

# Man Diversified Alternatives



## Monthly Report as at 30 November 2020

MTD: 0.03 % YTD: 0.37 % Annualised return since inception: 2.84 % Annualised volatility since inception: 3.01 %

### Fund Aims

Man Diversified Alternatives (the 'Fund') is an Australian managed investment scheme designed to generate medium to long term investment returns by accessing a diversified portfolio using a range of alternative investment strategies, all managed by the Man Group (the 'Portfolio'). At any time, this Portfolio is expected to comprise between 6-15 investment strategies.

### Fund Details

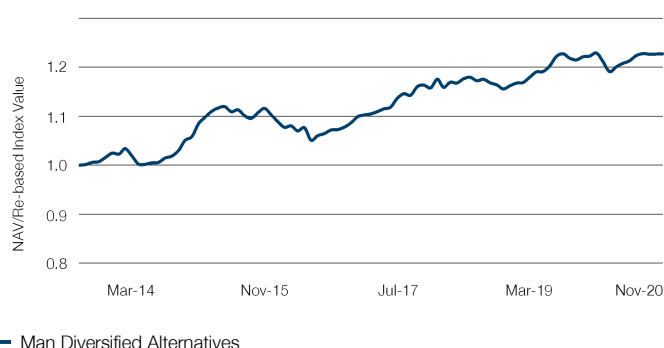
Launch date	13 August 2013
Fund AUM <sup>1</sup>	(AUD) 2,102,575
Portfolio manager	David Kingsley
Currencies	AUD
Minimum investment	A\$5,000
APIR	MAN0004AU

### Net Performance Statistics<sup>2</sup>

	Fund
Last month	0.03 %
Last 3 months	-0.04 %
Year to date	0.37 %
Last 1 year	0.49 %
Last 3 years annualised	1.80 %
Last 5 years annualised	1.92 %
Since inception	22.74 %
Annualised volatility since inception	3.01 %
Annualised return since inception	2.84 %
Sharpe ratio	0.34

### Net track record\*

13 August 2013 to 30 November 2020



### Historical performance<sup>2</sup>

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD <sup>3</sup>
2020	0.51 %	-1.36 %	-1.75 %	0.78 %	0.62 %	0.41 %	0.88 %	0.35 %	-0.08 %	0.02 %	0.03 %		0.37 %
2019	0.46 %	0.08 %	0.94 %	0.91 %	0.07 %	0.94 %	1.63 %	0.45 %	-0.73 %	-0.28 %	0.52 %	0.12 %	5.19 %
2018	1.52 %	-1.41 %	0.90 %	-0.15 %	0.73 %	0.29 %	-0.61 %	0.26 %	-0.62 %	-0.37 %	-0.70 %	0.59 %	0.39 %
2017	1.16 %	0.27 %	0.22 %	0.41 %	0.54 %	0.29 %	1.63 %	0.83 %	-0.29 %	1.54 %	0.26 %	-0.47 %	6.55 %
2016	-1.29 %	-1.01 %	0.28 %	-0.95 %	0.60 %	-2.35 %	0.88 %	0.41 %	0.68 %	0.08 %	0.45 %	0.84 %	-1.43 %
2015	2.50 %	1.14 %	1.13 %	0.64 %	0.25 %	-0.91 %	0.32 %	-1.09 %	-0.45 %	1.06 %	0.78 %	-1.21 %	4.18 %
2014	-0.21 %	1.10 %	-1.45 %	-1.61 %	-0.06 %	0.31 %	0.09 %	0.89 %	0.36 %	1.14 %	2.00 %	0.72 %	3.27 %
2013								0.15 %	0.44 %	0.15 %	0.87 %	0.86 %	2.49 %

\*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.

