Product Notice

Important information

Man AHL Alpha (AUD) ARSN 138 643 768

22 June 2018

Dear Investor,

As you are aware, Man Investments Australia Limited (ABN 47 002 747 480, AFSL: 240581) (the **Issuer**) issued a Product Disclosure Statement dated 29 September 2017 (the **PDS**) for the issue of units in Man AHL Alpha (AUD) (the **Fund**).

In accordance with *ASIC Corporations (Updated Product Disclosure Statements) Instrument 2016/1055*, the Issuer hereby updates the PDS as follows:

on pages 51 and 52 of the PDS, Section 12 "Taxation" is deleted in its entirety and replaced with the following text in substitution:

"12 Taxation

The following is a summary of the taxation implications for certain Australian resident taxpayers.

1 Overview

The information contained in this summary is of a general nature only. It does not constitute tax advice and should not be relied upon as such.

The summary has only dealt with Australian residents who are individuals, complying superannuation funds and companies that will hold their Units on capital account. The summary has not addressed the tax treatment for non-residents or Australian residents who will hold their Units on revenue account, or as trading stock such as banks and other trading entities.

All Unitholders should seek independent professional advice on the consequences of their subscription for Units, based on their particular circumstances.

This summary is based on the provisions of the Income Tax Assessment Act 1936, the Income Tax Assessment Act 1997, the A New Tax System (Goods and Services Tax) Act 1999 and related Acts, regulations and Australian Taxation Office rulings and determinations applicable as at the date of this PDS.

2 Status of the Fund as an attribution managed investment trust

The Responsible Entity intends to elect into the Attribution Managed Investment Trust (‘AMIT’) regime. This summary is based on the Fund continuing to be eligible to apply the AMIT regime.

3 Taxation of the Fund

As an AMIT, the Fund will be required to determine its ‘determined trust components’ each income year, which broadly reflect the taxable income of the Fund split into various classes of income for tax purposes. The Fund should not be liable to Australian income tax, including capital gains tax (‘CGT’), provided the Fund attributes (in full) the ‘determined trust components’ to Unitholders in each income year (known as ‘determined member components’) on a fair and reasonable basis.

4 Taxation of Unitholders

4.1 Overview

Unitholders will be required to include in their assessable income the ‘determined member components’ attributed from the Fund as stated on their AMIT Member Annual Statement (‘AMMA Statement’). The ‘determined member components’ will be included in Unitholders’ assessable income in the year to which the attribution relates, regardless of whether a distribution is received after the end of an income year or if distributions are reinvested.

4.2 Application of the Controlled Foreign Company (‘CFC’) rules

The Fund’s investment in AHL Strategies PCC Ltd should not be subject to the CFC rules.

4.3 Income of the Fund

The Fund’s income will generally consist of deemed dividends arising from the redemption of the Fund’s investment in AHL Strategies PCC Ltd.

The ‘determined member components’ will increase the cost base and reduced cost base of Units held by the Unitholder. Any amounts distributed to Unitholders will decrease the cost base and reduced cost base of Units held by the Unitholder. If the cost base of Units is reduced to nil, any amount distributed to Unitholders in excess of the ‘determined member components’ will give rise to an immediate capital gain to the Unitholder. If the reduced cost base of Units is reduced to nil, any ‘determined member components’ in excess of any amount distributed to Unitholders will not give rise to a capital loss.

In calculating the capital gain, the cost base adjustments relating to all distributions during an income year are aggregated and the capital gain is taken to arise on the last day of the income year. Certain Unitholders (trusts, individuals and complying superannuation funds) may be eligible for the CGT discount in respect of such capital gains. However, an eligible Unitholder will not be entitled to the benefit of the CGT discount in the first 12 months after the acquisition of Units.

5 Withdrawal of Units

Generally, on the withdrawal of Units, a CGT event will occur and the Unitholder will need to determine whether a capital gain or capital loss is realised on the withdrawal.

A Unitholder will make a capital gain if the Withdrawal Price exceeds the cost base of the Unit.

In broad terms, the cost base of a Unit is the amount the Unitholder paid for it (including incidental costs of acquisition and disposal) adjusted for 'determined member components' attributed and distributions received (see section 4.3 above).

The proceeds for the purposes of calculating the capital gain (but not a capital loss) should be reduced by the amount of the 'determined member component' which forms part of the Withdrawal Price. The 'determined member component' of the Withdrawal Price will be advised by the Responsible Entity on the AMMA Statement (see section 4.1 above).

If a capital gain arises, the capital gain may be eligible for the CGT discount. If the Unitholder is an individual, a complying superannuation fund or a trustee and acquired (or is taken to have acquired) for CGT purposes Units at least 12 months prior to the date of the withdrawal of their Units, the amount of the Unitholder's capital gain is reduced by the relevant CGT discount.

For a Unitholder who is an individual or trustee who applies the CGT discount, the Unitholder's taxable capital gain (after offsetting any current year capital losses or carry forward net capital losses from previous years) will be reduced by one-half (or one third if the Unitholder is a complying superannuation fund).

If the Unitholder is a company, the CGT discount is not available.

If the Withdrawal Price is less than the reduced cost base of the Units, a capital loss will arise. Capital losses can only be offset against capital gains (before any available CGT discount) derived by a Unitholder in the same income year or subsequent income years.

6 Sale of Units

If a Unitholder sells their Units, they will make:

- a capital gain to the extent that their disposal proceeds from sale exceeds their cost base for the Units; or
- a capital loss to the extent that their reduced cost base for the Units exceeds their capital proceeds.

The discussion in section 5 above applies equally in relation to the Unitholders' cost base, application of the CGT discount and application of capital losses.

7 Goods and Services Tax ('GST')

No GST should generally be payable in respect of the acquisition, withdrawal or sale of Units. As these all involve dealings with securities, the various supplies will be input taxed (i.e. not subject to GST).

There may be an indirect GST cost as input tax credits will generally not be available for GST charged to the acquirer in respect of supplies relating to the dealings with the Units (i.e. legal and other adviser fees).

8 Taxation of Financial Arrangements

The Taxation of Financial Arrangements ('TOFA') regime in Division 230 generally applies to "financial arrangements". The TOFA regime should not apply to the Units held by a Unitholder unless the Unitholder is otherwise subject to TOFA and makes a fair value election or financial reports election (such Unitholders should seek tax advice that is specific to their circumstances).

9 Other issues

Unitholders will be invited to provide their Tax File Number ('TFN') or Australian Business Number ('ABN') when they acquire their Units. Unitholders may provide their TFN or ABN or exemption to the Responsible Entity.

In this regard, Unitholders will be provided with forms that the Unitholder can use to provide their TFN or ABN or exemption. Unitholders are not obliged to provide their TFN or ABN or exemption. However, if a Unitholder does not provide their TFN or ABN or exemption, the Responsible Entity will be required to deduct tax from distributions paid to the Unitholder at the highest marginal rate of tax plus the Medicare Levy (currently 47%).

However, Unitholders will be entitled to claim an income tax credit/refund (as applicable) in respect of the tax withheld in their income tax returns.

Investors should always consider the PDS when making any decision regarding their investment in the Fund. The PDS can be obtained at www.man.com or by calling the Issuer on (61-2) 8259 9999.

Capitalised terms not defined in this notice have the same meaning given to them in the PDS.

For further information, please contact your financial adviser or Man Investments Australia.

Regards,

Man Investments Australia Limited