

Monthly Report as at 30 April 2017

MTD : 1.83 % Year to date : 4.42 %

Fund details

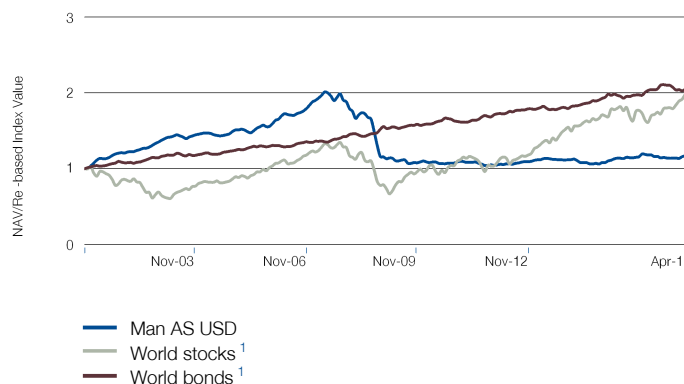
Launch date	1 December 2000
Dealing frequency	Monthly
Total NAV	8,656,260
No. units	7,301,453
NAV per unit	(USD) 1.186
Share class	Class D
Currency	USD

Minimum subscription	(USD) 50,000
ISIN number	BMG5776D1056
Bloomberg ticker	MANARST BH
Valor number	1148539
Reuters page	MAN05
Common code	011932347
Valuation agent	JPMorgan Hedge Fund Services

Performance statistics

	Product	World stocks ¹	World bonds ¹
Last month	1.83 %	1.20 %	0.66 %
Last 3 months	2.28 %	5.40 %	1.43 %
Year to date	4.42 %	6.82 %	0.66 %
Last 12 months	2.29 %	17.98 %	0.77 %
Last calendar year	-4.87 %	9.39 %	3.75 %
Cumulative return ²	18.56 %	102.23 %	105.63 %
Annualised return ²	1.04 %	4.38 %	4.49 %
Annualised volatility ²	6.90 %	14.01 %	2.98 %
Percentage of up months ²	60.41 %	61.42 %	65.99 %
Sharpe ratio ³	N/A	0.18	0.90
Worst drawdown	-48.30 %	-50.44 %	-3.85 %
Correlation		0.35	-0.15

