



# Man AHL Alpha

ARSN 138 643 768

Interim financial report  
for the reporting period ended 31 December 2023

(AUD)



# **Man AHL Alpha (AUD) Fund**

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## **Interim financial report for the half-year ended 31 December 2023**

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This interim financial report does not include all the notes of the type normally included in a set of annual financial statements. Accordingly, this report should be read in conjunction with the annual financial statements for the year ended 30 June 2023 and any public announcements made in respect of Man AHL Alpha (AUD) Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

These condensed financial statements cover Man AHL Alpha (AUD) Fund as an individual entity.

The Responsible Entity of Man AHL Alpha (AUD) Fund is Man Investments Australia Limited (ABN 47 002 747 480) (AFS Licence No. 240581). The Responsible Entity's registered office is Level 28, Chifley Tower, 2 Chifley Square, Sydney NSW 2000.

## Directors' report

The directors of Man Investments Australia Limited, the "Responsible Entity" of Man AHL Alpha (AUD) Fund (the "Scheme"), present their report together with the condensed financial statements of the Scheme for the reporting period ended 31 December 2023 (the "reporting period").

### Scheme information

The Scheme is an Australian registered scheme. Man Investments Australia Limited, the Responsible Entity, is a company limited by shares, incorporated and domiciled in Australia. The Scheme was registered on 17 August 2009.

### Responsible Entity

The Responsible Entity of Man AHL Alpha (AUD) Fund is Man Investments Australia Limited (ABN 47 002 747 480) (AFS Licence No. 240581). The Responsible Entity's registered office and principal place of business is Level 28, Chifley Tower, 2 Chifley Square, Sydney NSW 2000.

### Principal activities

The Scheme invests in shares in AHL Strategies PCC Limited (the "Underlying Fund"), which invests by using the AHL Alpha Program. The AHL Alpha Program is a computerised managed futures program that accesses around 500 international markets.

The Scheme did not have any employees during the reporting period.

There were no significant changes in the nature of the Scheme's activities during the reporting period.

### Directors

The following persons held office as directors of Man Investments Australia Limited during the reporting period or since the end of the reporting period and up to the date of this report:

Hersh Gandhi  
Solomon Kuckelman  
Stephen Jordan  
Andrew Warren Swan (appointed 9 June 2023)

### Review and results of operations

As at the reporting date, there had not been any significant changes to the operations of the Scheme since the preceding financial period which warrant the attention of the users of the condensed financial statements. The Scheme continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Scheme and in accordance with the provisions of the Scheme's Constitution.

The performance of the Scheme, as represented by the results of its operations, was as follows:

	<b>For the reporting period ended</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
Loss before finance costs attributable to unitholders (\$'000)	<u>(8,587)</u>	<u>(3,935)</u>

There were no distributions paid or payable to unitholders for the interim period ended 31 December 2023 and 2022.

## Directors' report (continued)

### Events occurring after the reporting period

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect:

- (i) the operations of the Scheme in future reporting periods, or
- (ii) the results of those operations in future reporting periods, or
- (iii) the state of affairs of the Scheme in future reporting periods.

### Rounding of amounts to the nearest thousand dollars

The Scheme is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial Directors' Reports) Instrument 2016/191* issued by Australian Securities and Investments Commission relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

### Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of the directors.



Stephen Jordan  
Director

Sydney  
15 March 2024

15 March 2024

The Board of Directors  
Man AHL Alpha Fund  
Level 28, Chifley Tower  
2 Chifley Square  
Sydney NSW 2000

Dear Board of Directors,

### **Auditor's Independence Declaration to Man AHL Alpha (AUD) Fund**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the those charged with governance of Man AHL Alpha (AUD) Fund.

As lead audit partner for the review of the half year financial report of Man AHL Alpha (AUD) Fund for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



**Jonathon Corbett**  
Partner  
Chartered Accountants

## Condensed statement of profit or loss and other comprehensive income

	Notes	For the reporting period ended	
		31 December 2023 \$'000	31 December 2022 \$'000
<b>Investment income</b>			
Interest income		24	6
Net losses on financial instruments at fair value through profit or loss		(8,306)	(3,559)
Other income		7	-
<b>Total investment loss</b>		<u>(8,275)</u>	<u>(3,553)</u>
<b>Expenses</b>			
Recoverable expenses		312	382
<b>Total expenses</b>		<u>312</u>	<u>382</u>
<b>Loss before finance costs attributable to unitholders</b>		<u>(8,587)</u>	<u>(3,935)</u>
<b>Finance costs attributable to unitholders</b>			
Decrease in net assets attributable to unitholders	2	<u>(8,587)</u>	<u>(3,935)</u>
<b>Profit/(loss) for the reporting period attributable to unitholders</b>		<u>-</u>	<u>-</u>
Other comprehensive income for the reporting period		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the reporting period attributable to unitholders</b>		<u>-</u>	<u>-</u>

The above condensed statement of comprehensive income should be read in conjunction with the accompanying notes.

