

# Mariner Investment Diversifying Alternative UCITS Fund

A Sub-fund of Fundlogic Alternatives plc, an Irish UCITS Fund

## Fund Objective and Investment Strategy

The Sub-Fund's investment objective is to achieve consistent positive return by employing a long /short fixed income strategy that will aim to exhibit low correlations to traditional markets by investing in the instruments described in the investment policy.

Mariner Investment Diversifying Alternative UCITS Fund ("MIDAS") is a liquid alternative strategy that seeks to capture investment opportunities across multiple fixed income focused strategies. The strategy aims to extract excess return from careful credit selection, understanding the complexity premium that is present in the MBS market and trading relative value relationships therein. The strategy seeks to hedge interest rate and credit risk exposure in order to minimize correlation to long only fixed income indices and provide drawdown protection.

## Fund Characteristics

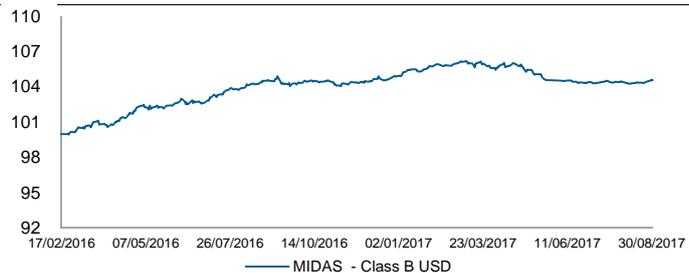
<b>Inception Date</b>	16-Feb-16
<b>Total Assets (USD)</b>	\$30m
<b>Base Currency</b>	USD
<b>Domicile</b>	Ireland
<b>Passporting Status (registered in)</b>	Italy, France, Germany, Spain, Switzerland and United Kingdom
<b>Legal Structure</b>	An Open-Ended Investment Company (OEIC)
<b>Dealing Day</b>	Daily. Every Business Day (except legal public holidays in the United Kingdom, United States of America or Ireland or days on which the stock markets in London or New York are closed)
<b>Subscription/Redemption notice</b>	12 midday Irish time 4 business days (Subscriptions) / 5 business days (Redemptions) prior to the relevant Dealing Day
<b>Settlement</b>	Subscription: Dealing Day +3 Redemption: Dealing Day +5
<b>Currency Classes</b>	EUR / USD / GBP/ CHF
<b>Investment Manager</b>	Mariner Investment Group, LLC ("Mariner")
<b>Promoter &amp; Distributor</b>	Morgan Stanley & Co International plc ("Morgan Stanley")
<b>Depository</b>	Northern Trust Fiduciary Services (Ireland) Ltd
<b>Administrator</b>	Northern Trust International Fund Administration Services (Ireland) Ltd
<b>Auditor</b>	Ernst & Young

## Investment Manager

The Fund has appointed Mariner Investment Group, LLC, a Delaware limited liability company (the "Investment Manager"), as the investment manager of the Sub-Fund. The Investment Manager is registered as an investment adviser with the U.S. Securities and Exchange Commission (the "SEC") and is registered with the U.S. Commodity Futures Trading Commission (the "CFTC") as a commodity pool operator and is a member of the U.S. National Futures Association ("NFA") in such capacity. The Investment Manager has its principal offices at 500 Mamaroneck Avenue, Suite 405, Harrison, New York 10528 and manages approximately \$6.1bn of assets as on 31-July-17.

Source: Mariner Investment Group, LLC. AUM figures are estimated and unaudited.

## Performance<sup>(1)</sup>



Source: Morgan Stanley IED Sales & Trading, Northern Trust, Bloomberg.  
The above figures refer to the past. Past performance is not a reliable indicator of future results.

