

# Man AHL Alpha (AUD)



## Monthly Report as of 29 March 2019

**Inception Date :** 01 September 2009    **Lead Class Total NAV :** AUD 272,449,684    **ISIN :** AU60MAN00021

### Monthly commentary

March saw, once again, central bank guidance essentially driving markets. US Federal Reserve Chairman Jerome Powell continued his back-peddalling on rate policy, saying now that interest rate rises could be on hold for “some time”, as global risks weigh on the economic growth outlook and inflation remains muted. The European Central Bank (ECB) pushed back the timing of any rate hike to next year at the earliest, whilst announcing a new round of multi-year refinancing loans for European banks. This dovish mood proved a strong tailwind to the Fund’s dominant bond and equity positions, and the month saw a return of +3.49% net of fees, despite small losses in commodities and FX trading.

Lower yields pushed strong performance from long positions in European and US government bonds, particularly French OAT bonds, which were top performers. Long stock index positions generally reaped the benefits of a positive environment for risk assets and finished the month slightly positive. The cash equities trading strategy was profitable across all four regions traded, notably in Europe through positions in defensive sectors such as utilities and food, beverage and tobacco.

Rallying markets year-to-date have been bullish for credit, and this has translated into long positions in all indices traded by AHL. US variants were the most profitable in March, and only one - the Emerging Market 5y CDX Index - was

marginally in the red.

The price of natural gas in the UK continued its six-month downward path, falling over 20% on more unseasonably warm weather, and AHL profited from short positions in both UK and US gas markets. However, following an equally notable six month rally in palladium prices, which saw the metal’s value rise steadily by nearly 90% from 2018 lows, the last week in March saw a collapse that gave back six weeks of gains in just two days.

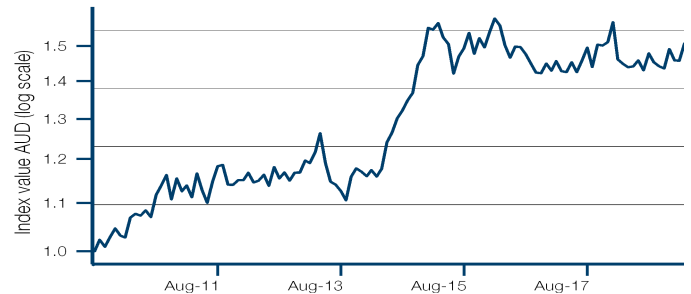
FX trading was also challenging, as gains made in the short Euro position were outweighed by losses on a range of markets, including Mexican peso and Turkish lira. The later saw political pressure from President Erdogan temporarily drive lira liquidity from the London market towards month end, whipsawing the market and impacting AHL’s positioning.

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.

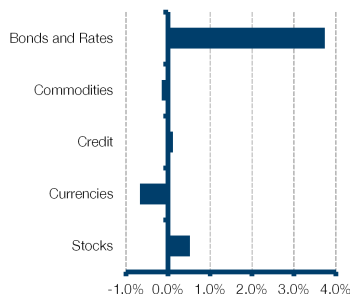
### Net Performance and Risk\*

	Product
Last month	3.49 %
Year to date	1.12 %
Last 12 months	4.13 %
Last 3 years annualised	-1.18 %
Last 5 years annualised	5.41 %
Since inception	50.88 %
Annualised return	4.39 %
Annualised volatility	9.07 %
Sharpe ratio	0.15

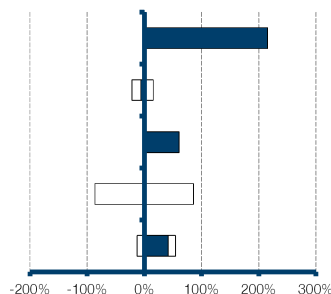
### Performance chart 01 September 2009 to 29 March 2019\*



### Gross Performance Contribution<sup>1</sup>



### Sector Exposure<sup>2</sup>



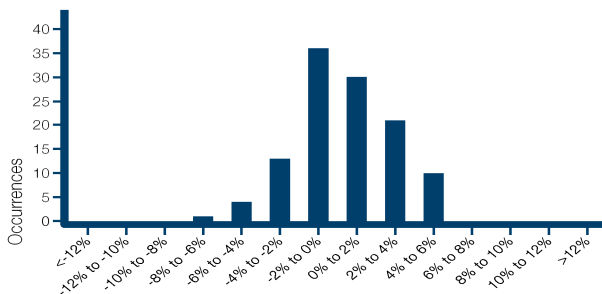
### Exposure and VaR (99%)<sup>2</sup>

	Short	Long	Net	Allocation
Bonds and Rates	-0.12	215.20	215.08	33.71
Commodities	-21.62	15.49	-6.13	11.79
Credit	0.00	60.79	60.79	5.84
Currencies	-86.22	86.22	N/A	17.95
Stocks	-12.36	54.32	41.96	30.71

