Man Diversified Alternatives

Monthly Report as at 30 June 2021

MTD: 0.10 % **YTD**: 2.54 % **Annualised return since inception**: 3.19 % **Annualised volatility since inception**: 3.03 %

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

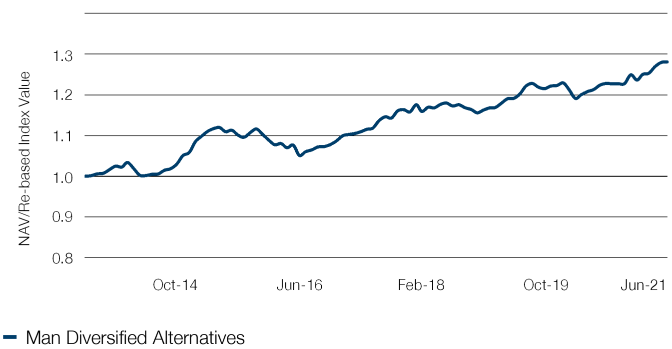
Launch date	13 August 2013
Fund AUM [1]	(AUD) 1,376,297
Portfolio manager	David Kingsley
Currencies	AUD
Minimum investment	A$5,000
APIR	MAN0004AU

Net Performance Statistics* [2]

	Fund
Last month	0.10 %
Last 3 months	2.20 %
Year to date	2.54 %
Last 1 year	5.58 %
Last 3 years annualised	2.77 %
Last 5 years annualised	4.03 %
Since inception	28.06 %
Annualised volatility since inception	3.03 %
Annualised return since inception	3.19 %
Sharpe ratio	0.49

Net track record*

13 August 2013 to 30 June 2021



Historical performance [2]

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 %	0.10 %							**2.54 %**
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 small gain in June with small gains across the majority of its strategy groups. Inflation concerns and supply chain disruption issues continued to dominate the markets this month. US inflation again exceeded expectations, with CPI hitting 5% YoY against expectations of 4.7%. Many industries continue to report labour shortages with the US JOLTS Job Openings hitting a another new high. The Fed presented a more hawkish tone after its June FOMC meeting, signalling that discussions on tapering were commencing imminently and some members shifting their expectations of rate hikes to the back end of 2022 from 2023. Despite this, long end yields declined over the month. Economic data in Europe remained firm. At their June meeting, the ECB revised up its inflation and growth forecast for the Eurozone to 1.9% and 4.6% respectively (previously 1.5% and 4%).

Within Equity Long-Short, the main European and UK strategies finished the month slightly up but European Mid-Cap delivered a small loss. Looking at some of the underlying books in more detail Long Term Growth, our ECM strategies and Asia Equity were among the top performing strategies across the platform this month. Long Term Growth saw gains predominantly driven by idiosyncratic risk exposure, but also benefited from a tailwind from factor returns. The top contributors to the strategy's idiosyncratic returns this month was a long positions in Nike Inc and Puma AG. Nike posted a huge earnings beat towards the end of the month driven by strong US sales, leading to a number of upgrades from the analyst community. Our ECM strategies benefited from longs in Puma AG and Li Ning Co Ltd, the latter rallying after reporting positive results towards the end of the month. Asia Equity gained from a long position in Flat Glass Group Co Ltd and a short position in an auto related stock. Conversely, market conditions were difficult for Sustainable Energy, Quant, and Europe Consumer. Sustainable Energy struggled with long positions in Iberdrola SA and Neste Oyj. Meanwhile Quant suffered small losses across a number of "re-opening" stocks. Similarly, Europe Consumer suffered small losses across a number of European retail names.

Within Risk Seeking, all strategies were positive but TargetRisk was the standout performer, recording gains in all asset classes. Fixed income assets contributed most and enjoyed a rally in the second half of the month, with US and European yields falling. That is, investors appeared to be coming around to the Fed's view that inflation will fade and the current rise in inflation might prove transitory. In equities, global stocks rallied throughout June with US equity indices trading at all-time highs. The strategy saw gains in most indices, led by the NASDAQ 100 Index and S&P 500 Index and losses in Chinese and Japanese equity indices. Credit spreads tightened during the month on both sides of the Atlantic leading to profits in all markets although gains were dominated by US and European high yield credit indices. Within the inflation-sensitive assets, commodities gained and were led by a surging crude oil price as vaccination rollouts boosted global economic activity and demand for the commodity. Inflation-linked bond gained as well, although the majority of the gains could be attributed to interest rates falling. The correlation and volatility overlays remained inactive in June, while the momentum overlay on bonds continued to unwind its degear signal and the portfolio was geared back to full risk towards the end of the month.

