

Man AHL Alpha (AUD)



Monthly Report as of 31 August 2020

Inception Date : 01 September 2009 **Lead Class Total NAV :** AUD 254,248,862 **ISIN :** AU60MAN00021

Monthly commentary

The month saw the S&P500 deliver its best August performance since 1986, its fifth successive positive month, and another all-time high. Much of this was likely a continuation of the COVID-19 tech-sector relief rally, but it seemed further fuelled by the Federal Reserve's new policy towards average inflation targeting, announced at a virtual meeting of central bankers in Jackson Hole, Wyoming. Investors saw this a bullish for risk assets, but bearish for fixed income and the US dollar. With gains in equity and FX trading outweighing losses from fixed income and energies, the Fund posted positive returns net of fees.

The US dollar continued its post-coronavirus slide in August with the dollar index, a measure of the currency against a basket of developed market peers, falling 0.7% on the day after the announcement of the Fed's new policy framework. This was welcome news for the Fund's dominantly short positioning in the greenback, most notably against the Canadian dollar and Indian rupee. A loss was seen in a short dollar position against the South African rand, however, where the alleged killing by police of a disabled teenager sparked civil unrest.

The continued outperformance of the US technology sector drove positive performance of trading in equities, particularly through long positioning in North America Software and Service stocks. Longs in US indices in general benefitted,

with both the S&P500 and Nasdaq outperforming developed market peers. A loss was incurred from a short in the French CAC40 index. Within credit trading, all positions finished in the black, with European indices topping the charts. Declines in the US dollar generally bode well for commodity prices, and August proved no exception. Longs in copper and silver were top performers, while a short wheat position proved a drag. Another loss was incurred on shorts in US natural gas, as prices rebounded around 50% in August on both economic recovery and a surprise summer heatwave in western US. The Fed's move to more flexible inflation targeting proved a headwind to bonds, and the Fund's dominantly long positioning in fixed income. Yields across developed markets generally rose, with UK Gilts rising 21bp and inflicting the largest loss. Short positioning in German Bunds were profitable, however, as yields rose 13bp. 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.

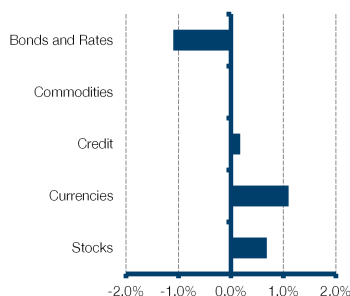
Net Performance and Risk*

| | Product |
|-------------------------|---------|
| Last month | 0.52 % |
| Year to date | 3.02 % |
| Last 12 months | -2.04 % |
| Last 3 years annualised | 3.42 % |
| Last 5 years annualised | 2.06 % |
| Since inception | 65.46 % |
| Annualised return | 4.68 % |
| Annualised volatility | 8.93 % |
| Sharpe ratio | 0.22 |

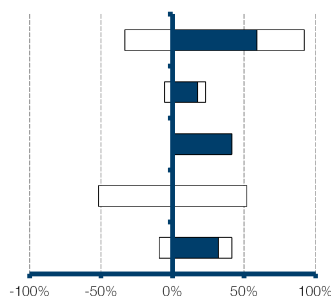
Performance chart 01 September 2009 to 31 August 2020*



Gross Performance Contribution¹



Sector Exposure²



Exposure and VaR (99%)²

| | Short | Long | Net | Allocation |
|-----------------|--------|-------|-------|------------|
| Bonds and Rates | -33.30 | 92.08 | 58.78 | 10.39 |
| Commodities | -5.68 | 23.19 | 17.50 | 18.55 |
| Credit | 0.00 | 41.39 | 41.39 | 7.06 |
| Currencies | -51.89 | 51.89 | N/A | 21.59 |
| Stocks | -9.23 | 41.35 | 32.12 | 42.41 |

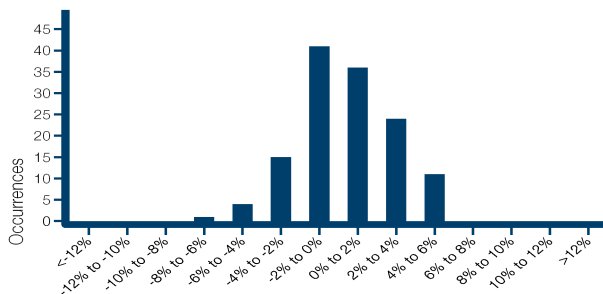
This material is of a promotional nature

*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.

