

Man AHL Diversified (Guernsey)



Monthly Report as of 30 April 2017

Inception Date : 04 January 2008 **Lead Class Total NAV :** USD 214,546,942 **ISIN :** GG00B29ZYR48

Monthly commentary

In April, significant events in Europe augmented the now routine news flow surrounding President Trump's activities. France went to the polls and risk assets surged when centralist Emmanuel Macron came through the first round of the presidential election narrowly ahead of nationalist Marine Le Pen. A snap general election was called in the UK, meaning that the British get to decide whether it will be May in June. In the US, Donald Trump finally sketched out his long-awaited tax-reform, which led with a significant cut to corporation tax but lacked detail around implementation. Gains for the Fund in stocks, agricultural and credit markets over the period were offset by losses in FX and energy trading and the Fund returned -0.38% for the month.

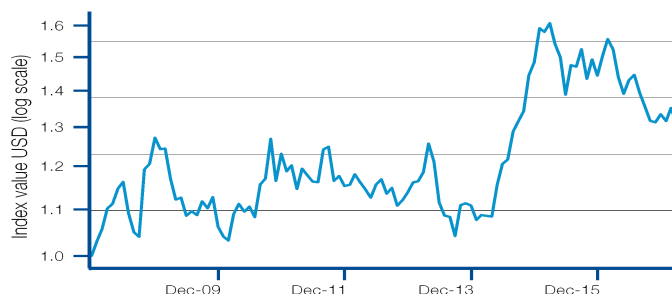
In FX, losses were split between emerging currencies, where the Fund has been broadly long versus the US dollar, and developed where positioning has been more varied. Long South African rand positions were painful following the S&P's credit rating downgrade at the beginning of April. Longs in the South Korean won suffered on geo-political tensions in the region, while short positions in the euro against the Australian dollar saw a 4% reversal. Meanwhile, the biggest gains came from shorts in Canadian dollars against the US as the loonie continued to weaken. Commodities trading was mixed, with losses in energies and metals

marginally outweighing gains in agricultural markets. Brent crude oil finished the month roughly where it started, yet was up over 6% intra-month, causing positioning to change sign twice, and losses ensued. Similar volatility hurt trading in aluminium, where a probe into aluminium imports into the US caused fluctuations in the price of the metal. Palladium prices, on the other hand, hit two-year highs on positive demand from the automotive sector. Cocoa prices have fallen sharply since their highs last year, and this theme continued in April, benefitting the Fund's short position. Fixed income trading returns were close to zero for the month, but this masked intra-month swings. Long positions particularly in German bonds were profitable leading up to the French elections, but experienced losses as prices fell when markets breathed a sigh of relief at the prospect of a Macron victory and there was a move away from safe-haven assets. Of course, a move away from safe-haven assets in the final week of the month was beneficial for the Fund's dominant positions in risky assets. France's CAC40 index surged around 4% on the 24th of April, following the positive sentiment charge in markets, and benefitting the Fund's long equity and credit positions. South Africa was the only noticeable detractor, with short positions in the All Share index being hit by the rally, in spite of the downgrade.

Net Performance and Risk*

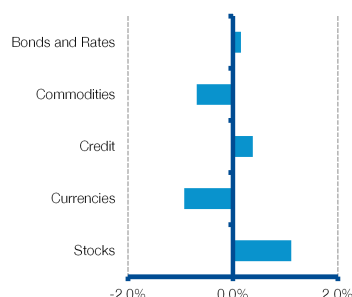
	Product
Last month	-0.38 %
Last 3 months	-0.79 %
Year to date	-2.14 %
Last 12 months	-9.25 %
Last calendar year	-7.59 %
Total return	30.61 %
Annualised return	2.90 %
Annualised volatility	13.48 %
Sharpe ratio ¹	0.16
Worst drawdown ²	-18.92 %
Drawdown Length	14 months
No of Drawdowns	4

Performance chart 04 January 2008 to 30 April 2017*

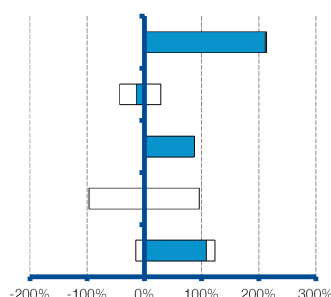


VaR (99%)	2.03 %
Expected Shortfall (99%) ³	2.34 %
Leverage ⁴	7.07

Gross Performance Contribution⁵



Sector Exposure⁶



Exposure and VaR (99%)⁶

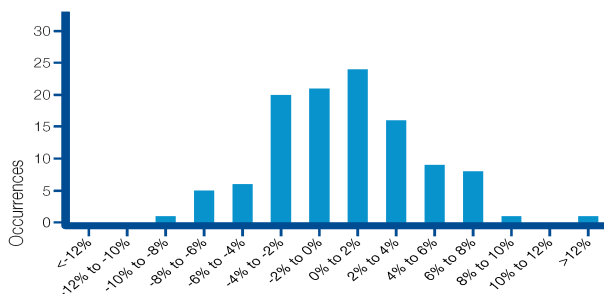
	Short	Long	Net	VaR
Bonds and Rates	-2.47	213.74	211.26	1.25
Commodities	-42.90	28.91	-13.99	0.61
Credit	0.00	87.35	87.35	0.14
Currencies	-96.46	96.46	N/A	0.70
Stocks	-14.88	123.43	108.55	0.97