## Condensed statement of financial position

	Notes	As at	
		31 December 2023 \$'000	30 June 2023 \$'000
<b>Assets</b>			
Cash and cash equivalents		8,160	8,003
Receivables		400	19
Financial assets at fair value through profit or loss	3	<u>463,167</u>	<u>481,685</u>
<b>Total assets</b>		<u>471,727</u>	<u>489,707</u>
<b>Liabilities</b>			
Distribution payable		-	7,136
Payables		<u>2,890</u>	<u>2,296</u>
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<u>2,890</u>	<u>9,432</u>
<b>Net assets attributable to unitholders - liability</b>	2	<u>468,837</u>	<u>480,275</u>

The above condensed statement of financial position should be read in conjunction with the accompanying notes.



### Condensed statement of changes in equity

In accordance with AASB 132 *Financial Instruments: Presentation*, the Scheme's net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the beginning and the end of the reporting period.

Changes in net assets attributable to unitholders are disclosed in note 2.

## Condensed statement of cash flows

	For the reporting period ended	
	31 December 2023 \$'000	31 December 2022 \$'000
<b><i>Cash flows from operating activities</i></b>		
Proceeds from sale of financial instruments at fair value through profit or loss	28,023	9,762
Purchase of financial instruments at fair value through profit or loss	(17,811)	(31,580)
Interest received	27	6
Proceeds from receivables	7	-
Payment of recoverable expenses	(299)	(351)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>9,947</b>	<b>(22,163)</b>
<b><i>Cash flows from financing activities</i></b>		
Proceeds from applications by unitholders	52,017	64,905
Payments for redemptions by unitholders	(56,851)	(35,974)
Distributions paid	(4,956)	(5,156)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(9,790)</b>	<b>23,775</b>
<b>Net increase in cash and cash equivalents</b>	<b>157</b>	<b>1,612</b>
Cash and cash equivalents at the beginning of the reporting period	8,003	6,917
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>8,160</b>	<b>8,529</b>
<b><i>Non-cash financing activities</i></b>		
During the period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	2,180	2,455

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.

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## 1 Basis of preparation of interim financial report

This general purpose financial report for the reporting period ended 31 December 2023 (the “reporting period”) have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*.

This interim financial report does not include all the notes of the type normally included in a set of annual financial statements. Accordingly, this report should be read in conjunction with the annual financial statements for the year ended 30 June 2023 and any public announcements made in respect of Man AHL Alpha (AUD) Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The condensed financial statements were authorised for issue by the directors on 15 March 2024. The directors of the Responsible Entity have the power to amend and reissue the condensed financial statements.

The accounting policies adopted are consistent with those of the previous financial year and the corresponding interim reporting period, except for the adoption of any new and amended standards as set out below.

The directors are satisfied that the Scheme has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

### *Compliance with International Financial Reporting Standards*

Compliance with AASB 134 ensures that the interim financial report of the Scheme, comprising the condensed financial statements and notes thereto, complies with International Accounting Standard IAS 34 *Interim Financial Reporting*.

### **(a) New and Amended standards and interpretations adopted by the Scheme**

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2023 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

### **(b) New standards and interpretations issued but not yet adopted by the Scheme**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2024 and have not been early adopted in preparing these condensed financial statements.

These amendments are not expected to have significant impact on the Scheme’s financial statement.

### **(c) Other Legislative/government developments**

#### *Climate related and other emerging risk disclosure*

Australian financial regulators have been focusing on the impacts and risks of climate change to the economy and on entities’ future financial prospects. As such, the Task Force for Climate-related Financial Disclosures (TCFD) developed a set of framework and voluntary climate-related financial risk disclosures to help organisations evaluate and disclose, as part of their financial statement preparation and reporting processes, the climate-related risks and opportunities that are most pertinent to their business activities.

The Directors and the Investment Manager continue to monitor the impacts and risks of climate change to the economy and on the Scheme’s future financial prospects.

Financial regulators have agreed that climate-related risks are a potential source of systemic financial risk that need to be addressed to ensure the future stability and resilience of the financial system. This is leading to changes in supervisory expectations of financial services entities and to regulatory change.

## 2 Net assets attributable to unitholders

As stipulated within the Scheme Constitution, each unit represents a right to an individual share in the Scheme and does not extend to a right in the underlying assets of the Scheme. There are two separate classes of units and each unit has the same rights attached to it as all other units of the share class. Each unit class has a different management fee and performance fee rate.

Units are redeemed on demand at the unitholders' option. However, holders of these instruments typically retain them for the medium to long term. It is subject for the review of the Investment Manager. As such, the amount expected to be settled within twelve months after the end of the financial year cannot be reliably determined.