## Historical Monthly Returns<sup>(1)</sup>

Share B (USD)	Jan	Feb <sup>(2)</sup>	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD <sup>(2)</sup>
2016	-	0.14%	0.64%	1.48%	0.15%	0.20%	1.12%	0.76%	-0.22%	0.16%	-0.13%	0.49%	<b>4.86%</b>
2017	0.85%	0.30%	-0.45%	0.28%	-1.27%	-0.16%	0.02%	0.14%					<b>-0.30%</b>

Source: Morgan Stanley IED Sales & Trading / Northern Trust. The above figures refer to the past. Performance is quoted net of fees and based on unaudited figures.

Past performance is not a reliable indicator of future results. The value of the investments and the income from them can go down as well as up and an investor may not get back the amount invested.

## Investment Manager Commentary<sup>(3)</sup>

Global markets continued to rally in August. The S&P was up 0.30%, investment grade debt gained 0.85% and high yield was flat, according to Merrill Lynch corporate debt indices.

The Fund's opportunistic trading strategy added to performance during the month driven by an investment in a closed-end fund which trades gold and silver bullion. Additionally, the Fund's credit arbitrage positions added to performance during the month on the heels of two BDCs being taken over by Oaktree. The Fund spent some profits hedging with S&P futures.

The Mariner Investment Diversifying Alternative UCITS Fund gained 0.14% for the month of August with gains derived from Opportunistic Trading and Credit Arbitrage positions and spent 6bps hedging.

1. Please note that the Fund's inception date was 16 February 2016 and Noel Meller served as lead portfolio manager for the MIDAS strategy from February 2016 to May 2017 prior to Mr. Fahey taking over as lead portfolio manager for the MIDAS strategy on June 1, 2017. The performance data is shown for illustrative purposes only and should not be regarded as relevant for the purpose of the decision to invest.

2. Performance since inception date 16-Feb-16.

3. Information provided by Mariner Investment Group and mirrors the opinion and expectations Mariner Investment Group only. It is not agreed with Morgan Stanley and may not mirror Morgan Stanley's views.

THIS DOCUMENT IS FOR PROFESSIONAL INVESTORS ONLY AND IS NOT FOR RETAIL DISTRIBUTION. Applications for shares in any sub-fund of the FundLogic Alternatives plc (the "Fund") should not be made without first consulting the Fund's current Prospectus, KIID, Annual Report and Semi-Annual Report ("Offering Documents"), or other documents available in your local jurisdiction which are available free of charge from Morgan Stanley & Co International plc. The Prospectus is available in English and the KIID is available in English, Italian, German, French and Spanish. This information has been prepared solely for information purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or instrument or to participate in any particular trading strategy. Please refer to important information at the end of this document.

## Mariner Investment Diversifying Alternative UCITS Fund

## Top Holdings

Top 5 Longs	
Issuer	% of NAV
TREASURY BILL	63.64%
PowerShares Senior Loan Portfo	6.19%
Central Fund of Canada Ltd	3.66%
Fifth Street Finance Corp	2.82%
iShares US Preferred Stock ETF	2.62%
	63.64%

Source: Morgan Stanley IED Sales &amp; Trading

## Summary Characteristics

MIDAS	
	MIDAS
YIELD TO MATURITY	0.86%
PORTFOLIO DURATION	3.24
AVERAGE MATURITY	07/13/2020

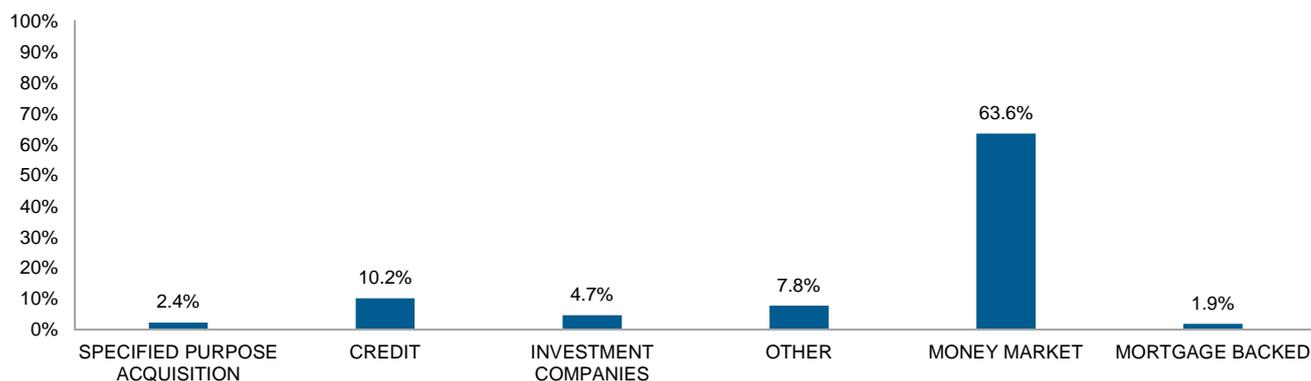
Source: Mariner Investment Group.

