Man AHL Alpha (AUD) Fund

ARSN 138 643 768

Interim financial report for the half-year ended 31 December 2024

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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 2024 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 42, Governor Phillip Tower, 1 Farrer Place, 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 half-year ended 31 December 2024.

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 42, Governor Phillip Tower, 1 Farrer Place, 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 half-year.

There were no significant changes in the nature of the Scheme's activities during the half-year.

Directors

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

Hersh Gandhi
Solomon Kuckelman (resigned on 19 December 2024)
Stephen Jordan
Andrew Warren Swan

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:

	For the half-year ended	
	31 December 2024	31 December 2023
Loss before finance costs attributable to unitholders ($'000)	**(31,696)**	(8,587)

There were no distributions paid or payable to unitholders for the interim period ended 31 December 2024 and 2023.

Directors' report (continued)

Events occurring after the reporting period

No matter or circumstance has arisen since 31 December 2024 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.

Hersh Gandhi
Director

Sydney
11 March 2025

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11 March 2025

The Board of Directors

Man Investment Australia Limited

As the Responsible Entity of Man AHL Alpha (AUD) Fund

Level 42, Governor Phillip Tower,1 Farrer Place

Sydney NSW 2000

Dear 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 directors of Man Investments Australia Limited as the Responsible Entity of Man AHL Alpha (AUD) Fund (the "Scheme").

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 2024, 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

DELOITTE TOUCHE TOHMATSU

Jonathon Corbett
Partner
Chartered Accountants

Sydney

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Condensed statement of profit or loss and other comprehensive income

	Notes	For the half-year ended 31 December 2024 $'000	31 December 2023 $'000
Investment income			
Interest income		**15**	24
Net losses on financial instruments at fair value through profit or loss		**(31,368)**	(8,306)
Other income		**-**	7
Total investment loss		**(31,353)**	(8,275)
Expenses			
Recoverable expenses		**343**	312
Total expenses		**343**	312
Loss before finance costs attributable to unitholders		**(31,696)**	(8,587)
Finance costs attributable to unitholders			
Decrease in net assets attributable to unitholders	2	**(31,696)**	(8,587)
Profit/(loss) for the half-year attributable to unitholders		**-**	-
Other comprehensive income for the half-year		**-**	-
Total comprehensive income for the half-year attributable to unitholders		**-**	-

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 2024 $'000	30 June 2024 $'000
Assets			
Cash and cash equivalents		**6,648**	6,545
Receivables		**87**	19
Due from brokers - unsettled sales		**4,514**	820
Financial assets at fair value through profit or loss	3	**428,837**	482,930
Total assets		**440,086**	490,314
Liabilities			
Distribution payable		**-**	12,881
Payables		**6,676**	2,664
Total liabilities (excluding net assets attributable to unitholders)		**6,676**	15,545
Net assets attributable to unitholders - liability	2	**433,410**	474,769

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 half-year.

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

Condensed statement of cash flows

	For the half-year ended	
	31 December 2024	31 December 2023
	$'000	$'000
Cash flows from operating activities		
Proceeds from sale of financial instrument at fair value through profit or loss	**80,251**	28,023
Purchase of financial instrument at fair value through profit or loss	**(61,220)**	(17,811)
Interest received	**17**	27
Proceeds from receivables	**242**	7
Payment of recoverable expenses	**(466)**	(299)
Net cash inflow from operating activities	**18,824**	9,947
Cash flows from financing activities		
Proceeds from applications by unitholders	**85,277**	52,017
Payments for redemptions by unitholders	**(95,176)**	(56,851)
Distributions paid	**(8,822)**	(4,956)
Net cash outflow from financing activities	**(18,721)**	(9,790)
Net increase in cash and cash equivalents	**103**	157
Cash and cash equivalents at the beginning of the half-year	**6,545**	8,003
Cash and cash equivalents at the end of the half-year	**6,648**	8,160
Non-cash financing activities		
During the period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	**4,059**	2,180

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

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These interim financial statements and notes for the half-year represent those of Man AHL Alpha (AUD) Fund. The financial statements were authorised for issue by the Directors on 11 March 2025.

The principal accounting policies applied in the preparation of these condensed financial statements are set out below.

1 Basis of preparation of interim financial report

This general purpose financial report for the half-year ended 31 December 2024 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 2024 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 11 March 2025. 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 2024 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 2025 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 enacted laws recognizing climate-related risks as a potential source of systemic financial risk that must be addressed to ensure the future stability and resilience of the financial system. This has led to changes in supervisory expectations of financial services entities and corresponding regulatory changes.

1 Basis of preparation of interim financial report (continued)

(d) Prior Year Comparatives

Comparative information has been disclosed in respect of the previous period for amounts reported in the financial statements. Where the presentation or classification of items in the financial statements is amended, the comparative amounts have been reclassified to conform with current period presentation.

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 half-year were as follows:

	For the half-year ended			
	31 December 2024 No.'000	31 December 2023 No.'000	**31 December 2024 $'000**	31 December 2023 $'000
Net assets attributable to unitholders - Unit Class A				
Opening balance	**186,740**	212,561	**299,296**	334,533
Applications	**16,009**	15,589	**24,143**	24,120
Redemptions	**(32,474)**	(29,284)	**(48,936)**	(45,286)
Units issued upon reinvestment of distributions	**1,719**	162	**2,754**	254
Decrease in net assets attributable to unitholders	**-**	-	**(19,929)**	(6,504)
Closing balance - Unit Class A	**171,994**	199,028	**257,328**	307,117
Net assets attributable to unitholders - Unit Class B				
Opening balance	**147,490**	126,529	**175,473**	145,742
Applications	**54,676**	24,969	**61,217**	28,284
Redemptions	**(45,630)**	(10,724)	**(50,146)**	(12,149)
Units issued upon reinvestment of distributions	**1,096**	1,672	**1,305**	1,926
Decrease in net assets attributable to unitholders	**-**	-	**(11,767)**	(2,083)
Closing balance - Unit Class B	**157,632**	142,446	**176,082**	161,720
Closing balance	**329,626**	341,474	**433,410**	468,837

3 Financial assets at fair value through profit or loss

	As at	
	31 December 2024	30 June 2024
	$'000	$'000
Financial assets at fair value through profit or loss		
Unlisted managed investment schemes	**428,837**	482,930
Total financial assets at fair value through profit or loss	**428,837**	482,930

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 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets				
Unlisted managed investment schemes	**-**	**428,837**	**-**	**428,837**
Total	**-**	**428,837**	**-**	**428,837**

4 Fair value measurement (continued)

As at 30 June 2024	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Unlisted managed investment schemes	-	482,930	-	482,930
Total	-	482,930	-	482,930

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.

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 half-year ended 31 December 2024.

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 2024 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 2024 (30 June 2024: 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 2024 and of its performance, as represented by the results of its operations and cash flows, for the half-year 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.

Hersh Gandhi
Director

Sydney
11 March 2025

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Independent Auditor's Review Report to the Members 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 "Scheme"), which comprises the condensed statement of financial position as at 31 December 2024 and 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.

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 Scheme does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Scheme's financial position as at 31 December 2024 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 Scheme 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 Scheme, 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 Man Investments Australia Limited as the Responsible Entity of Man AHL Alpha (AUD) Fund 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 Scheme's financial position as at 31 December 2024 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*.

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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, 11 March 2025.