UCITS-compliant format. The objective of the Strategy is to generate consistent positive returns.

The Strategy is based on proprietary investment models that provide unique insights into how fundamental drivers interact with the dynamics of asset price returns. The investment models employed evaluate the relative attractiveness of financial instruments and exploit the divergence in fundamentals by taking long and short positions. The information derived from these models is processed in a systematic way on a daily basis whereas the identified dislocations are typically medium to long term.

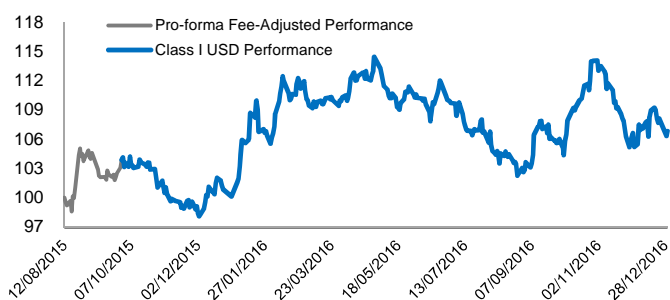
The IPM Systematic Macro Strategy was first launched in 2003. It has a long term proven track-record, with competitive and diversifying returns. The Strategy has the potential to add value to an institutional investor's portfolio due to its low correlation to traditional and alternative investment strategies.

## Investment Management

IPM Informed Portfolio Management was founded in 1998 with the purpose of delivering robust investment strategies with a systematic investment process to institutional investors.

Today, IPM is primarily recognized for its multi-asset systematic macro strategy. Based in Stockholm, IPM has over forty employees of which over half are involved in research and investments. IPM serves institutional investors in Europe, Asia, the Middle East and North America. The firm AUM as of December 2016 is approximately \$5bn.

## Performance <sup>(1)</sup>



Sources: Morgan Stanley / Northern Trust  
The above performance is based on pro-forma returns until September 28th 2015 when the I USD share class was launched. Pro-forma returns are calculated using the historical performance of another share class and applying the fee structure for the I USD share class. Post September 28th 2015, performance is based on the I USD Share Class returns. Past performance and pro-forma returns are not a reliable indicator of future results.

## Investment Manager Commentary <sup>(2)</sup>

At the beginning of December all eyes were on Italy and the constitutional referendum. Equities, primarily in Europe, rallied as investors seemed to shrug off the 'No' vote. Focus then turned to the ECB meeting where Draghi reported a decision to trim the scale of its bond purchasing program, which resulted in further gains for equities. Towards the middle of the month the Fed raised the key rate impacting both equities and bonds negatively. Global equities gained 2.4% for the month while global bonds gained 0.2%.

The strategy finished December with a moderate gain, primarily driven by good performance from the relative equity portfolio. The best performer in this portfolio was a long position in FTSE/MIB outperforming following the reaction to the Italian constitutional vote. The dev. currency portfolio was down in December. The main detractor was a short position in SEK and a long position in JPY. The SEK strengthened significantly following a Riksbank communication indicating the end of the Swedish QE program is near.

Source: IPM

## Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015 IPM - Share I USD	-	-	-	-	-	-	-	3.76% <sup>(1)</sup>	0.36% <sup>(1)</sup>	-2.84%	-2.32%	1.33%	0.14% <sup>(1)</sup>
2016 IPM - Share I USD	6.25%	5.22%	-1.83%	3.94%	-3.20%	-0.58%	-2.85%	-3.91%	3.30%	7.57%	-6.75%	0.45%	6.67%

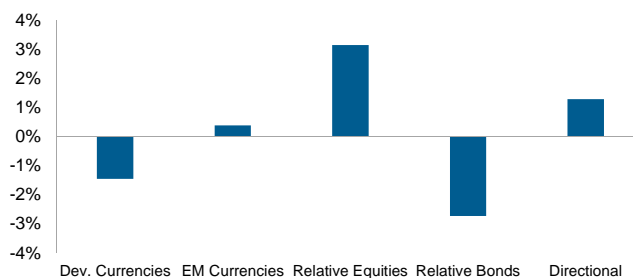
Source: Morgan Stanley / Northern Trust.  
The above figures refer to the past. Past performance and pro-forma returns are not a reliable indicator of future results. Fund performance is quoted net of fees and based on unaudited figures. Performance varies across share classes of the Fund depending on fee structure.