Risk Metrics <sup>(4)</sup>

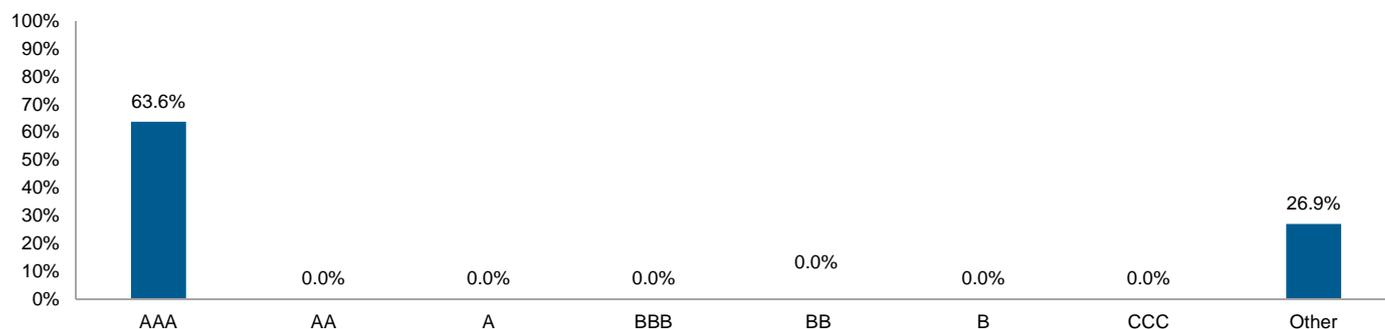
Exposure and Risk Summary	
	% of NAV
Exposure	91%
Annualised Volatility <sup>(6)</sup>	1.68%
Number of Positions	25

Source: Morgan Stanley IED Sales &amp; Trading

## Sector Analysis



Source: Mariner Investment Group

Quality Analysis <sup>(5)</sup>

Source: Mariner Investment Group

4. Exposure is as of month end, equals Total Market Value divided by AUM. Please note, certain detailed portfolio exposure information is available upon request.

5. Other includes Close ended funds, CDS / CDX etc.

6. Indicative values as insufficient data points for statistical calculations. The volatility is computed as the standard deviation of the daily returns.

THIS DOCUMENT IS FOR PROFESSIONAL INVESTORS ONLY AND IS NOT FOR RETAIL DISTRIBUTION. Applications for shares in any sub-fund of the FundLogic Alternatives plc (the "Fund") should not be made without first consulting the Fund's current Prospectus, KIID, Annual Report and Semi-Annual Report ("Offering Documents"), or other documents available in your local jurisdiction which are available free of charge from Morgan Stanley & Co International plc. The Prospectus is available in English and the KIID is available in English, Italian, German, French and Spanish. This information has been prepared solely for information purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or instrument or to participate in any particular trading strategy. Please refer to important information at the end of this document.

