

# Man AHL Alpha (AUD)



## Monthly Report as of 30 July 2019

**Inception Date :** 01 September 2009    **Lead Class Total NAV :** AUD 273,379,875    **ISIN :** AU60MAN00021

### Monthly commentary

July started with significant optimism for a de-escalation of the ongoing US-China trade war, following a positive G20 summit in Osaka, Japan. Talks were to resume, and Donald Trump pledged no new tariffs. There was optimism too from the market that the Federal Reserve Bank would confirm the first interest rate cut in ten years in their July meeting. Broadly this held up the pervading global risk appetite for yet another month and AHL prospered, with gains coming from FX, bonds, stocks and credit and losses from commodities, ending up +3.69% for the period.

The UK also found itself with a new Prime Minister, elected by just 92,153 people, in the form of outspoken Brexiteer Boris Johnson. Unfortunately, this was seen by markets as increasing the likelihood of a disorderly no-deal Brexit and sterling came under significant pressure, selling off by more than 4% against the US dollar. Short positioning in pounds saw strong profits, as did the dominant long dollar positions against the euro and Korean won, while losses came from trading in South African rand and Polish zloty.

Dovish comments by Mario Draghi continued to fuel the euro-zone bond rally, with lower yields and strong returns for AHL, particularly from Italian 10yr BTPs, outweighing small losses in US Treasuries. Credit spreads tightened across most

credit indices and the short protection generated gains across all markets except in the US High Yield CDX index.

Positioning in equities benefitted from the risk-on environment. Most global indices rose, in particular the Australian SPI 200 Index and the FTSE 100, the latter supported by a weaker sterling. Cash equity trading was profitable, with shorts in US energy companies positive and outweighing losses on shorts in European retail stocks, which rallied on the back of better than expected earnings.

Trading in commodities was more mixed, with shorts positions in UK natural gas experiencing small losses after a short-lived rebound. Losses also from nickel and coal outweighed gains from short positioning in iron ore and longs in gold and carbon emissions. Agricultural trading finished marginally down on the back of losses from sugar as it continued trading in a range bound market.

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.

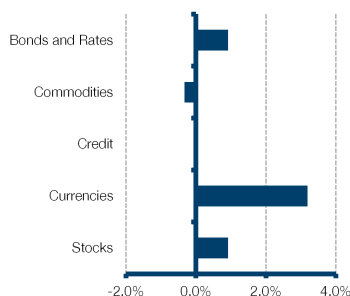
### Net Performance and Risk\*

	Product
Last month	3.69 %
Year to date	9.74 %
Last 12 months	14.45 %
Last 3 years annualised	3.01 %
Last 5 years annualised	4.71 %
Since inception	63.74 %
Annualised return	5.10 %
Annualised volatility	9.01 %
Sharpe ratio	0.24

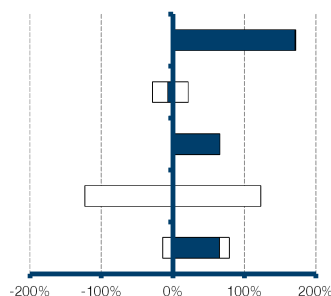
### Performance chart 01 September 2009 to 30 July 2019\*



### 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	-0.95	171.77	170.81	23.67
Commodities	-28.53	21.40	-7.13	13.42
Credit	0.00	65.71	65.71	4.50
Currencies	-122.92	122.92	N/A	32.23
Stocks	-14.12	79.09	64.97	26.18

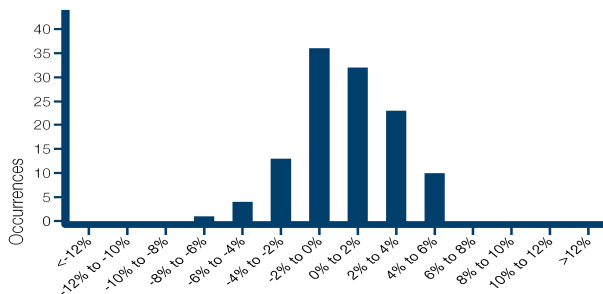
□ Short  
■ Net  
□ Long

**\*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.**

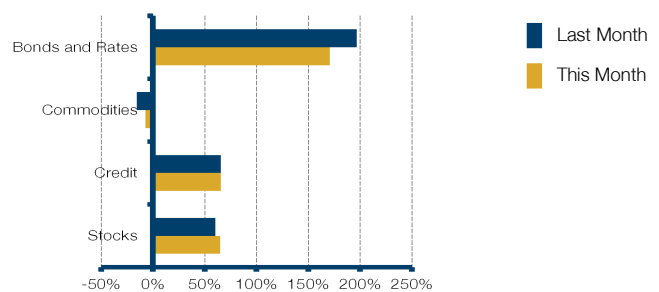
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## Distribution of Monthly Returns 01 September 2009 to 30 July 2019



## Net Exposure Monthly Comparison



### Top 5 Markets

	MTD	EOM Position <sup>3</sup>
UK Sterling/US Dollar	0.98 %	Short
Turkish Lira/US Dollar	0.55 %	Long
Euro/US Dollar	0.37 %	Short
Italian Bonds - 10yr	0.37 %	Long
South Korean Won/US Dollar	0.34 %	Short

### Commodities Net Exposure

Metals	13.98 %
Energies	-8.01 %
Agriculturals	-13.10 %

### Sovereign Bond Net Exposure

G10	83.74 %
Non G10	21.93 %

### Top 5 Currency Exposure

USD	88.58 %
EUR	-50.99 %
GBP	-26.52 %
KRW	-17.25 %
AUD	-11.45 %

### Option Positioning by Asset Class

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 %

### Bottom 5 Markets

	MTD	EOM Position <sup>3</sup>
Sugar	-0.12 %	Short
Euro/Polish Zloty	-0.11 %	Short
US Treasuries - 10yr	-0.10 %	Long
Palladium	-0.09 %	Long
Natural Gas - UK	-0.09 %	Short

### Sector

	CS01 <sup>5</sup>	DV01 <sup>6</sup>
Credit	-0.03 %	0.00 %
Bonds and Rates	0.00 %	-0.16 %

### Equity Sector Exposure

Broad Market Indices	39.88 %
Consumer Discretionary	0.51 %
Consumer Staples	2.95 %
Communication Services	1.68 %
Energy	-1.95 %
ETFs	1.35 %
Financials	4.90 %
Health Care	3.45 %
Industrials	3.34 %
Information Technology	4.26 %
Materials	-0.50 %
Real Estate	0.98 %
Utilities	4.13 %

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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 %	2.41 %	0.56 %	1.63 %	3.69 %						9.74 %
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 Return	2016 Return	2017 Return	2018 Return
Class A	1.4319	AU60MAN00021	MAALPAU AU	D	3.69 %	-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> 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](http://www.man.com/manahalpha). <sup>9</sup> This is the redemption price per unit in the Fund (Unit) as at the date of this monthly report

## 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/manahalpha](http://www.man.com/manahalpha). 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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