1. Performance is based on pro-forma returns until September 28th 2015 when the I USD share class was launched. Pro-forma returns are calculated using the historical performance of another share class and applying the fee structure for the I USD share class. Post September 28th 2015, performance is based on the I USD Share Class returns. For 2015, August 2015 and YTD performances are from 12th August, 2015.  
2. Information sourced from IPM Informed Portfolio Management and mirrors the opinion and expectations of IPM only. It is not agreed with Morgan Stanley and may not mirror Morgan Stanley's views.

## Fund Characteristics

Inception Date	12-Aug-15
Total Assets (USD)	\$869 MM
Base Currency	USD
Domicile	Ireland
Passporting Status (registered in)	UK, Spain, France, Italy, Germany, Switzerland, Sweden, Austria, Luxembourg and Finland
Also permitted for sale to certain investors in	Singapore
Legal Structure	An Open-Ended Investment Company (OEIC)
Dealing Day	Every day (except legal public holidays in the United Kingdom, Ireland, Sweden or the United States of America and days on which the stock markets in London are closed)
Subscription/Redemption notice	12 midday Irish time, 2 business days prior to the relevant dealing day
Settlement	Subscription: Dealing Day +2 Redemption: Dealing Day +5
Currency Classes Available	USD / EUR/ GBP / SEK/ CHF
Investment Manager	Informed Portfolio Management AB ("IPM")
Promoter & Distributor	Morgan Stanley & Co International plc
Custodian	Northern Trust Fiduciary Services (Ireland) Ltd
Administrator	Northern Trust International Fund Administration Services (Ireland) Ltd
Auditor	Ernst & Young

## Monthly Performance Attribution by Strategy



Source: IPM. The chart presents the Gross Monthly Performance Attribution by Sub-Portfolio

The EM currency portfolio was slightly up for the month, driven by the long RUB and short KRW positions.

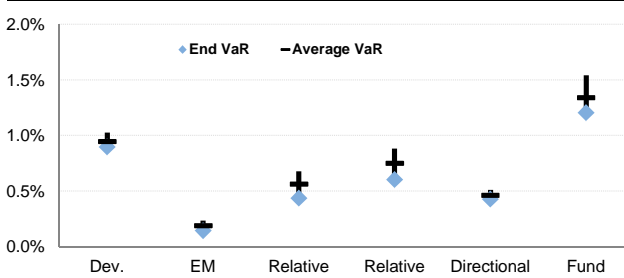
The relative bond portfolio was the most significant detractor for the month. The most notable driver of the loss was the short UK Gilt position. The strategy continues to see opportunities in rising UK rates based on strong macroeconomic signals and a clear difference in the market vs. fair value. The long positions in US T-Notes and Australian bond futures also detracted some. The directional portfolio had a strong month with gains from the long equities position. A new instrument expressing EM vs. DM currencies was implemented in the directional portfolio towards the end of December, currently expressing a long view in EM vs. DM.

**Quantitative Attribution and Risk Data**

Best 5 Monthly Positions	Worst 5 Monthly Positions
Global Equities	Long Gilt Futures
FTSE/MIB Index Futures	SEK vs Basket
AUD vs Basket	JPY vs Basket
IBEX 35 Index Futures	US 10yr T-Note Futures
DAX 30 Index Futures	CAD vs Basket

Source: IPM

**VaR by Sub-Portfolio**



Source: IPM. VaR is calculated assuming normality, daily and 95% confidence level. The chart shows minimum, maximum, average and end VaR estimated for the reporting month in question