## Mariner Investment Diversifying Alternative UCITS Fund

Return Attribution <sup>(7)</sup>

	Jun-17	Jul-17	Aug-17	YTD
HIGH YIELD	0.00%	-0.10%	0.01%	0.54%
CREDIT ARBITRAGE	-0.16%	0.13%	0.08%	2.53%
MBS ARBITRAGE	0.00%	0.00%	0.00%	-0.86%
OPPORTUNISTIC TRADING	0.00%	-0.01%	0.11%	0.09%
HEDGES	0.00%	0.00%	-0.06%	-2.54%
<b>Fund Return</b>	<b>-0.16%</b>	<b>0.02%</b>	<b>0.14%</b>	<b>-0.30%</b>

Source: Mariner Investment Group

Portfolio Turnover as of 31-August-17 <sup>(8)</sup>

CREDIT ARBITRAGE	9.81X
HIGH YIELD	12.42X

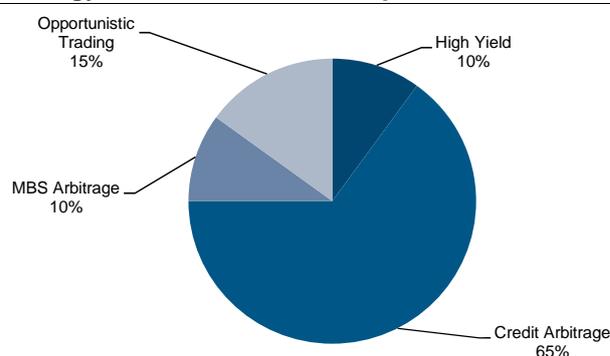
Source: Mariner Investment Group

## Number of Positions

	Jun-17	Jul-17	Aug-17
CREDIT ARBITRAGE	12	12	14
HIGH YIELD	0	5	5
MBS ARBITRAGE	0	0	1
OPPORTUNISTIC TRADING	0	5	7
HEDGES	0	0	1
<b>Total</b>	<b>12</b>	<b>22</b>	<b>28</b>

Source: Mariner Investment Group

## Strategy Allocation as of 01-September-17



Source: Mariner Investment Group

7. The Return Attribution provided above is being offered simply as an illustration of the estimated attribution of each strategy to the overall performance of the Fund and actual percentages may vary substantially from time-to-time. This represents the estimated return attribution to the gross profits and losses for a strategy, multiplied by the net return of the Fund for the period. The sum of the return attributions should equal the total net return for the period (may vary slightly due to rounding).

8. Turnover is defined as the sum of gross market value traded by strategy divided by the average capital allocated by strategy for the period.

Please note that the Fund has only been in existence since 16-Feb-16. The performance data is shown for illustrative purposes only and should not be regarded as relevant for the purpose of the decision to invest.

THIS DOCUMENT IS FOR PROFESSIONAL INVESTORS ONLY AND IS NOT FOR RETAIL DISTRIBUTION. Applications for shares in any sub-fund of the FundLogic Alternatives plc (the "Fund") should not be made without first consulting the Fund's current Prospectus, KIID, Annual Report and Semi-Annual Report ("Offering Documents"), or other documents available in your local jurisdiction which are available free of charge from Morgan Stanley & Co International plc. The Prospectus is available in English and the KIID is available in English, Italian, German, French and Spanish. This information has been prepared solely for information purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or instrument or to participate in any particular trading strategy. Please refer to important information at the end of this document.

# Mariner Investment Diversifying Alternative UCITS Fund

## Fund Share Class Details

Share Class	Performance							Identifiers			Fees <sup>(9)</sup>		
	Ccy	Min Inv	Launch Date	NAV	MTD	YTD	LTD	ISIN	BBG	SEDOL	Mgmt	Perf.	TER <sup>(10)</sup>
<b>Class B</b>	USD	1,000,000	16-Feb-16	1045.45	0.14%	-0.30%	4.55%	IE00BD35DY75	FLMIBUS ID	BD35DY7	1.00%	-	1.40%

Source: Mariner Investment Group. NAVs are computed by Northern Trust

9. The Fund may impose an anti-dilution levy or adjustment on large subscriptions or redemptions.  
 10. Total Expense Ratio includes Management Fees and Promoter Fees. This figure may vary from year to year.