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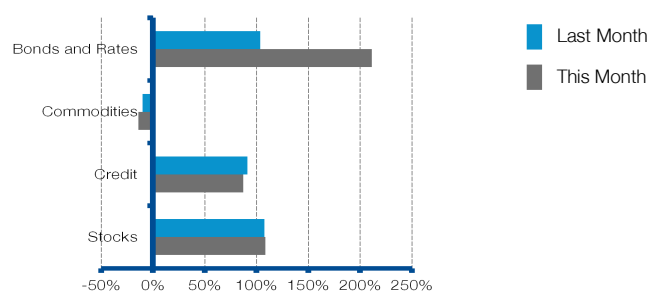
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Distribution of Monthly Returns
04 January 2008 to 30 April 2017



Net Exposure Monthly Comparison



Top 5 Markets ⁷

	MTD	EOM Position ⁸
Cocoa	0.35 %	Short
Europe-Capital Goods	0.24 %	Long
Canadian Dollar/US Dollar	0.24 %	Short
Nth America-Energy	0.18 %	Short
Live Cattle	0.17 %	Long

Bottom 5 Markets ⁷

	MTD	EOM Position ⁸
Aluminium	-0.21 %	Long
Gas Oil	-0.21 %	Long
Euro-BUXL	-0.20 %	Long
Crude Oil - Brent	-0.19 %	Short
South African Rand/US Dollar	-0.17 %	Long

Commodities Net Exposure

Metals	13.28 %
Energies	-9.20 %
Agriculturals	-18.07 %

Sector

	CS01 ¹⁰	DV01 ¹¹
Credit	-0.04 %	0.00 %
Bonds and Rates	0.00 %	-0.20 %

Sovereign Bond Net Exposure

G10	81.46 %
Non G10	27.70 %

Equity Sector Exposure

Broad Market Indices	70.61 %
ETFs	2.09 %
Consumer Discretionary	6.87 %
Consumer Staples	4.24 %
Energy	-3.91 %
Financials	2.75 %
Health Care	2.39 %
Industrials	9.75 %
Information Technology	8.00 %
Materials	1.00 %
Real Estate	0.87 %
Telecommunication Services	0.51 %
Utilities	3.39 %

Top 5 Currency Exposure

USD	-61.86 %
EUR	25.85 %
PLN	21.72 %
CAD	-21.57 %
NOK	-19.18 %

Option Positioning by Asset Class

	Position	Vega ⁹
Commodities	Short vol	0.00 %
Equity	Short vol	-0.01 %
FX	Short vol	-0.01 %
Fixed Income	Short vol	-0.01 %

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Historical performance* ¹²

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD ¹³
2017	-1.36 %	2.70 %	-3.03 %	-0.38 %									-2.14 %
2016	4.27 %	3.32 %	-2.13 %	-5.48 %	-3.30 %	2.81 %	1.10 %	-3.57 %	-2.75 %	-2.92 %	-0.31 %	1.66 %	-7.59 %
2015	7.18 %	-0.74 %	1.80 %	-4.17 %	-2.66 %	-7.36 %	6.24 %	-0.33 %	3.64 %	-5.85 %	4.01 %	-3.23 %	-2.68 %
2014	-2.91 %	0.99 %	-0.16 %	-0.16 %	6.75 %	4.30 %	0.90 %	5.90 %	2.10 %	2.07 %	7.58 %	2.72 %	33.93 %
2013	2.06 %	0.19 %	1.88 %	6.02 %	-3.67 %	-7.98 %	-2.60 %	-0.29 %	-3.81 %	6.48 %	0.39 %	-0.44 %	-2.66 %
2012	0.25 %	2.16 %	-1.63 %	-1.44 %	-1.67 %	2.66 %	1.12 %	-2.87 %	1.18 %	-3.56 %	1.11 %	1.64 %	-1.27 %
2011	-3.53 %	1.24 %	-4.70 %	4.21 %	-1.32 %	-1.27 %	-0.13 %	6.88 %	0.59 %	-6.74 %	1.01 %	-2.03 %	-6.37 %
2010	-1.96 %	-0.78 %	5.56 %	2.08 %	-1.59 %	1.03 %	-2.12 %	6.90 %	1.20 %	8.47 %	-8.25 %	5.71 %	16.10 %
2009	-2.32 %	0.13 %	-6.05 %	-4.08 %	0.38 %	-3.61 %	0.89 %	-0.78 %	2.86 %	-1.41 %	2.30 %	-5.90 %	-16.65 %
2008	3.03 %	2.48 %	4.31 %	0.94 %	3.18 %	1.36 %	-6.14 %	-3.85 %	-0.92 %	14.71 %	1.15 %	5.50 %	27.25 %