**Fund Share Class Details**

Share Class	Share Class			Actual Performance					Identifiers			Fees		
	Ccy	Min Inv	Launch Date	Open	NAV	MTD	YTD	LTD	ISIN	BBG	SEDOL	Mgmt	Perf.	TER <sup>(3)</sup>
Class A	EUR	10,000	22-Mar-16	Yes	949.12	0.29%	-	-5.09%	IE00BX906T29	MSIPMAE	BX906T2	2.00%	20%	2.40%
Class A	USD	10,000	30-Mar-16	Yes	957.72	0.41%	-	-4.23%	IE00BX907446	MSIPMAU	BX90744	2.00%	20%	2.40%
Class A	SEK	100,000	23-Sep-15	Yes	10316.32	0.21%	5.05%	3.16%	IE00BZ21TL98	MSIPMAS	BZ21TL9	2.00%	20%	2.40%
Class A	CHF	10,000	27-Jan-16	Yes	977.10	0.19%	-	-2.29%	IE00BYNK5T84	FUNIACH	BYNK5T8	2.00%	20%	2.40%
Class A	GBP	10,000	26-Sep-16	Yes	1006.24	0.31%	-	0.62%	IE00BX907339	MSIPMAG	BX90733	2.00%	20%	2.40%
Class I	EUR	1,000,000	30-Oct-15	Yes	1041.11	0.34%	5.37%	4.11%	IE00BX906V41	MSIPMIE	BX906V4	1.50%	20%	1.90%
Class I	USD	1,000,000	28-Sep-15	Yes	1036.31	0.45%	6.67%	3.63%	IE00BX907552	MSIPMIU	BX90755	1.50%	20%	1.90%
Class I	SEK	10,000,000	18-Nov-15	Yes	10576.37	0.22%	4.93%	5.76%	IE00BZ21TM06	MSIPMIS	BZ21TM06	1.50%	20%	1.90%
Class I	CHF	1,000,000	01-Feb-16	Yes	991.89	0.23%	-	-0.81%	IE00BYNK5V07	FUNIICH	BYNK5V0	1.50%	20%	1.90%
Class I	GBP	1,000,000	24-May-16	Yes	956.81	0.41%	-	-4.32%	IE00BX907222	MSIPMIG	BX90722	1.50%	20%	1.90%
Class B	EUR	1,000,000	10-Sep-15	No	1046.68	0.33%	7.04%	4.67%	IE00BX906X64	MSIPMBE	BX906X6	1.00%	15%	1.40%
Class B	USD	1,000,000	29-Sep-15	No	1045.20	0.44%	8.49%	4.52%	IE00BX907776	MSIPMBU	BX90777	1.00%	15%	1.40%
Class B	SEK	10,000,000	19-Aug-15	No	10689.81	0.25%	6.82%	6.90%	IE00BZ21TP37	MSIPMBS	BZ21TP3	1.00%	15%	1.40%
Class P	CHF	250,000	08-Nov-16	Yes	934.33	0.23%	-	-6.57%	IE00BYNK5W14	FUNIPCH	BYNK5W1	1.50%	20%	1.90%
Class P	GBP	250,000	27-May-16	Yes	947.26	0.41%	-	-5.27%	IE00BX907115	MSIPMPG	BX90711	1.50%	20%	1.90%
Class P	USD	250,000	25-Aug-16	Yes	1026.90	0.38%	-	2.69%	IE00BX907669	MSIPMPU	BX90766	1.50%	20%	1.90%
Class P	EUR	250,000	16-Aug-16	Yes	1011.44	0.28%	-	1.14%	IE00BX906W57	MSIPMPE	BX906W5	1.50%	20%	1.90%

Source: Morgan Stanley. NAV are computed by Northern Trust

3. Total Expense Ratio includes Management Fees and Promoter fees. This figure may vary from year to year.

4. Indicative values as insufficient data points for statistical calculations. The volatility is computed as the standard deviation of the daily returns

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# IPM SYSTEMATIC MACRO UCITS Fund

**Risk Warning:**

Past performance is not a guarantee of future performance. The value of the investments and the income from them can go down as well as up and an investor may not get back the amount invested. There can be no assurance that the Fund will achieve its investment objectives.

Investments may be in a variety of currencies and therefore changes in rates of exchange between currencies may cause the value of investments to decrease or increase. Furthermore, the value of investments may be adversely affected by fluctuations in exchange rates between the investor's reference currency and the base currency of the investments.

Investments in derivative instruments carry certain inherent risks such as the risk of counter party default and before investing you should ensure you fully understand these risks. Use of leverage may also magnify losses as well as gains to the extent that leverage is employed.

These investments are designed for investors who understand and are willing to accept these risks. Performance may be volatile, and an investor could lose all or a substantial portion of his or her investment.

Hypothetical simulated performance results are generally prepared with the benefit of hindsight. In addition, hypothetical trading does not involve financial risk, and no hypothetical trading record can completely account for the impact of financial risk in actual trading. For example, the ability to withstand losses or to adhere to a particular trading strategy in spite of trading losses are material points which can also adversely affect actual trading results. There are numerous other factors related to the markets in general or to the implementation of any specific trading program which cannot be fully accounted for in the preparation of hypothetical performance results and all of which can adversely affect actual trading results.

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