Movements in number of units and net assets attributable to unitholders during the reporting period were as follows:

	For the reporting period ended			
	31 December 2023 No.'000	31 December 2022 No.'000	31 December 2023 \$'000	31 December 2022 \$'000
<b>Net assets attributable to unitholders - Unit Class A</b>				
Opening balance	212,561	190,713	334,533	300,558
Applications	15,589	26,042	24,120	40,878
Redemptions	(29,284)	(13,549)	(45,286)	(21,311)
Units issued upon reinvestment of distributions	162	718	254	1,132
Decrease in net assets attributable to unitholders	-	-	(6,504)	(3,151)
<b>Closing balance - Unit Class A</b>	<b>199,028</b>	<b>203,924</b>	<b>307,117</b>	<b>318,106</b>
<b>Net assets attributable to unitholders - Unit Class B</b>				
Opening balance	126,529	126,986	145,742	151,395
Applications	24,969	20,447	28,284	24,300
Redemptions	(10,724)	(11,079)	(12,149)	(13,164)
Units issued upon reinvestment of distributions	1,672	1,110	1,926	1,323
Decrease in net assets attributable to unitholders	-	-	(2,083)	(784)
<b>Closing balance - Unit Class B</b>	<b>142,446</b>	<b>137,464</b>	<b>161,720</b>	<b>163,070</b>
<b>Closing balance</b>	<b>341,474</b>	<b>341,388</b>	<b>468,837</b>	<b>481,176</b>

## 3 Financial assets at fair value through profit or loss

	As at	
	31 December 2023 \$'000	30 June 2023 \$'000
<b>Financial assets at fair value through profit or loss</b>		
Unlisted managed investment schemes	463,167	481,685
<b>Total financial assets at fair value through profit or loss</b>	<b>463,167</b>	<b>481,685</b>

An overview of the fair value measurements relating to financial assets at fair value through profit or loss is included in note 4 to the condensed financial statements.

## 4 Fair value measurement

The Scheme is required to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); quoted prices for similar securities in active and/or inactive markets; market-corroborated inputs; inputs that are developed based on available market data and reflect assumptions that markets would use when pricing similar securities.
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes “observable” requires significant judgement by the Scheme. The Scheme considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

All fair value measurements disclosed are recurring fair value measurements.

The table below sets out the Scheme’s financial assets and liabilities measured at fair value according to the fair value hierarchy at the reporting date end.

As at 31 December 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Unlisted managed investment schemes	-	463,167	-	463,167
<b>Total</b>	-	463,167	-	463,167

As at 30 June 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Unlisted managed investment schemes	-	481,685	-	481,685
<b>Total</b>	-	481,685	-	481,685

The pricing for the majority of the Scheme’s investments is generally sourced from independent pricing sources, the relevant Investment Managers or reliable brokers’ quotes.

Investments whose values are based on quoted market prices in active markets, e.g. recognised stock exchanges, and therefore classified within level 1, include active listed equities and exchange traded derivatives.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. The observable inputs include prices and/or those derived from prices.

#### **4 Fair value measurement (continued)**

Level 2 investments could include those that are not traded in active markets and/or are subject to transfer restrictions (e.g. redemption restrictions). Valuations for these investments may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. Typically, prices of units in unlisted managed investment schemes that are either published on the Investment Manager's website and/or circulated among market participants as executable quotes are categorised as level 2.

Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded. Level 3 instruments include certain unlisted unit trusts and corporate debt securities. As observable prices are not available for these securities, the Scheme has used valuation techniques to derive fair value.

Where a valuation model technique is used, the Scheme considers other liquidity, credit and market risk factors, and adjusts the model as deemed necessary. There have been no changes to the valuation techniques used for financial instruments classified as levels 2. Valuations for the unlisted managed investment schemes are based on the net asset value as reported by the underlying manager.

There were no transfers between levels during the reporting period ended 31 December 2023.

#### **5 Events occurring after the reporting period**

No significant events have occurred since the end of the reporting date that would impact on the financial position of the Scheme disclosed in the condensed statement of financial position as at 31 December 2023 or on the results and condensed cash flows of the Scheme for the reporting period ended on that date.

#### **6 Contingent assets and liabilities and commitments**

There are no outstanding contingent assets and liabilities or commitments as at 31 December 2023 (30 June 2023: None).

## Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the condensed financial statements and notes set out on pages 5 to 13 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards as it relates to AASB 134 *Interim Financial Reporting*, the *Corporations Act 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Scheme's financial position as at 31 December 2023 and of its performance, as represented by the results of its operations and cash flows, for the reporting period ended on that date; and
- (b) there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.
- (c) the condensed financial statements are in accordance with the Scheme's Constitution.

This declaration is made in accordance with a resolution of the directors.



Stephen Jordan  
Director

Sydney  
15 March 2024



## Independent Auditor's Review Report to the Directors of Man AHL Alpha (AUD) Fund

### Report on the Half-Year Financial Report

#### *Conclusion*

We have reviewed the half-year financial report of Man AHL Alpha (AUD) Fund (the "Fund"), which comprises the condensed statement of financial position as at 31 December 2023, the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the Directors' declaration as set out on pages 5 to 14.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Fund does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Fund's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

#### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's review report.

#### *Directors' Responsibilities for the Half-year Financial Report*

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibilities for the Review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Fund's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain

assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



DELOITTE TOUCHE TOHMATSU



**Jonathon Corbett**

Partner

Chartered Accountants

Sydney, 15 March 2024