Net track record



Historical performance

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	World stocks ¹	World bonds ¹
2000												0.49 %	0.49 %	-0.26 %	1.35 %
2001	3.34 %	3.14 %	3.88 %	2.10 %	-0.42 %	0.11 %	1.35 %	2.27 %	1.68 %	0.90 %	0.52 %	-0.35 %	20.05 %	-14.00 %	6.27 %
2002	1.20 %	0.21 %	0.15 %	1.24 %	0.88 %	1.29 %	0.13 %	1.14 %	1.82 %	1.93 %	1.38 %	1.84 %	14.03 %	-24.71 %	7.97 %
2003	1.51 %	1.12 %	0.42 %	0.92 %	1.11 %	-0.99 %	-1.05 %	-1.58 %	1.63 %	0.94 %	1.01 %	0.57 %	5.71 %	24.43 %	1.97 %
2004	0.63 %	0.55 %	-0.12 %	-0.33 %	-1.19 %	-0.59 %	-0.42 %	0.36 %	0.62 %	0.86 %	2.08 %	1.42 %	3.90 %	11.01 %	4.84 %
2005	0.02 %	0.59 %	-0.68 %	-1.52 %	-0.85 %	1.88 %	2.20 %	1.27 %	1.30 %	-1.31 %	0.20 %	2.43 %	5.56 %	16.08 %	5.10 %
2006	2.77 %	0.85 %	2.67 %	1.71 %	-0.72 %	-0.41 %	-0.16 %	1.36 %	0.72 %	1.11 %	1.90 %	2.46 %	15.15 %	16.89 %	3.10 %
2007	2.50 %	0.99 %	1.60 %	1.89 %	2.29 %	-0.67 %	-2.02 %	-3.08 %	2.26 %	2.39 %	-4.12 %	-1.24 %	2.52 %	5.61 %	5.71 %
2008	-4.84 %	-1.90 %	-5.33 %	2.61 %	1.82 %	-0.75 %	-2.82 %	-1.36 %	-9.68 %	-12.62 %	-11.03 %	-0.51 %	-38.63 %	-38.45 %	9.21 %
2009	-2.17 %	0.95 %	-0.36 %	-2.87 %	-0.17 %	0.95 %	0.15 %	-3.99 %	-0.02 %	1.03 %	-0.35 %	1.14 %	-5.72 %	26.31 %	1.01 %
2010	1.03 %	-1.02 %	-0.86 %	0.66 %	0.07 %	-1.66 %	-0.21 %	-0.29 %	0.76 %	0.06 %	0.07 %	1.37 %	-0.07 %	10.46 %	3.36 %
2011	0.81 %	-0.36 %	-0.94 %	0.07 %	0.09 %	0.15 %	-1.52 %	-1.00 %	-1.75 %	0.10 %	0.77 %	-0.69 %	-4.22 %	-5.46 %	5.49 %
2012	0.80 %	0.67 %	-0.31 %	0.84 %	-0.12 %	-0.26 %	1.09 %	0.50 %	1.07 %	0.40 %	0.03 %	0.33 %	5.13 %	15.77 %	4.50 %
2013	1.30 %	0.56 %	0.11 %	1.26 %	0.39 %	-0.49 %	-0.71 %	-0.13 %	-0.36 %	-0.10 %	-0.12 %	0.26 %	1.96 %	28.69 %	0.22 %
2014	0.19 %	0.55 %	-1.88 %	-2.24 %	0.09 %	-0.19 %	-1.39 %	-0.19 %	0.73 %	-0.80 %	1.76 %	-0.01 %	-3.39 %	9.71 %	8.35 %
2015	2.12 %	0.78 %	1.68 %	0.80 %	-0.13 %	-0.41 %	1.54 %	-0.45 %	-0.14 %	0.59 %	0.54 %	3.22 %	10.53 %	2.01 %	1.30 %
2016	-0.49 %	-0.64 %	0.08 %	-1.85 %	0.28 %	-1.76 %	0.51 %	-0.63 %	-0.27 %	0.08 %	0.22 %	-0.47 %	-4.87 %	9.39 %	3.75 %
2017	2.10 %	0.74 %	-0.30 %	1.83 %									4.42 %	6.82 %	0.66 %

Man Arbitrage Strategies



Commentary

Events in Europe dominated the headlines in April. The strong performance of pro-European candidate Emanuel Macron in the first round of the French elections, coupled with one of the best earnings seasons in a decade caused European equity and debt markets to rally and also led to a rebound in the euro. The Eurostoxx 50 closed the month 1.7% higher outperforming the S&P500 (+0.9%), and Nikkei (+1.5%). Sterling rallied as the UK Prime Minister Theresa May declared a snap general election to be held on June 8th with a view to strengthening her Brexit negotiating position. The FTSE 100 index fell (-1.6%) as UK listed large-cap exporters struggled on the strengthening currency while more domestically focused mid-caps performed strongly.

In the US disappointing macroeconomic data including Jobs and Q1 GDP led to a rally in treasuries that saw 10 year yields drop 11bps to 2.28% and US Dollar weakness (-3.2% versus GBP). Speculation about future corporation tax cuts and concerns over future growth led to high demand for growth stocks which helped propel the NASDAQ to a new all-time high intra-month. Corporate credit markets also benefitted from tax cut speculation and the supportive treasury market as fixed rate High Yield outperformed floating rate leveraged loans.

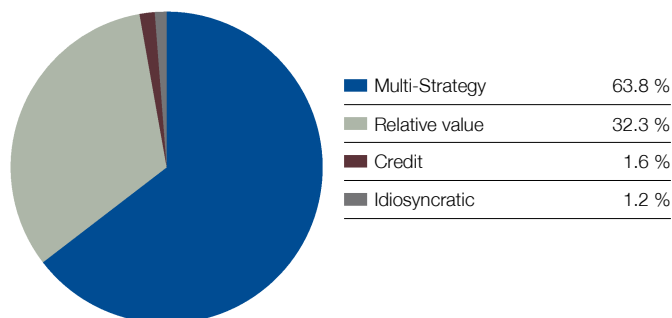
The GLG allocation finished up in April, with gains across all of its strategy groups allowing it to finish ahead of the HFRX Global Hedge Fund Index. The beginning of the month saw global equities decline as the escalating conflict in Syria, increasing tensions with North Korea, and the deteriorating relationship with Russia weighed heavily on investor sentiment. As a result of these geopolitical concerns, the VIX reached its highest levels year to date in April. However, the global equities shrugged off these concerns toward the end of the month. Markets rallied after Emmanuel Macron scored a victory in the first round of the French Presidential election and reduced European political risk in the short term. Meanwhile in the UK, Theresa May called for an early general election supposedly to strengthen her position during the Brexit negotiations. The Pound immediately rallied to a six month high on expectations that an increased majority for the Conservatives would reduce the chances of a disorderly Brexit. In the United States, President Trump released an outline of his administration's tax plan that included a reduction in the corporate tax rate and a one-time repatriation tax for offshore assets. The plan, however, did not include details on whether or not the proposed cuts would be both revenue and deficit neutral for the government.