And finally, within the Diversifying strategy group, AHL Trend posted negative returns with losses from currency and fixed income trading slightly outweighing gains from equities. Currency trading was hardest hit by the perceived more hawkish tone from the Fed, with losses experienced in a number of positions as the US dollar spiked. Worst offenders were euro and Canadian dollar longs versus the greenback, although a similar position in the Brazilian real gained as the country hiked rates by 75bp.

Man Diversified Alternatives

Equity Attribution Analysis

Month to date allocation and attribution by holding

Holding	Allocation	Contribution
Man AHL TargetRisk	7.7 %	0.3 %
Man GLG Global Convertibles	15.5 %	0.0 %
Man GLG Alpha Select	16.9 %	0.0 %
Man GLG European Equity Alternative	16.4 %	0.0 %
Overlay, cash and other	13.6 %	0.0 %
Man GLG European Mid-Cap Equity Alternative	13.6 %	0.0 %
GLG Event Driven Alt	8.3 %	0.0 %
Man AHL Trend Alternative	8.0 %	-0.1 %

Year to date attribution by holding

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

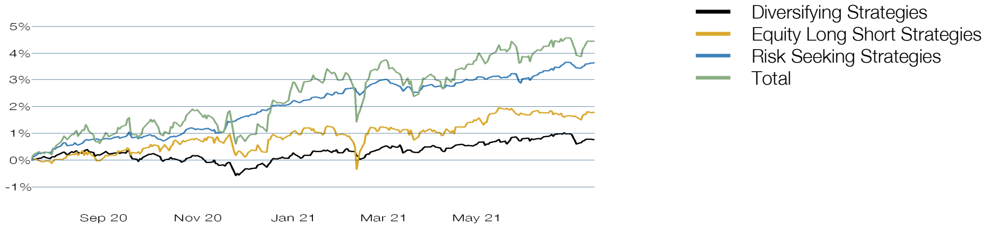
Month to date allocation and attribution by strategy

Holding	Allocation	Contribution
Risk	31.5 %	0.3 %
Long / short	46.8 %	0.0 %
Overlay, cash and Other	13.6 %	0.0 %
Diversifying	8.0 %	-0.1 %

Year to date attribution by strategy

Holding	Contribution
Risk	1.2 %
Long / short	0.7 %
Diversifying	0.4 %
Overlay, cash and other	-0.3 %

Strategy contributions and Fund returns



Strategy and Risk Factor Stand Alone VaR (97.7%)

Total Fund	Equity	Spread	FX	Interest Rate	Commodity	Vega
0.54 %	0.47 %	0.02 %	0.05 %	0.10 %	0.04 %	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)
29.55 %	-17.81	-2.16	4.32	0.33	0.29

Historical replays

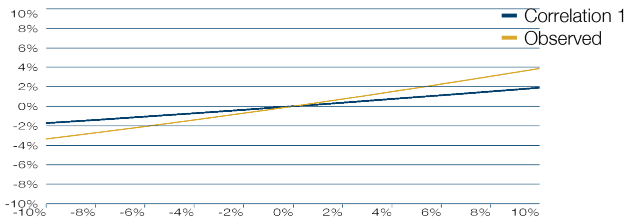
Sept 11 (7th - 21st Sept 2001)	Banking Crisis (6th - 20th Nov 2008)	Greek Crisis (23rd April - 7th May 2010)	Lehman Crisis (26th Sept - 10 Oct 2008)	Equity Mkt Rebound (9th -23rd March 2009)
-4.53 %	-4.74 %	-1.48 %	-4.60 %	6.72 %

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%
1.91 %	-1.73 %	-1.06 %	0.78 %	-0.09 %	0.09 %	0.30 %	-0.29 %	0.23 %	-0.25 %

Man Diversified Alternatives

Equity market slide



NAVs[4 5]

Class	NAV	ISIN	Bloomberg	2018 Return	2019 Return	2020 Return
INW H AUD Acc	1.1185	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.
The information contained and used in this document is general information only and it has been prepared without taking into account anyone's objectives, financial situation or needs so before acting on it, consider its appropriateness to your circumstances. Persons considering investing in the Units should carefully read all of the PDS and speak to their financial advisor before making an investment decision. Please also refer to the Identification Requirements document. US Persons are not eligible to subscribe for Units pursuant to the PDS. Terms capitalised and used in this document have the same meaning as in the PDS. The data contained in this report is provided from the Man database.
MIA disclaims liability for any act and/or omission on the part of any person or entity in reliance or purported reliance (whether in whole or part) on the content or any part of the content of this document. Further, MIA is not liable for any errors or omissions in the content of this document or for any consequences resulting from any errors or omissions in the content of this document.

Man Investments Australia Limited
Level 27, Chifley Tower, 2 Chifley Square, Sydney NSW 2000 Australia