

Man AHL Alpha (AUD)



Monthly Report as of 31 January 2019

Inception Date : 01 September 2009 **Lead Class Total NAV :** AUD 272,380,850 **ISIN :** AU60MAN00021

Monthly commentary

Following the worst December for the US equities since the Great Depression, 2019 started with a burst of optimism and saw the strongest January since 1987. The apparent change in stance of the US Federal Reserve ("Fed") towards a more accommodative monetary policy saw markets rally into the New Year, while the US dollar, so strong last year, weakened. These reversals impacted AHL, triggering losses from equities, currencies and commodities, which were somewhat offset by gains on trading in bonds, and the Fund ended down -2.21%.

Within bonds, French, German and Italian 10 year led the way, following the ECB's gloomy assessment on the risks facing the European economy which pushed yields lower. Markets are now pricing a substantially later start of rate hikes on both sides of the Atlantic. Trading in credit ended slightly in the red, but it was a month of two halves. Losses stemming from long protection positions early in January narrowly edged out profits as positions turned around mid-month.

Trading in commodities was mixed, with agricultural performance driven in particular by losses in short wheat positions. Gains on long positions in Palladium were outweighed by losses from short positions in copper and nickel, as metals rallied on the back of a weaker US dollar. Oil prices were also strongly supported by the dollar moves, reversing the 3 month trend that had seen crude fall more

than 40%, and hurting AHL's short positions.

The weaker US dollar saw profits from long emerging market currency exposure, in particularly South Africa, Brazil and Turkey. However, this contrasted losses on developed market positions in Canada, Australia and the UK.

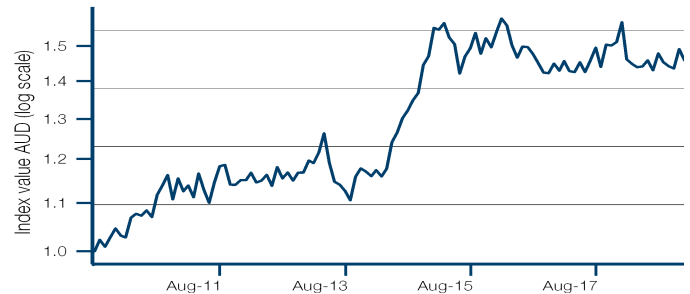
More significantly, the sharp reversal in the equity markets saw losses on the short positioning built up in AHL over the previous two months. Longs in VIX futures and shorts in US small and large cap equity indices were painful, as were specific shorts in energy sector stocks doubly impacted by the rally in the price of oil.

There have been no material changes to AHL's risk profile and investment strategy since the last monthly report. There have also been no changes to the individuals who play a key role in the investment decisions of AHL since the last monthly report.

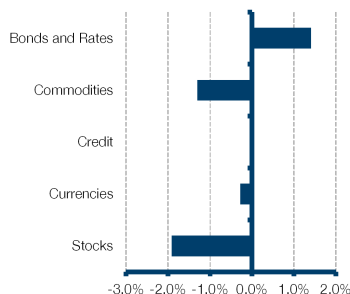
Net Performance and Risk*

	Product
Last month	-2.21 %
Year to date	-2.21 %
Last 12 months	-7.27 %
Last 3 years annualised	-1.88 %
Last 5 years annualised	4.69 %
Since inception	45.90 %
Annualised return	4.09 %
Annualised volatility	9.10 %
Sharpe ratio	0.12

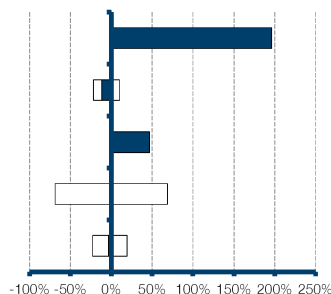
Performance chart 01 September 2009 to 31 January 2019*