The FRM allocation performed well in April. Futures strategies performed well, driven largely by the performance of Teza. Technical strategies were slightly positive and continue to be relatively muted. The allocation to Fundamental strategies was positive with Sensato the biggest contributor to performance in this bucket.

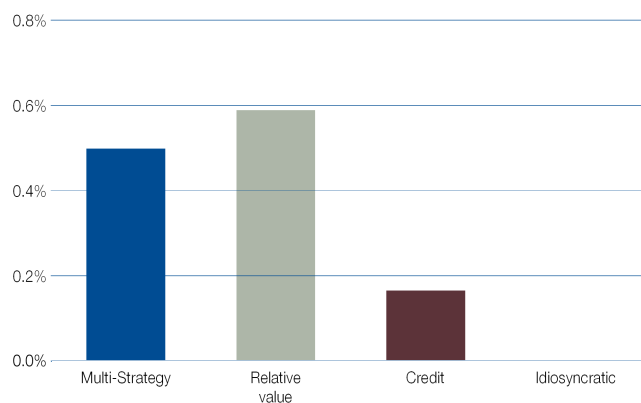
Man Arbitrage Strategies



Strategy allocation ^{4,5}



Performance contribution ^{4,5}



Strategy breakdown ⁴

Strategy	Allocation	Return	Contribution
Multi-Strategy(MS)	63.8 %	0.8 %	0.50 %
Multi-Strategy	63.8 %	0.8 %	0.50 %
Relative value(RV)	32.3 %	1.8 %	0.59 %
Statistical Arbitrage	32.3 %	1.8 %	0.59 %
Credit(CR)	1.6 %	10.6 %	0.16 %
Credit Value	1.6 %	10.6 %	0.16 %
Idiosyncratic(ID)	1.2 %	0.0 %	0.00 %
Idiosyncratic	1.2 %	0.0 %	0.00 %

Largest holdings ⁶

Manager	Strategy	Allocation	Return	Contribution
Man GLG Multi-Strategy Fund	MS	63.83 %	0.78 %	0.50 %
FRM Equity Alpha Fund LTD	RV	32.25 %	1.82 %	0.59 %
BDF Limited	CR	1.55 %	10.61 %	0.16 %
Balanced Strategies Fund Limited	ID	1.21 %	0.00 %	0.00 %
Total		98.85 %		

Man Arbitrage Strategies

Important Information

- ¹ World stocks: MSCI World Net Total Return Index hedged to USD. World bonds: Citigroup World Government Bond Index hedged to USD (Total return). These indices are not benchmarks as they are not representative of the fund's investment strategy. They should therefore be seen as comparisons of asset classes. It is not possible to invest directly in an index.
- ² Since inception of product.
- ³ Risk free rate: LIBOR 3 month.
- ⁴ Strategy allocation and return contribution information related to portfolio assets held at the master fund level.
- ⁵ Strategy contributions shown are based on invested hedge fund assets of the master portfolio only, and therefore will not equal the net portfolio return stated in the performance summary, which includes un-invested assets.
- ⁶ The holdings table shown represents invested assets of the master fund only. % allocation is based on the total NAV of the master fund. The data provided may be aggregated by manager where the portfolio holds more than one fund or share class. Certain identifying information may be withheld for confidentiality reasons. This information is intended to provide an overview of the underlying existing and/or target funds and is provided for information only. It should not be construed as an invitation or recommendation for their purchase or sale. The underlying target funds and allocations to the funds may change from time to time in accordance with the investment policy of the Fund.

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