Man Diversified Alternatives

Monthly Report as at 31 December 2020

MTD: 1.75 % **YTD**: 2.13 % **Annualised return since inception**: 3.05 % **Annualised volatility since inception**: 3.05 %

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

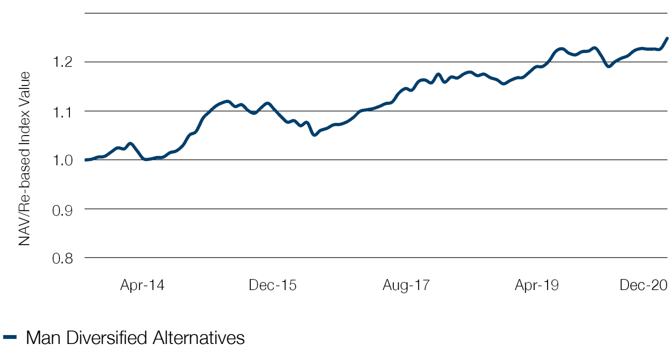
Launch date	13 August 2013
Fund AUM [1]	(AUD) 1,756,297
Portfolio manager	David Kingsley
Currencies	AUD
Minimum investment	A$5,000
APIR	MAN0004AU

Net Performance Statistics [2]

	Fund
Last month	1.75 %
Last 3 months	1.80 %
Year to date	2.13 %
Last 1 year	2.13 %
Last 3 years annualised	2.55 %
Last 5 years annualised	2.52 %
Since inception	24.89 %
Annualised volatility since inception	3.05 %
Annualised return since inception	3.05 %
Sharpe ratio	0.41

Net track record*

13 August 2013 to 31 December 2020



Historical performance [2]

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD [3]
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

In comparison to the rest of the year, December was a relatively quiet month, with equities continuing their positive drift as vaccines began rolling out in first the United Kingdom, and then the United States. Beneath this, however, darkness loomed as tensions rose between Australia and China, Brexit negotiations struggled through most of the month, and OPEC lowered its demand outlook further for Q1 2021 as economic uncertainties remained high. A new strain of coronavirus caused a blip in global stocks in the run-up towards Christmas, but this was curbed by reassurance from agreements in the US government on the second stimulus package and an eventual Brexit deal, setting the tone for a more hopeful 2021.

The Fund recorded is strongest monthly return of the year of +1.75% allowing to finish 2020 positively with an overall gain of +2.13%. All the strategies generated profits, with the Equity Long Short bucket leading the way and largely recovering its losses sustained during the momentum factor unwind in November, with returns driven primarily by Idiosyncratic risk. Among the strategy's other risk attributes, Style risk and Market risk made a modest contribution to returns, while Country risk and Industry risk detracted from returns this month. Though almost all of its eighteen developed underlying books were either positive or modestly negative this month, gains were primarily concentrated in UK Core, Long Term Growth, and Sustainable Energy. UK Core benefitted from a long position in Rio Tinto which rose on the back of increasing iron ore prices and the announcement of a new CEO later in the month. Meanwhile, Long Term Growth saw a long position in Delivery Hero make money following an announcement that the delivery app had received conditional regulatory approval to acquire Woowa Brothers, a South Korean food delivery app owner. Finally, Sustainable Energy made money on a long position in EDP Renovaveis which performed well in as a result of the increased demand for clean energy. On the flip side, Medical Devices and Pharmaceuticals and Risk Arb struggled this month. Medical Devices and Pharmaceuticals saw long position in Arcturus Therapeutics underperform after several analysts cut their ratings citing disappointing progress in developing its Covid-19 vaccine. Risk Arb lost money on a long position in Shimachu Co after Nitori Holdings successfully outbid DCM Holdings Co for the Japanese home improvement retailer.

Within Risk Seeking, Global Convertibles lead the way with AHL TargetRisk and Event Driven also contributing positively as the risk-on sentiment remained strong throughout the month, despite the mid-month blip in global equities. And within the Diversifying group, AHL Trend finished the year strongly as December was a good month for momentum models, as the risk-on sentiment remained strong throughout the month, despite the mid-month blip in global equities. Specifically, performance was strongest in commodities, followed closely by currencies and equity markets. The only asset class in red were bonds, where long positions in German bonds and Japanese long term interest rates suffered due to coronavirus worries in Europe and Japan.