Gross Performance Contribution¹



Sector Exposure²



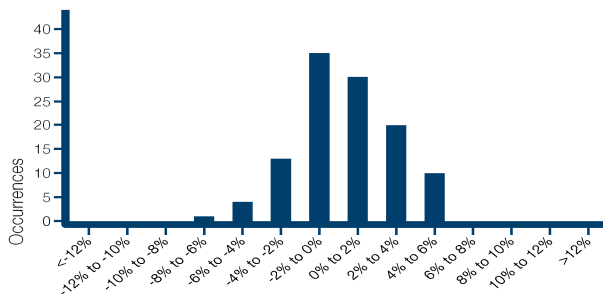
Exposure and VaR (99%)²

	Short	Long	Net	Allocation
Bonds and Rates	-0.33	196.22	195.89	36.24
Commodities	-21.81	10.27	-11.54	11.63
Credit	0.00	46.95	46.95	5.64
Currencies	-68.61	68.61	N/A	30.81
Stocks	-22.97	19.47	-3.50	15.68

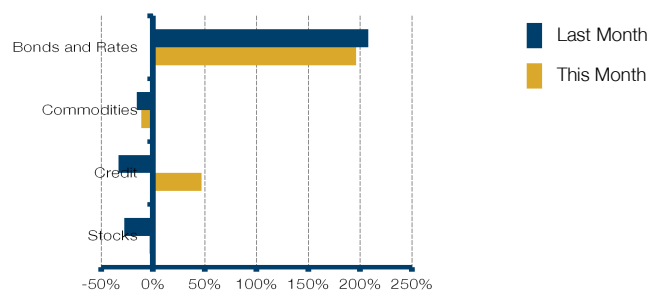
□ Short
■ Net
□ Long

***Unless otherwise indicated, the performance data in this report is based on the reporting unit class of the Fund (shown in blue in the NAV table). Past performance is not a reliable indicator of future performance. Returns may increase or decrease as a result of currency fluctuations. Performance data is shown net of all fees with income reinvested and does not take into account sales and redemption charges where such costs are applicable. The Performance Chart above is expressed in log scale to uniformly illustrate percentage changes each month. It shows the actual trading results of the Fund. It is not designed to predict or forecast the future performance of the Fund.**

Distribution of Monthly Returns 01 September 2009 to 31 January 2019



Net Exposure Monthly Comparison



Top 5 Markets

	MTD	EOM Position ³
South African Rand/US Dollar	0.40 %	Long
French Bonds - 10yr	0.26 %	Long
Palladium	0.19 %	Long
Brazilian Real/US Dollar	0.17 %	Long
Turkish Lira/US Dollar	0.16 %	Long

Bottom 5 Markets

	MTD	EOM Position ³
Canadian Dollar/US Dollar	-0.22 %	Long
Australian Dollar/US Dollar	-0.18 %	Short
Crude Oil - WTI	-0.16 %	Short
Copper	-0.16 %	Short
UK Sterling/US Dollar	-0.14 %	Short

Commodities Net Exposure

Energies	-1.27 %
Metals	-2.06 %
Agriculturals	-8.21 %

Sector

	CS01 ⁵	DV01 ⁶
Credit	-0.02 %	0.00 %
Bonds and Rates	0.00 %	-0.18 %

Sovereign Bond Net Exposure

G10	96.20 %
Non G10	25.63 %

Equity Sector Exposure

Broad Market Indices	-0.87 %
Consumer Discretionary	-1.90 %
Consumer Staples	0.77 %
Communication Services	0.63 %
Energy	-0.90 %
ETFs	0.46 %
Financials	-1.87 %
Health Care	1.11 %
Industrials	-2.10 %
Information Technology	-0.25 %
Materials	-1.74 %
Real Estate	0.37 %
Utilities	2.79 %

Top 5 Currency Exposure

EUR	-37.23 %
USD	15.27 %
CHF	-13.22 %
MXN	11.37 %
PLN	10.97 %

Option Positioning by Asset Class

Asset Class	Position	Vega ⁴
Equity	Short vol	0.00 %
Commodities	Short vol	0.00 %
FX	Short vol	-0.01 %
Fixed Income	Short vol	-0.01 %