## Important Information

This document has been prepared by Morgan Stanley & Co International plc as a marketing document to inform Professional Investors and Eligible Counterparts about certain matters concerning the Fund. It has been prepared solely for informational purposes and does not seek to make any recommendation to buy or sell any particular security (including Shares in the Fund) or to adopt any specific investment strategy. Any use of this document by a financial intermediary is restricted to clients for whom the information in this document and an investment in Shares of the Fund has been considered to be suitable by that financial intermediary in view of that client's situation and purpose, subject always to the applicable regulatory standard. If such a client considers an investment in Shares of the Fund, she/he should always ensure that she/he has satisfied herself/himself that she/he has been properly advised by that financial intermediary about the suitability of an investment.

This financial promotion has been issued and approved in the UK by Morgan Stanley & Co International plc, 25 Cabot Square, Canary Wharf, London E14 4QA, authorized and regulated by the Financial Conduct Authority, for distribution to Professional Clients or Eligible Counterparties only and must not be relied upon or acted upon by Retail Clients (each as defined in the UK Financial Conduct Authority's rules). All of the information contained in this document relating to the Mariner Investment Diversifying Alternative UCITS Fund and Mariner Investment Group, LLC ("Information") is communicated by Mariner Investment Group, LLC ("Mariner"), a company authorised and regulated by the Securities and Exchange Commission (the "SEC"). While the board of the Fund has overall responsibility for monitoring of the investment objective, policy and performance of the Fund, Morgan Stanley & Co International plc disclaims any and all liability relating to the Mariner Information, including, without limitation, any express or implied representations or warranties for statements or errors contained in, and omissions from, the Mariner Information.

Applications for shares in any sub-fund of the FundLogic Alternatives plc (the "Fund") should not be made without first consulting the Fund's current Prospectus, Key Investor Information Document, Annual Report and Semi-Annual Report ("Offering Documents"), or other documents available in your local jurisdiction which are available free of charge at the address above. The Offering Documents contain material information not contained herein. In particular, the Prospectus contains details relating to the terms of investment and information regarding investment risks and conflicts of interest. Any representation to the contrary is not permitted. In the event of such offering, the information in this document will be superseded, amended and/or supplemented in its entirety by the Prospectus. You should not rely solely on the information contained herein, including but not limited to the Nezu Information, but should carefully read, the Offering Documents before making any investment decision.

The material contained herein has not been based on a consideration of any individual client circumstances and is not investment advice, nor should it be construed in any way as tax, accounting, legal or regulatory advice. To that end, investors should seek independent legal and financial advice, including advice as to tax consequences, before making any investment decision. Except as otherwise indicated herein, the views and opinions expressed herein are those of Morgan Stanley & Co International plc. It is not a product of Morgan Stanley's Research Department and should not be regarded as a research recommendation. The information contained herein has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

No representation or warranty can be given with respect to the accuracy or completeness of the information, or with respect to the terms of any future offer of transactions conforming to the terms hereof. We do not undertake to update this information. Certain assumptions may have been made in the analysis that resulted in any information and returns/results detailed herein. No representation is made that any results/returns indicated would be achieved or that all assumptions in achieving these returns have been considered or stated. Changes to the assumptions may have a material impact on any results/returns detailed. Morgan Stanley and its affiliates disclaim any and all liability relating to this information, including without limitation any express or implied representations or warranties for statements contained in, and omissions from, this information.

Additional information concerning the portfolio may be available upon request from the investment manager.

Although this report has been prepared using sources, models and data that Morgan Stanley ("MS") believes to be reasonably reliable, its accuracy, completeness or suitability cannot be guaranteed. Therefore, this information is supplied on an "AS IS" basis, and NO WARRANTY IS MADE AS TO ITS ACCURACY, COMPLETENESS, NON-INFRINGEMENT OF THIRD PARTY RIGHTS, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Any index referred to herein is the intellectual property (including registered trademarks) of the applicable licensor. Any product based on an index is in no way sponsored, endorsed, sold or promoted by the applicable licensor and it shall not have any liability with respect thereto.