This material is of a promotional nature

## Commentary

After a turbulent October, risk assets bounced back remarkably in November on the back of extremely positive vaccine news from several pharmaceutical companies, as well as an all-but-confirmed outcome in the United States Presidential election. The month began with all eyes turned to elections in the U.S.A., where Joe Biden looks set to become the 46th President of the United States. Despite a Democrat win at the top of the ticket, it looks like Republicans may still control the Senate, which reduces the scope for the more left-wing agenda of the President and his administration. Election news was quickly eclipsed, however, with news from Pfizer that the efficacy of their Covid-19 vaccine came in far ahead of expectations, sparking a global rally in risk assets with a particular focus on industries such as financials and industrials. Several other positive vaccine updates were provided in the month, continuing to stoke the flames of the rally and driving several markets to all-time highs. Within equity markets there was a severe rotation out of Momentum and Growth securities into Value, which caused a lot of pain for any market actors that had not already taken profits on some of 2020's more successful trades. On the back of this eventful month the S&P 500, Eurostoxx 600 and the FTSE 100 all rose. The Fund had a flat, ending November +0.03% with gains in the Risk Seeking bucket more than offsetting detractions from the Equity Long Short and Diversifying buckets.

The Risk Seeking bucket had a strong month, with positive contributions from all strategies within the bucket. The Global Convertibles allocation had a very good month, in line with a sharp rally in risk assets. This was aided by an investment in LVMH, as the company's share price rose on the prospect of a rebound in demand for luxury goods. Concurrently, Target Risk performed well this month, with gains predominantly from long positioning in equity trading models as markets rallied on vaccine news. There were smaller positive contributions for the strategy from credit, commodities and government bond models. Event Driven also had a strong month in November, benefitting from a longstanding position in Genworth Financial as investors grew confident that its acquisition by Oceanwide will complete by the end of the year.

Returns in the Diversifying bucket were slightly negative, with gains from AHL Trend more than offset by losses from the AHL Multi-Strategy allocation. AHL Multi-Strategy struggled and suffered broad losses this month. Meanwhile, AHL Trend went some way to offset these losses, with strong performance from FX and equities trading in November. The falling U.S. Dollar played into the hand of the strategy's long positions in Emerging Market FX, which helped drive gains. Meanwhile, equity models saw success from long positions in Asian indices, slightly offset by some short positioning in industry baskets as "lockdown losers" such as energies and banks rallied in the month.

It was a tougher month for components of the Equity Long Short bucket, with losses from the European Equity and Alpha Select sleeves only somewhat offset by a positive month for European Mid-Cap. The European Equity strategy suffered heavily from the unprecedented momentum unwind during November, with losses spread across style and idiosyncratic exposures. Losses were concentrated in the UK Core, Passive Flow Arbitrage and Centre Book portfolios this month. UK Core and Centre Book lost money on an investment in Flutter Entertainment, as the online gambling company fell on repeated waves of vaccine news, whilst Passive Flow Arbitrage struggled with a long position in Teamviewer AG on the back of similar news flow. The UK-focused Alpha Select strategy also struggled in November, with detractions from Flutter Entertainment and Serco Group, with the former selling off on the back of positive vaccine news and the latter struggling after the unexpected announcement that the UK government was moving a long-term Serco contract in-house. In contrast, it was a good month for the European Mid-Cap strategy which offset some of the bucket's detraction. The strategy benefitted somewhat from the major style rotation intra-month, but also saw stock-specific success from investments in Irish hotel operator, Dalata Hotel Group, as well as UK builders merchant Grafton and Italian concessions operator Autogrill. DHG and Autogrill both benefitted strongly from the vaccine news, whilst Grafton posted strong results in November that exceeded expectations.

There have been no material changes to the Fund'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 the Fund since the last monthly report.

## Equity Attribution Analysis

### Month to date allocation and attribution by holding

Holding	Allocation	Contribution
Man GLG Global Convertibles	17.0 %	0.4 %
Man AHL TargetRisk	8.1 %	0.3 %
Man GLG European Mid-Cap Equity Alternative	15.1 %	0.2 %
GLG Event Driven Alt	8.9 %	0.1 %
Man AHL Trend Alternative	8.1 %	0.1 %
Man AHL Multi Strategy Alternative	0.0 %	-0.2 %
Man GLG Alpha Select	18.6 %	-0.3 %
Man GLG European Equity Alternative	19.9 %	-0.3 %
Overlay, cash and other	4.2 %	0.0 %

### Month to date allocation and attribution by strategy

Holding	Allocation	Contribution
Risk	34.1 %	0.8 %
Diversifying	8.1 %	-0.1 %
Overlay, cash and Other	4.2 %	0.0 %
Long / short	53.6 %	-0.4 %