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Historical performance*

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD ⁷
2019	-2.21 %												-2.21 %
2018	3.99 %	-7.07 %	-0.91 %	-0.66 %	0.16 %	1.20 %	-1.94 %	3.39 %	-1.72 %	-0.79 %	-0.44 %	3.91 %	-1.39 %
2017	-1.38 %	1.90 %	-1.96 %	-0.20 %	1.96 %	-1.93 %	2.30 %	2.59 %	-3.73 %	4.50 %	-0.18 %	0.70 %	4.37 %
2016	3.17 %	2.62 %	-1.37 %	-3.84 %	-2.43 %	2.22 %	-0.10 %	-1.39 %	-1.77 %	-1.85 %	-0.11 %	1.91 %	-3.17 %
2015	5.78 %	-0.40 %	1.33 %	-2.80 %	-1.32 %	-5.64 %	3.41 %	1.66 %	3.07 %	-4.02 %	3.11 %	-1.79 %	1.76 %
2014	-0.89 %	1.21 %	-1.26 %	1.54 %	5.41 %	1.91 %	2.87 %	1.56 %	2.00 %	1.50 %	5.69 %	1.76 %	25.67 %
2013	2.39 %	-0.50 %	2.13 %	3.87 %	-5.72 %	-3.63 %	-0.59 %	-1.25 %	-1.79 %	4.78 %	1.64 %	-0.65 %	0.16 %
2012	0.00 %	1.46 %	-1.91 %	0.36 %	1.16 %	-2.14 %	3.75 %	-2.20 %	1.16 %	-1.58 %	1.57 %	0.04 %	1.51 %
2011	-2.51 %	1.16 %	-2.30 %	4.81 %	-3.26 %	-2.46 %	4.16 %	3.21 %	0.27 %	-3.83 %	-0.06 %	0.97 %	-0.32 %
2010	-1.40 %	-0.39 %	4.02 %	0.76 %	-0.37 %	1.05 %	-1.31 %	4.50 %	1.81 %	2.13 %	-4.69 %	4.23 %	10.41 %
2009									2.30 %	-1.36 %	1.86 %	1.78 %	4.62 %

NAV Table^{8,9}

Class	NAV	ISIN	Bloomberg	Institutional or Distribution	Last month %	2016 Return	2017 Return	2018 Return
Class A	1.3227	AU60MAN00021	MAALPAU AU	D	-2.21 %	-3.17 %	4.37 %	-1.39 %

Key Facts

Responsible Entity	Man Investments Australia Limited	APIR	MAN0002AU
Administrator	National Australia Bank Limited	Currencies	AUD

¹ The figures are estimated and generated on a fund level and do not take into account the fees/interest/commission charges on any particular account. Differences may also occur due to slippage variation, portfolio changes, FX movements and post execution adjustments. Therefore the sum total of these sector indications will not necessarily equate to the reported performance for the month in question. ² Exposure values represent the delta notional value of positions expressed as a percentage of fund capital. Where applicable, fixed income exposures are adjusted to a 10 year bond equivalent. Currency exposure within this table only reflects that of the Currency sector traded by Man AHL and does not include FX hedging or cash management. For credit default swaps, a short position represents buying protection and a long position represents selling protection. ³ End of month (EOM) position. ⁴ The measurement of an option's sensitivity to changes in the volatility of the underlying asset. Vega represents the amount that an option contract's price changes in reaction to a one percent change in the volatility of the underlying asset. ⁵ CS01 is the impact on the fund in response to a one basis point increase in credit spreads. ⁶ DV01 is the impact on the fund in response to a one basis point increase in interest rates. ⁷ When 12 months of performance data is unavailable for a calendar year, partial year to date is shown. ⁸ The performance data is based on the reporting unit class of the Fund (shown in blue in the NAV table). Information on the valuation of Units can be found at www.man.com/manahalpha. ⁹ This is the redemption price per unit in the Fund (Unit) as at the date of this monthly report

Important Information

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