

# Man AHL Diversified (Guernsey)



## Monthly Report as of 30 September 2017

**Inception Date :** 04 January 2008 **Total Platform AUM :** (USD) 277,870,910 **ISIN :** GG00B29ZZ042

### Monthly commentary

Following a relatively benign August, central bank messaging at both the US Federal Reserve and European Central Bank struck a more hawkish tone in September, spurring reversals in fixed income and currency markets. Angela Merkel was re-elected, but there was a marked increase in support for the far-right AfD party. US President Trump outlined a simplification in the US tax code, but tensions with North Korea remained high. FX, bond and some commodity reversals proved challenging for the Fund, in spite of positive contributions from equity and credit market trading, ending the month down -5.67%.

Long positions in the Russell 2000 and Japanese Nikkei indices, as well as European crossover and US investment grade credit all boosted performance. A significant bounce in the price of crude oil, however, weighed against short positions in North American and European energy sector stocks as they out-performed. This was felt directly in energy commodity trading where the Fund had been short crude, and losses were also felt in US natural gas. Relief came from long positions in German electricity and gas oil markets that enjoyed the rally.

Currency market reversals proved to be most difficult to the Fund. Long positions in the Indian rupee versus the US dollar and the British pound against the Australian dollar produced significant losses. These more than offset gains from

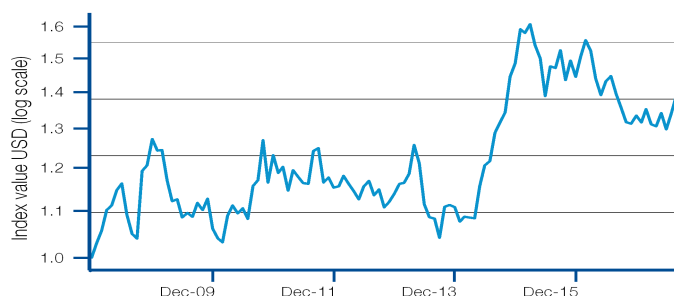
both the Russian ruble and British pound against the US dollar. Metals markets also reversed some of the recent months' bullishness, triggering losses, notably on longs in copper and gold.

Bond positions contributed negatively, as both the US Federal Reserve and European Central Bank, as well as the Bank of England, spoke of reduced support and potential concerns over inflation. Longs in the US Treasury 5yr bond and German bunds dropped the most, while positive relief came from shorts in both Canadian swaps and bonds. Similarly, in the short rate markets, long positions in both Eurodollar and Short Sterling paced losses, while the only positive came from shorts in Canadian Bankers' Acceptance futures. Agricultural markets were more mixed, with shorts in both soybeans and cocoa struggling with a bounce in prices whilst, shorts in sugar and soybean oil continued to gain.

### Net Performance and Risk\*

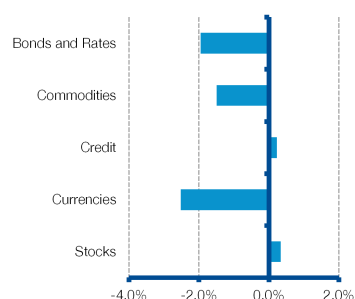
	Product
Last month	-5.67 %
Last 3 months	1.19 %
Year to date	-1.60 %
Last 12 months	-3.19 %
Last calendar year	-7.59 %
Total return	31.33 %
Annualised return	2.84 %
Annualised volatility	13.48 %
Sharpe ratio <sup>1</sup>	0.16
Worst drawdown <sup>2</sup>	-19.25 %
Drawdown Length	27 months
No of Drawdowns	4

### Performance chart 04 January 2008 to 30 September 2017\*

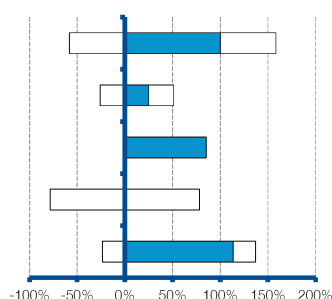


VaR (99%)	1.64 %
Expected Shortfall (99%) <sup>3</sup>	1.96 %
Leverage <sup>4</sup>	6.96

### Gross Performance Contribution<sup>5</sup>



### Sector Exposure<sup>6</sup>



### Exposure and VaR (99%)<sup>6</sup>

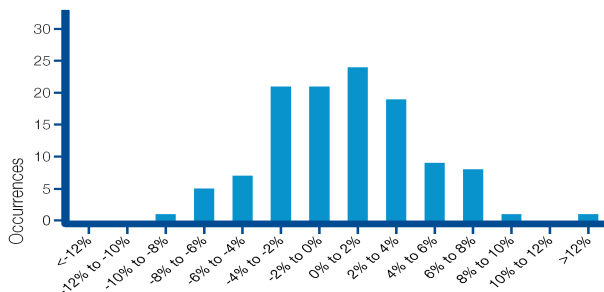
	Short	Long	Net	VaR
Bonds and Rates	-58.16	158.26	100.10	0.46
Commodities	-26.02	51.14	25.12	0.78
Credit	0.00	85.16	85.16	0.11
Currencies	-78.38	78.38	N/A	0.54
Stocks	-23.63	137.09	113.45	1.13