All information contained herein is proprietary and is protected under copyright law.

The Investment Managers to the Fund may from time to time, at their sole discretion and out of their own resources, decide to rebate to Shareholders part or all of its investment management fee and/or performance fee. Any such rebates may be applied by issuing additional shares to shareholders or in cash. In addition to the information disclosed in the periodic reports of FundLogic Alternatives plc (the "Company"), the Company may, from time to time, make available to investors portfolio holdings and portfolio-related information in respect of one or more of the sub-funds including the Fund. Any such information will be available to all investors in the relevant sub-fund on request. Any such information will only be provided on a historical basis and after the relevant dealing day to which the information relates.

## Risk Warning

Past performance is not a guarantee of future performance. The value of the investments and the income from them can go down as well as up and an investor may not get back the amount invested. There can be no assurance that the Fund will achieve its investment objectives. Investments may be in a variety of currencies and therefore changes in rates of exchange between currencies may cause the value of investments to decrease or increase. Furthermore, the value of investments may be adversely affected by fluctuations in exchange rates between the investor's reference currency and the base currency of the investments.

Investments in derivative instruments carry certain inherent risks such as the risk of counter party default and before investing you should ensure you fully understand these risks. Use of leverage may also magnify losses as well as gains to the extent that leverage is employed. These investments are designed for investors who understand and are willing to accept these risks. Performance may be volatile, and an investor could lose all or a substantial portion of his or her investment.

THIS DOCUMENT IS FOR PROFESSIONAL INVESTORS ONLY AND IS NOT FOR RETAIL DISTRIBUTION. Applications for shares in any sub-fund of the FundLogic Alternatives plc (the "Fund") should not be made without first consulting the Fund's current Prospectus, KIID, Annual Report and Semi-Annual Report ("Offering Documents"), or other documents available in your local jurisdiction which are available free of charge from Morgan Stanley & Co International plc. The Prospectus is available in English and the KIID is available in English, Italian, German, French and Spanish. This information has been prepared solely for information purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or instrument or to participate in any particular trading strategy. Please refer to important information at the end of this document.

# Mariner Investment Diversifying Alternative UCITS Fund

## Selling Restrictions:

The Fund may only be offered and distributed to investors in accordance with all relevant local laws and regulations. The distribution of this presentation and the offering or purchase of interests in the Fund may be restricted in certain countries. This communication is only intended for and will be only distributed to persons resident in jurisdictions where such distribution or availability would not be contrary to local laws or regulations. It is the responsibility of any persons in possession of this document and any persons wishing to purchase interests in the Fund to inform themselves of, and to observe, all applicable laws and regulations of any relevant country.

**For Investors in Hong Kong:** This document is issued by Morgan Stanley Asia Limited ("Morgan Stanley") and has not been reviewed by the Securities and Futures Commission of Hong Kong. This document is only intended for and will only be distributed to persons that are professional investors as defined under the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) and its subsidiary legislation as amended from time to time ("Professional Investors") and may not be circulated to the general public in Hong Kong. This Fund has not been authorised by the Securities and Futures Commission and may only be sold to Professional Investors. Applications for shares in the Mariner Lenus Healthcare UCITS Fund should not be made without first consulting the current Prospectus, Key Investor Information Document, Annual Report and Semi-Annual Report ("Offering Documents") of the Fund. This document has been prepared as information for Professional Investors in Hong Kong and it is not a recommendation to buy or sell any particular security or to adopt any investment strategy. Investors should exercise caution and seek independent legal and financial advice, including advice as to tax consequences, before making any investment decision. Except as otherwise indicated herein, the views and opinions expressed herein are those of Morgan Stanley, and are based on matters as they exist as of the date of preparation and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available or circumstances existing, or changes occurring, after the date hereof. No representation or warranty is given with respect to the accuracy or completeness of the information herein. This document is not a product of Morgan Stanley's Research Department and should not be regarded as a research recommendation.