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.

Man Diversified Alternatives

Equity Attribution Analysis

Month to date allocation and attribution by holding

Holding	Allocation	Contribution
Man AHL Trend Alternative	8.6 %	0.6 %
Man GLG Alpha Select	18.7 %	0.4 %
Man GLG European Equity Alternative	18.3 %	0.3 %
Man GLG Global Convertibles	17.1 %	0.3 %
Man AHL TargetRisk	8.1 %	0.1 %
GLG Event Driven Alt	8.8 %	0.1 %
Overlay, cash and other	5.5 %	0.0 %
Man GLG European Mid-Cap Equity Alternative	14.9 %	0.0 %

Year to date attribution by holding

Holding	Contribution
Man GLG Global Convertibles	1.6 %
Man GLG Alpha Select	1.0 %
Man GLG European Equity Alternative	1.0 %
GLG Event Driven Alt	0.8 %
Overlay, cash and other	0.8 %
Man AHL TargetRisk	0.4 %
Man AHL Trend Alternative	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 Multi Strategy Alternative	-1.2 %

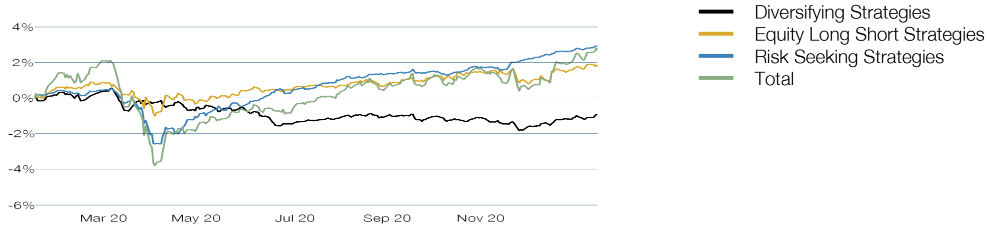
Month to date allocation and attribution by strategy

Holding	Allocation	Contribution
Long / short	51.9 %	0.7 %
Diversifying	8.6 %	0.6 %
Risk	34.1 %	0.5 %
Overlay, cash and Other	5.5 %	0.0 %

Year to date attribution by strategy

Holding	Contribution
Risk	2.9 %
Long / short	1.7 %
Overlay, cash and other	0.8 %
Diversifying	-0.9 %

Strategy contributions and Fund returns



Strategy and Risk Factor Stand Alone VaR (97.7%)

Total Fund	Equity	Spread	FX	Interest Rate	Commodity	Vega
0.50 %	0.40 %	0.05 %	0.10 %	0.07 %	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)
31.59 %	-16.93	-2.16	4.83	0.18	0.18

Historical replays

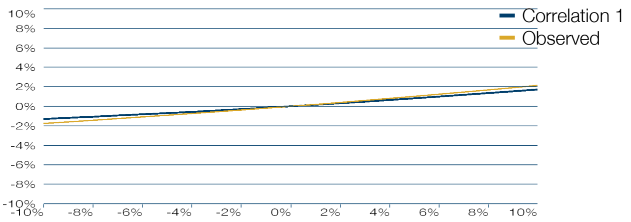
Sept 11 (7th - 21st Sept 2001)	Banking Crisis (6th - 20th Nov 2008)	Greek Crisis (23rd April - 7th May 2010)	Lehman Crisis (26th Sept - 10 Oct 2008)	Equity Mkt Rebound (9th -23rd March 2009)
-3.42 %	-4.99 %	-1.37 %	-4.01 %	8.89 %

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%
1.72 %	-1.30 %	-1.09 %	0.57 %	-0.11 %	0.11 %	0.37 %	-0.37 %	0.74 %	-0.74 %

Man Diversified Alternatives

Equity market slide



NAVs[4 5]

Class	NAV	ISIN	Bloomberg	2017 Return	2018 Return	2019 Return
INW H AUD Acc	1.0908	AU60MAN00047		6.55 %	0.39 %	5.19 %

[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

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