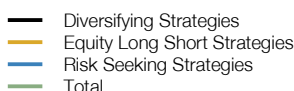
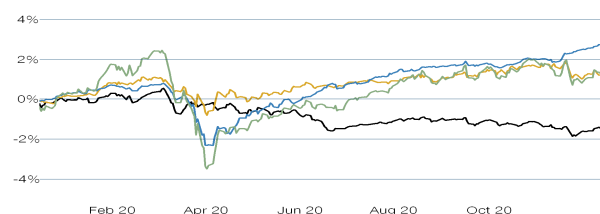
### Year to date attribution by holding

Holding	Contribution
Man GLG Global Convertibles	1.3 %
GLG Event Driven Alt	0.7 %
Overlay, cash and other	0.7 %
Man GLG European Equity Alternative	0.6 %
Man GLG Alpha Select	0.6 %
Man AHL TargetRisk	0.3 %
Man GLG Global EM Debt Total Return	0.0 %
Man Numeric Market Neutral Alternative	0.0 %
Man GLG Flexible Bond Fund	0.0 %
Man GLG European Mid-Cap Equity Alternative	-0.2 %
Man AHL Trend Alternative	-0.3 %
Man AHL Multi Strategy Alternative	-1.1 %

### Year to date attribution by strategy

Holding	Contribution
Risk	2.3 %
Long / short	1.0 %
Overlay, cash and other	0.7 %
Diversifying	-1.4 %

### Strategy contributions and Fund returns



### Strategy and Risk Factor Stand Alone VaR (97.7%)

Total Fund	Equity	Spread	FX	Interest Rate	Commodity	Vega
0.59 %	0.48 %	0.05 %	0.13 %	0.08 %	0.02 %	0.02 %

### Risk and Beta Exposures

Equity Exposure	CS10% adj (bps)	Dv01 (bps)	Vega (bps)	S&P Beta (Total portfolio)	MSCI World Beta (Equity Only)
30.12 %	-15.99	-2.12	5.30	0.21	0.18

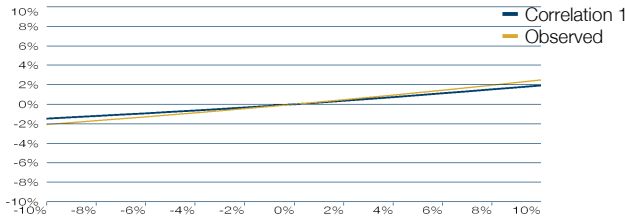
### Historical replays

Sept 11 (7th - 21st Sept 2001)	Banking Crisis (6th - 20th Nov 2008)	Greek Crisis (23rd April - 7th May 2010)	Lehman Crisis (26th Sept - 10 Oct 2008)	Equity Mkt Rebound (9th -23rd March 2009)
-3.65 %	-5.56 %	-1.59 %	-4.72 %	8.62 %

### Scenarios analysis (uncorrelated)

Equity +10%	Equity -10%	Rate +100bps	Rate -100bps	Credit spread +10%	Credit spread -10%	Volatility +500bps	Volatility -500bps	FX +10%	FX -10%
1.94 %	-1.47 %	-1.05 %	0.55 %	-0.10 %	0.11 %	0.41 %	-0.41 %	0.88 %	-0.92 %

## Equity market slide



## NAVs<sup>1,5</sup>

Class	NAV	ISIN	Bloomberg	2017 Return	2018 Return	2019 Return
INW H AUD Acc	1.0720	AU60MAN00047		6.55 %	0.39 %	5.19 %

<sup>1</sup> Funds under management are as at the date of this monthly report. Past performance is not a reliable indicator of future performance. <sup>2</sup> Past performance is not a reliable indicator of future performance. Performance figures are calculated net of all fees and assumes all distributions are reinvested. <sup>3</sup> When 12 months of performance data is unavailable for a calendar year, partial year to date is shown. <sup>4</sup> This is the redemption price per unit in the Fund (Unit) as at the date of this monthly report. <sup>5</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/mandiversifiedalternatives](http://www.man.com/mandiversifiedalternatives).

## Important Information

Investment in Man Diversified Alternatives (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 Product Disclosure Statement dated 23 October 2019 ('PDS'), as amended from time to time, which is available on [www.man.com/mandiversifiedalternatives](http://www.man.com/mandiversifiedalternatives).

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.

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