**For Investors in France:** The Offering Documents are also freely available upon request from BNP Paribas Securities Services, the centralising agent of the Fund in France: Les Grand Moulins de Pantin - 9, Rue de débarcadère 93500 Pantin (Heykel Khediri) - Tel: (+33 (0)1 57 43 83 09)

**For investors in Italy:** The Fund has been registered with the Commissione Nazionale per le Società e la Borsa (Consob) for the offer in Italy to Professional Investors only.

**For investors in Spain:** The Sub-Fund is registered with the Spanish Securities Market Commission (CNMV) under number 963 ([www.cnmv.es](http://www.cnmv.es)), where the updated list of authorised distributors of the Company in Spain is available. The Spanish Distributors must provide each investor with a Spanish copy of the KIID and the latest published annual or semi-annual report prior to subscribing for Shares. In addition, a copy of the report on the planned types of marketing in Spain must be provided using the form published on the CNMV website. All mandatory official documentation shall be available through the Spanish Distributors, in hard copy or by electronic means at [www.fundlogic.com](http://www.fundlogic.com).

**For Investors in Switzerland:** The representative and paying agent of FundLogic Alternatives plc, an Irish UCITS fund, in Switzerland is BNP PARIBAS Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich. The prospectus and the key investor information documents for Switzerland, the articles as well as the annual and semi-annual reports of FundLogic Alternatives plc may be obtained free of charge from the representative in Switzerland. Both the place of performance and the place of jurisdiction for Shares in the Company's Sub-Funds offered or distributed in or from Switzerland shall be the seat of the Swiss representative.

**For Investors in Singapore:** This material is being disseminated in Singapore by Morgan Stanley Asia (Singapore) Pte. The Fund is not authorised or recognised by the Monetary Authority of Singapore ("Authority") and shares in the Funds ("Shares") are not allowed to be offered to the Singapore retail public. This material which relates to the offer of Shares in the Funds is not a prospectus as defined in the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") and accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

This material has not been registered as a prospectus by the Authority, and the offer of the Shares is made pursuant to the exemptions under Sections 304 and 305 of the SFA. Accordingly, the Shares may not be offered or sold, nor may the Shares be the subject of an invitation for subscription or purchase, nor may this material or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Shares be circulated or distributed, whether directly or indirectly, to any person in Singapore other than under exemptions provided in the SFA for offers made (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 304 of the SFA, (b) to a relevant person (as defined in Section 305(5) of the SFA), or any person pursuant to an offer referred to in Section 305(2) of the SFA, and in accordance with the conditions specified in Section 305 of the SFA or (c) otherwise pursuant to, and in accordance with, the conditions of any other applicable provision of the SFA.

Where the Shares are acquired by persons who are relevant persons specified in Section 305A of the SFA, namely:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, the shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Shares pursuant to an offer made under Section 305 of the SFA except:
  - (1) to an institutional investor or to a relevant person as defined in Section 305(5) of the SFA, or which arises from an offer referred to in Section 275(1A) of the SFA (in the case of that corporation) or which arises from an offer that is made on terms that such rights or interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets (in the case of that trust);
  - (2) where no consideration is or will be given for the transfer; or
  - (3) where the transfer is by operation of law.

This communication or any portion hereof, may not be reprinted, resold or redistributed without the prior written consent of Morgan Stanley.  
Copyright © by Morgan Stanley 2016, all rights reserved.

THIS DOCUMENT IS FOR PROFESSIONAL INVESTORS ONLY AND IS NOT FOR RETAIL DISTRIBUTION. Applications for shares in any sub-fund of the FundLogic Alternatives plc (the "Fund") should not be made without first consulting the Fund's current Prospectus, KIID, Annual Report and Semi-Annual Report ("Offering Documents"), or other documents available in your local jurisdiction which are available free of charge from Morgan Stanley & Co International plc. The Prospectus is available in English and the KIID is available in English, Italian, German, French and Spanish. This information has been prepared solely for information purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or instrument or to participate in any particular trading strategy. Please refer to important information at the end of this document.