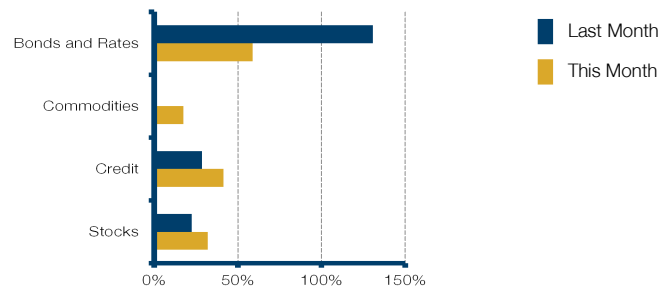
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Distribution of Monthly Returns 01 September 2009 to 31 August 2020



Net Exposure Monthly Comparison



| Top 5 Markets | MTD | EOM Position ³ |
|-------------------------------------------------|--------|---------------------------|
| Canadian Dollar/US Dollar | 0.25 % | Long |
| Nth America-Software & Services | 0.21 % | Long |
| Indian Rupee/US Dollar | 0.21 % | Long |
| Copper | 0.20 % | Long |
| Chinese Renminbi/US Dollar Offshore Deliverable | 0.18 % | Long |

| Bottom 5 Markets | MTD | EOM Position ³ |
|------------------------------|---------|---------------------------|
| Gilts - 10yr | -0.14 % | Long |
| Natural Gas - US | -0.12 % | Long |
| Canadian Bonds | -0.11 % | Long |
| Korean Bonds - 3yr | -0.11 % | Long |
| South African Rand/US Dollar | -0.10 % | Long |

| Commodities Net Exposure | |
|--------------------------|---------|
| Metals | 10.83 % |
| Agriculturals | 6.27 % |
| Energies | 0.40 % |

| Sector | CS01 ⁵ | DV01 ⁶ |
|-----------------|-------------------|-------------------|
| Credit | -0.02 % | 0.00 % |
| Bonds and Rates | -0.01 % | -0.05 % |

| Sovereign Bond Net Exposure | |
|-----------------------------|---------|
| Non G10 | 14.20 % |
| G10 | -5.55 % |

| Equity Sector Exposure | |
|------------------------|---------|
| Broad Market Indices | 14.70 % |
| Consumer Discretionary | 0.89 % |
| Consumer Staples | 2.47 % |
| Communication Services | 0.93 % |
| Energy | -0.69 % |
| ETFs | 0.76 % |
| Financials | 0.49 % |
| Health Care | 3.86 % |
| Industrials | 1.55 % |
| Information Technology | 4.92 % |
| Materials | 1.32 % |
| Real Estate | 0.32 % |
| Utilities | 0.57 % |

| Top 5 Currency Exposure | |
|-------------------------|----------|
| USD | -45.79 % |
| SEK | 10.04 % |
| INR | 9.74 % |
| CNH | 8.39 % |
| JPY | -8.15 % |

| Option Positioning by Asset Class | Position | Vega ⁴ |
|-----------------------------------|-----------|-------------------|
| Commodities | Short vol | 0.00 % |
| FX | Short vol | 0.00 % |
| Fixed Income | 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 ⁷ |
|------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|------------------|
| 2020 | -0.72 % | -0.06 % | 5.61 % | -1.03 % | -1.24 % | -1.28 % | 1.34 % | 0.52 % | | | | | 3.02 % |
| 2019 | -2.21 % | -0.08 % | 3.49 % | 2.41 % | 0.56 % | 1.63 % | 3.69 % | 3.16 % | -3.03 % | -3.38 % | 0.64 % | 0.85 % | 7.65 % |
| 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 Return | 2017 Return | 2018 Return | 2019 Return |
|---------|--------|--------------|------------|-------------------------------|-------------------|-------------|-------------|-------------|
| Class A | 1.3875 | AU60MAN00021 | MAALPAU AU | D | 0.52 % | 4.37 % | -1.39 % | 7.65 % |

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

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. GSFM ABN 14 125 715 004 AFSL 317587 is the distributor of the Fund. Offers of Units will be made in the PDS dated 23 October 2019, as amended from time to time, which is available on 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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