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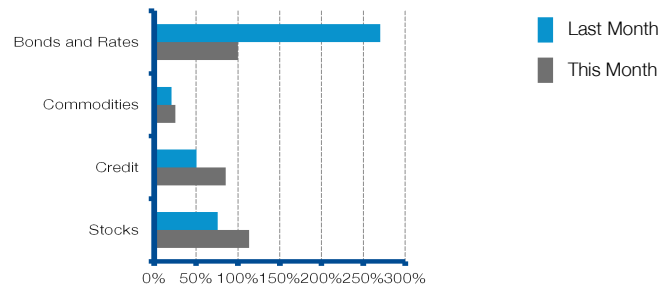
# Man AHL Diversified (Guernsey)



**Distribution of Monthly Returns**  
04 January 2008 to 30 September 2017



**Net Exposure Monthly Comparison**



## Top 5 Markets <sup>7</sup>

	MTD	EOM Position <sup>8</sup>
Russell 2000 Index	0.24 %	Long
Nikkei	0.19 %	Long
Canadian Bankers Acceptance	0.15 %	Short
Gas Oil	0.15 %	Long
Canadian Swaps	0.13 %	Short

## Bottom 5 Markets <sup>7</sup>

	MTD	EOM Position <sup>8</sup>
Eurodollar	-0.46 %	Long
Copper	-0.44 %	Long
Short Sterling	-0.41 %	Short
Nth America-Energy	-0.34 %	Short
US Treasuries - 5yr	-0.28 %	Long

## Commodities Net Exposure

Metals	28.52 %
Energies	16.60 %
Agriculturals	-20.00 %

## Sector

	CS01 <sup>10</sup>	DV01 <sup>11</sup>
Credit	-0.04 %	0.00 %
Bonds and Rates	0.00 %	-0.09 %

## Sovereign Bond Net Exposure

G10	59.10 %
Non G10	-9.27 %

## Equity Sector Exposure

Broad Market Indices	79.83 %
ETFs	2.34 %
Consumer Discretionary	-0.88 %
Consumer Staples	-1.90 %
Energy	-2.62 %
Financials	1.77 %
Health Care	2.30 %
Industrials	10.45 %
Information Technology	9.05 %
Materials	10.90 %
Real Estate	1.56 %
Telecommunication Services	-1.58 %
Utilities	2.24 %

## Top 5 Currency Exposure

USD	-56.44 %
JPY	-23.10 %
BRL	15.56 %
CAD	13.69 %
CHF	-12.21 %

## Option Positioning by Asset Class

	Position	Vega <sup>9</sup>
Commodities	Short vol	0.00 %
FX	Short vol	-0.01 %
Equity	Short vol	-0.01 %
Fixed Income	Short vol	-0.03 %

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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 %	2.72 %	-3.26 %	3.40 %	3.74 %	-5.67 %				-1.60 %
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 15

Class	NAV	ISIN	Bloomberg	Institutional or Distribution	Last month %	2014 Return	2015 Return	2016 Return
A USD	1.31	GG00B29ZZ042	MAHLDGD GU	D	-5.67 %	33.93 %	-2.68 %	-7.59 %
B EUR	1.16	GG00B3CZNT35	MANADGE GU	D	-5.91 %	33.77 %	-2.78 %	-8.92 %
C CHF	0.98	GG00B3CTZD37	MANAHLG GU	D	-6.00 %	34.13 %	-3.61 %	-9.56 %
E AUD	1.26	GG00B3X89L55	MADIGAA GU	D	-5.80 %	35.33 %	-0.96 %	-7.61 %
G RMB	11.85	GG00B3WXTG65	MDRMBGA GU	D	-5.59 %	35.33 %	-0.48 %	-6.55 %

## Key Facts 16

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

<sup>1</sup> 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. <sup>2</sup> 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. <sup>3</sup> Expected Shortfall is defined as the average of all losses which are greater than or equal to VaR. <sup>4</sup> 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. <sup>5</sup> 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. <sup>6</sup> 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. <sup>7</sup> 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. <sup>8</sup> End of month (EOM) position. <sup>9</sup> 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. <sup>10</sup> CS01 is the impact on the fund in response to a one basis point increase in credit spreads. <sup>11</sup> DV01 is the impact on the fund in response to a one basis point increase in interest rates. <sup>12</sup> 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. <sup>13</sup> When 12 months of performance data is unavailable for a calendar year, partial year to date is shown. <sup>14</sup> The ISINs shown here are for tranche B of each class. Tranche A is closed to new investment for the AUD, CHF and RMB classes. NB the tranche A ISINs are as follows for each class: USD = GG00B29ZYR48, EUR = GG00B3CTZB13, CHF = GG00B3CTZD37, AUD = GG00B3X89L55 and RMB = GG00B3WXTG65. <sup>15</sup> The performance data is based on the reporting share class of the Fund (shown in blue in the NAV table). <sup>16</sup> 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 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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