

Man Diversified Alternatives



Monthly Report as at 28 May 2021

MTD: 0.82 % **YTD:** 2.44 % **Annualised return since inception:** 3.21 % **Annualised volatility since inception:** 3.04 %

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

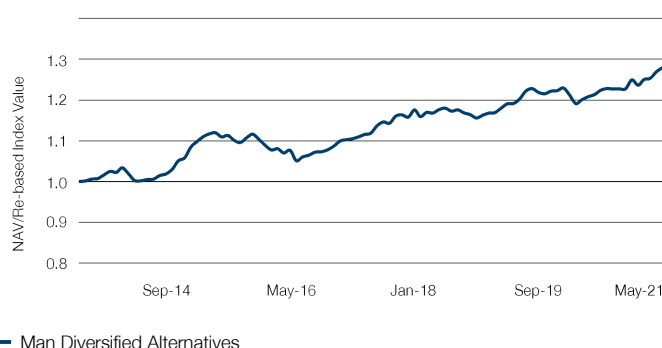
Launch date	13 August 2013
Fund AUM ¹	(AUD) 1,418,861
Portfolio manager	David Kingsley
Currencies	AUD
Minimum investment	A\$5,000
APIR	MAN0004AU

Net Performance Statistics*²

	Fund
Last month	0.82 %
Last 3 months	2.35 %
Year to date	2.44 %
Last 1 year	5.91 %
Last 3 years annualised	2.84 %
Last 5 years annualised	3.51 %
Since inception	27.93 %
Annualised volatility since inception	3.04 %
Annualised return since inception	3.21 %
Sharpe ratio	0.49

Net track record*

13 August 2013 to 28 May 2021



Historical performance²

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD ³
2021	-1.03 %	1.12 %	0.25 %	1.27 %	0.82 %								2.44 %
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 May with gains across risk seeking and diversifying strategies. Inflation concerns dominated the markets this month. While this month saw higher than expected inflation readings rattle investors and trigger a sell-off in growth/technology stocks, the release of upbeat economic data led to increased optimism of recovery, driving equity markets higher.

Across the Equity Long Short strategies, positive Idiosyncratic risk and successful participation in primary and secondary deals were offset by losses in Industry and Style risk this month. Exposure to energy stocks mainly drove the strategy's losses in Industry risk, while losses in Style risk were primarily attributable to the strategy's overall tilt against European value (towards European growth). The main contributors and detractors to these Idiosyncratic returns are discussed in detail below. It was a difficult month for the 14 developed underlying books, with all but six coming in negative. US Japan and ECM Central were among the top performing strategies on the platform this month. US Japan saw gains predominantly driven by idiosyncratic risk exposure. The top contributor to the strategy's idiosyncratic returns this month was a long position in IHI Corp which rose dramatically on expectations its operating profit would double over the next year. ECM Central benefitted from its participation in SK IE Technology's IPO. Conversely, market conditions were difficult for Europe Financials, Europe Mid-Cap, and Long Term Growth. Europe Financials struggled with a short position in Germany's Deutsche Wohnen after the stock jumped on the news it was being acquired by rival residential landlord Vonovia. Meanwhile Europe Mid-Cap lost money on a short position in Sonova Holdings jumped on expectations of strong 2021 growth as a result of pent up demand during the pandemic. Finally, long exposure to European growth stocks was responsible for Long Term's Growth's losses this month.

Within Risk Seeking, all strategies were positive. TargetRisk again posted positive returns in most asset classes, including stocks, commodities index positions as well as inflation-linked bonds. From a deal perspective, the top contributor to Event Driven's gains this month was recruitment site 51job's takeover by a group led by DCP Capital following an updated buyout proposal. And finally, within the Diversifying strategy group, AHL Trend again saw positive overall performance from long equity positioning and in FX trading where it remains long currencies against the US dollar.

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 AHL Trend Alternative	8.0 %	0.2 %
Man AHL TargetRisk	7.3 %	0.2 %
GLG Event Driven Alt	8.1 %	0.1 %
Man GLG Global Convertibles	15.2 %	0.0 %
Man GLG European Equity Alternative	16.1 %	0.0 %
Man GLG Alpha Select	16.6 %	0.0 %
Overlay, cash and other	15.1 %	-0.1 %
Man GLG European Mid-Cap Equity Alternative	13.4 %	-0.1 %

Month to date allocation and attribution by strategy

Holding	Allocation	Contribution
Risk	30.7 %	0.3 %
Diversifying	8.0 %	0.2 %
Overlay, cash and Other	15.1 %	-0.1 %
Long / short	46.1 %	-0.2 %

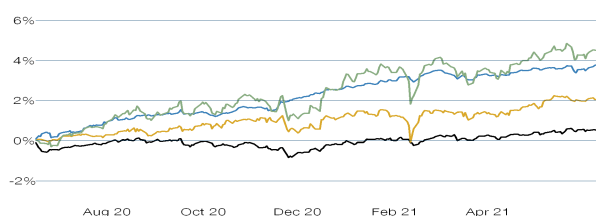
Year to date attribution by holding

Holding	Contribution
Man AHL Trend Alternative	0.5 %
GLG Event Driven Alt	0.4 %
Man GLG European Mid-Cap Equity Alternative	0.3 %
Man GLG Global Convertibles	0.3 %
Man GLG Alpha Select	0.3 %
Man AHL TargetRisk	0.2 %
Man GLG European Equity Alternative	0.1 %
Overlay, cash and other	-0.3 %

Year to date attribution by strategy

Holding	Contribution
Risk	0.9 %
Long / short	0.7 %
Diversifying	0.5 %
Overlay, cash and other	-0.3 %

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
0.47 %	0.40 %	0.02 %	0.09 %	0.04 %	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)
26.56 %	-13.15	-1.08	4.16	0.27	0.24

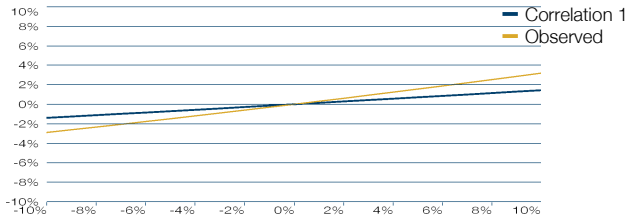
Historical replays

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)
-3.61 %	-5.25 %	-2.08 %	-5.40 %	6.53 %

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%
1.44 %	-1.39 %	-0.53 %	0.35 %	-0.09 %	0.09 %	0.28 %	-0.27 %	0.70 %	-0.73 %

Equity market slide



NAVs^{1,5}

Class	NAV	ISIN	Bloomberg	2018 Return	2019 Return	2020 Return
INW H AUD Acc	1.1174	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.

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