NAV Table ¹⁴

Class	NAV	ISIN	Bloomberg	Institutional or Distribution	Last month %	2014 Return	2015 Return	2016 Return
A USD	1.31	GG00B29ZYR48	MAHLDGD GU	D	-0.38 %	33.93 %	-2.68 %	-7.59 %
B EUR	1.17	GG00B3CTZB13	MANADGE GU	D	-0.59 %	33.77 %	-2.78 %	-8.92 %
C CHF	0.99	GG00B3CTZD37	MANAHLG GU	D	-0.59 %	34.13 %	-3.61 %	-9.56 %
E AUD	1.26	GG00B3X89L55	MADIGAA GU	D	-0.47 %	35.33 %	-0.96 %	-7.61 %
G RMB	11.77	GG00B3WXTG65	MDRMBGA GU	D	-0.35 %	35.33 %	-0.48 %	-6.55 %

Key Facts ¹⁵

Investment manager	AHL Partners LLP	Management fee	Up to 3% per annum
Administrator	BNY Mellon Fund Services (Ireland) Designated Activity Company	Introducing Broker fee	1% per annum
Valuation agent	Citibank Europe plc	Minimum investment	From USD 30,000
Performance fee	20%	Currencies	USD / EUR / CHF / AUD / RMB

Important Information

¹ Sharpe ratio is calculated using a risk-free rate in the appropriate currency over the period analysed. Where an investment has underperformed the risk-free rate, the Sharpe ratio will be negative. Because the Sharpe ratio is an absolute measure of risk-adjusted return, negative Sharpe ratios are not shown as they can be misleading. The risk-free rate used for Sharpe ratio calculation is the 3 month USD Libor. ² The drawdown is the percentage drop in the price of an investment from its last peak price. The worst drawdown represents the greatest peak to trough decline over the life of an investment. ³ Expected Shortfall is defined as the average of all losses which are greater than or equal to VaR. ⁴ Leverage displayed here is calculated using the sum of gross exposure from each sector traded by the AHL Programme and therefore does not include leverage from FX hedging or cash management and in no way reflects regulatory leverage calculations. Exposure calculations used are the same as detailed in the exposure reference note with exposures netted at the underlying security level. ⁵ The figures are estimated and generated on a fund level and do not take into account the fees/interest/commission charges on any particular account. Differences may also occur due to slippage variation, portfolio changes, FX movements and post execution adjustments. Therefore the sum total of these sector indications will not necessarily equate to the reported performance for the month in question. ⁶ Exposure values represent the delta notional value of positions expressed as a percentage of fund capital. Where applicable, fixed income exposures are adjusted to a 10 year bond equivalent. Currency exposure within this table only reflects that of the Currency sector traded by AHL and does not include FX hedging or cash management. For credit default swaps, a short position represents buying protection and a long position represents selling protection. ⁷ The organisations and/or financial instruments mentioned are for reference purposes only. The content of this material should not be construed as a recommendation for their purchase or sale. ⁸ End of month (EOM) position. ⁹ The measurement of an option's sensitivity to changes in the volatility of the underlying asset. Vega represents the amount that an option contract's price changes in reaction to a one percent change in the volatility of the underlying asset. ¹⁰ CS01 is the impact on the fund in response to a one basis point increase in credit spreads. ¹¹ DV01 is the impact on the fund in response to a one basis point increase in interest rates. ¹² Please note that statistics have been calculated using the last weekly valuation of each month up to and including 30th June 2014. From that date forward a non-dealing calendar month end NAV has been used for the purposes of reporting monthly returns and performance statistics. ¹³ When 12 months of performance data is unavailable for a calendar year, partial year to date is shown. ¹⁴ The performance data is based on the reporting share class of the Fund (shown in blue in the NAV table). ¹⁵ Introducing Broker fee: The fee is payable to Man Investments AG which has been appointed as the Introducing Broker and is responsible for recommending appropriate Brokers to the Fund as well as actively managing these relationships, ensuring appropriate service levels as well as an adequate diversification of Brokers. For full details of fees and expenses which may be incurred by the Fund, including fees payable to members of Man Group, refer to the Fees and Expenses section of the Prospectus or any relevant Prospectus Supplement. Redemption Fee: For tranche A of each share class (NB: only tranche A of each share class is shown on the NAV table) there is a fee payable on redemption within the first six years. During first two years: 2% of NAV, during the third or fourth year: 1.5% of NAV, during fifth or sixth year: 0.5% of NAV (refer to the Prospectus Supplement for full details).

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