

Man Diversified Alternatives



Monthly Report as at 26 February 2021

MTD: 1.12 % YTD: 0.08 % Annualised return since inception: 3.00 % Annualised volatility since inception: 3.06 %

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 ¹	(AUD) 1,582,913
Portfolio manager	David Kingsley
Currencies	AUD
Minimum investment	A\$5,000
APIR	MAN0004AU

Net Performance Statistics*²

	Fund
Last month	1.12 %
Last 3 months	1.84 %
Year to date	0.08 %
Last 1 year	3.09 %
Last 3 years annualised	2.55 %
Last 5 years annualised	3.02 %
Since inception	24.99 %
Annualised volatility since inception	3.06 %
Annualised return since inception	3.00 %
Sharpe ratio	0.40

Net track record*

13 August 2013 to 26 February 2021



Historical performance²

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD ³
2021	-1.03 %	1.12 %											0.08 %
2020	0.51 %	-1.36 %	-1.75 %	0.78 %	0.62 %	0.41 %	0.88 %	0.35 %	-0.08 %	0.02 %	0.03 %	1.75 %	2.13 %
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

The Fund reported a positive return in February driven by a strong alpha recovery in the Equity Long-Short strategy bucket after January's short squeeze impact and continued steady gains from Global Convertibles and Event Driven. Across markets, a combination of the declining number of Covid-19 infections and the promise of further US fiscal stimulus drove equities to finish February in positive territory despite rising bond yields triggering a sell off towards the end of the month.

Within Equity Long-Short the first half of the month was particularly strong for the European strategy. Idiosyncratic risk was the main driver of returns despite market conditions in the latter half of the month leading to losses concentrated in Idiosyncratic risk. Among the strategy's other risk attributes, Style risk, Country risk and Market risk all generated positive returns in February. Industry risk was the sole detractor this month. Exposure to European beta and Japanese momentum drove Style risk returns, while losses in Industry risk over the course of the month were primarily attributable to UK banks. The majority of underlying sector books were either positive or flat for the month with UK Core, US Japan and Europe Breakout performing best. UK Core's strong performance was driven by its long book, particularly positions in retailer JD Sports Fashion and Associated British Goods. US Japan found success with a long position in Japan Airline which rose on increased optimism the falling number of Covid-19 infections in Japan would lead to a boost in travel. Finally, Europe Breakout benefitted from a long position in Sinch AB discussed in further detail below. On the flip side, it was a difficult month for Sustainable Energy. The underlying strategy saw Danish wind-turbine maker, Vestas Wind Systems, underperform after it announced layoff and consolidation plans in the US citing lower market demand.

Within Risk Seeking, both Global Convertibles and Event Driven posted small gains as the backdrop continued to be favourable to their investment strategies. And within Diversifying, AHL Trend profited from its broadly risk on positioning in equities, long commodities and short US dollar against emerging market currencies, as well as building into short bond exposure which proved beneficial towards the end of month.

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 European Equity Alternative	17.8 %	0.3 %
Man GLG Alpha Select	18.1 %	0.2 %
Man AHL Trend Alternative	8.3 %	0.2 %
Man GLG European Mid-Cap Equity Alternative	14.5 %	0.2 %
Man GLG Global Convertibles	16.7 %	0.1 %
GLG Event Driven Alt	8.7 %	0.1 %
Overlay, cash and other	8.0 %	0.0 %
Man AHL TargetRisk	7.8 %	-0.1 %

Month to date allocation and attribution by strategy

Holding	Allocation	Contribution
Long / short	50.5 %	0.8 %
Diversifying	8.3 %	0.2 %
Risk	33.3 %	0.2 %
Overlay, cash and Other	8.0 %	0.0 %

Year to date attribution by holding

Holding	Contribution
GLG Event Driven Alt	0.2 %
Man GLG Global Convertibles	0.2 %
Man GLG European Equity Alternative	0.1 %
Man GLG European Mid-Cap Equity Alternative	0.1 %
Man GLG Alpha Select	0.0 %
Overlay, cash and other	0.0 %
Man AHL Trend Alternative	-0.1 %
Man AHL TargetRisk	-0.1 %

Year to date attribution by strategy

Holding	Contribution
Risk	0.2 %
Long / short	0.1 %
Overlay, cash and other	0.0 %
Diversifying	-0.1 %

Strategy contributions and Fund returns



— Diversifying Strategies
— Equity Long Short Strategies
— Risk Seeking Strategies
— Total

Strategy and Risk Factor Stand Alone VaR (97.7%)

Total Fund	Equity	Spread	FX	Interest Rate	Commodity	Vega
0.63 %	0.52 %	0.04 %	0.09 %	0.01 %	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)
25.48 %	-11.43	-0.14	5.49	0.21	0.22

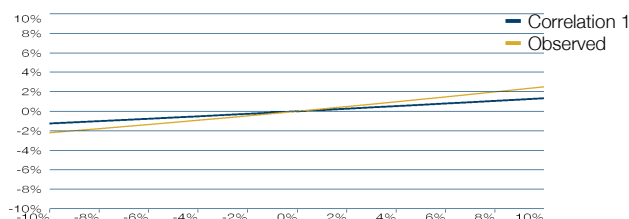
Historical replays

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)
-3.53 %	-5.70 %	-1.69 %	-3.83 %	7.13 %

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%
1.34 %	-1.25 %	-0.08 %	-0.04 %	-0.08 %	0.08 %	0.38 %	-0.36 %	0.61 %	-0.66 %

Equity market slide



NAVs^{1,5}

Class	NAV	ISIN	Bloomberg	2018 Return	2019 Return	2020 Return
INW H AUD Acc	1.0917	AU60MAN00047		0.39 %	5.19 %	2.13 %

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

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.

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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