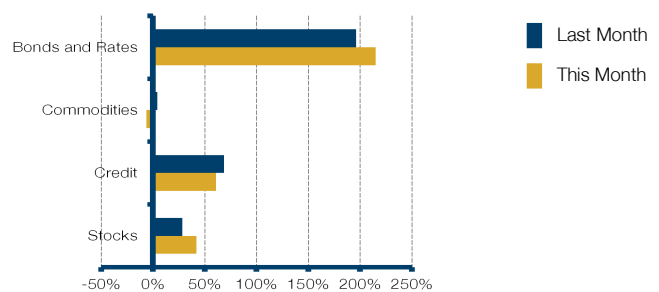
Short  
 Net  
 Long

\*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 29 March 2019



## Net Exposure Monthly Comparison



### Top 5 Markets

	MTD	EOM Position <sup>3</sup>
French Bonds - 10yr	0.45 %	Long
Euribor	0.29 %	Long
Euro/US Dollar	0.28 %	Short
US Treasuries - 10yr	0.27 %	Long
Short Sterling	0.26 %	Long

### Bottom 5 Markets

	MTD	EOM Position <sup>3</sup>
Palladium	-0.34 %	Long
Turkish Lira/US Dollar	-0.23 %	Long
Mexican Peso/US Dollar	-0.21 %	Long
Japanese Yen/US Dollar	-0.14 %	Short
South African Rand/US Dollar	-0.13 %	Short

### Commodities Net Exposure

Metals	5.28 %
Energies	-1.13 %
Agriculturals	-10.28 %

### Sector

	CS01 <sup>5</sup>	DV01 <sup>6</sup>
Credit	-0.03 %	0.00 %
Bonds and Rates	0.00 %	-0.19 %

### Sovereign Bond Net Exposure

G10	99.85 %
Non G10	25.00 %

### Equity Sector Exposure

Broad Market Indices	24.12 %
Consumer Discretionary	-0.44 %
Consumer Staples	3.73 %
Communication Services	1.01 %
Energy	-1.00 %
ETFs	1.28 %
Financials	1.01 %
Health Care	3.70 %
Industrials	0.64 %
Information Technology	2.87 %
Materials	-0.32 %
Real Estate	0.95 %
Utilities	4.41 %

### Top 5 Currency Exposure

USD	66.84 %
EUR	-56.53 %
MXN	13.81 %
JPY	-12.41 %
KRW	-9.46 %

### Option Positioning by Asset Class

	Position	Vega <sup>4</sup>
Commodities	Short vol	0.00 %
Fixed Income	Short vol	-0.01 %
FX	Short vol	-0.01 %
Equity	Short vol	-0.01 %

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## Historical performance\*

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD <sup>7</sup>
2019	-2.21 %	-0.08 %	3.49 %										1.12 %
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<sup>8,9</sup>

Class	NAV	ISIN	Bloomberg	Institutional or Distribution	Last month %	2016 Return	2017 Return	2018 Return
Class A	1.3678	AU60MAN00021	MAALPAU AU	D	3.49 %	-3.17 %	4.37 %	-1.39 %

## Key Facts

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

<sup>1</sup> 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. <sup>2</sup> 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. <sup>3</sup> End of month (EOM) position. <sup>4</sup> 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. <sup>5</sup> CS01 is the impact on the fund in response to a one basis point increase in credit spreads. <sup>6</sup> DV01 is the impact on the fund in response to a one basis point increase in interest rates. <sup>7</sup> When 12 months of performance data is unavailable for a calendar year, partial year to date is shown. <sup>8</sup> This is the redemption price per unit in the Fund (Unit) as at the date of this monthly report <sup>9</sup> 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/manahlalpha](http://www.man.com/manahlalpha).

## Important Information

Investment in Man AHL Alpha (AUD) (the 'Fund') is offered by Man Investments Australia Limited ABN 47 002 747 480 AFSL 240581 ('MIA'). MIA is the Responsible Entity and issuer of Units in the Fund and publisher of this document. Grant Samuel Funds Management ABN 14 125 715 004 AFSL 317587 is the distributor of the Fund. Offers of Units will be made in the PDS dated 29 September 2017, as amended from time to time, which is available on [www.man.com/manahlalpha](http://www.man.com/manahlalpha). Investors wishing to acquire Units will need to complete the Application Form attached to the PDS. The offer of Units in New Zealand is made pursuant to and in accordance with subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014. Investors receiving the PDS in New Zealand should read the 'New Zealand Unitholders: Warning Statement' in Section 11 of the PDS. The information contained and used in this document is general information only and it has been prepared without taking into account anyone's objectives, financial situation or needs so before acting on it, consider its appropriateness to your circumstances. Persons considering investing in the Units should carefully read all of the PDS and speak to their financial advisor before making an investment decision. Please also refer to the Identification Requirements document. US Persons are not eligible to subscribe for Units pursuant to the PDS. Terms capitalised and used in this document have the same meaning as in the PDS. The data contained in this report is provided from the Man database. MIA disclaims liability for any act and/or omission on the part of any person or entity in reliance or purported reliance (whether in whole or part) on the content or any part of the content of this document. Further, MIA is not liable for any errors or omissions in the content of this document or for any consequences resulting from any errors or omissions in the content of this document.

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