

Man AHL Diversified plc

Flash report for the week 21 October – 27 October 2008

Despite the continued turmoil in global financial markets over the period, Man AHL Diversified plc posted a strong positive return. NAV per share rose 6.2%, (YTD 24.3%) while the MSCI World Index (hedged to USD) declined 15.7% over the same period.

Short trades in various major currencies against the US dollar proved extremely rewarding. The dollar rallied strongly as investors flocked to the safety of the US currency after fears rose over the prospect of a global recession. Short positions in the Canadian dollar against the US dollar proved particularly profitable after the Bank of Canada cut interest rates by 25bps to 2.25%. The Canadian currency consequently fell to a four year low against the US dollar over the period. Short positions in the British pound versus the US dollar brought further gains after worse-than-expected UK GDP figures caused a huge sell-off in the British currency. Elsewhere, short positions in the euro versus the Japanese yen proved advantageous as the yen surged to a multi-year high after risk averse investors continued to unwind carry trades. Further downward pressure on the euro came from comments from European Central Bank (ECB) president Jean-Claude Trichet which signalled the possibility of

interest rate cuts at its next meeting in November.

Trading in energy markets posted positive returns as short positions in crude, heating and gas oil profited from a significant fall in prices as WTI oil plunged 15.3% to US\$63.3 a barrel. Rising fears that the global economic slowdown would severely crimp demand for commodities weighed heavily on prices. Short natural gas trades also provided profits over the period.

In equity trading, short positions in US, Asian and European stock indices accrued positive returns. Equities continued to plunge as global recessionary concerns weighed on sentiment and company profit outlooks deteriorated.

European bond prices rose, proving fruitful for long Euro-Bund trades as investors fled to safe haven assets. Comments from the ECB that interest rates may be cut in the near term boosted prices further. In short-term interest rate trading, long positions in euribor and short sterling added to returns as expectations of lower global interest rates rallied prices.

Key markets	Position
Profits	
Euro: Japanese yen	Short
Canadian dollar: US dollar	Short
British pound: US dollar	Short
Losses	
US Treasuries	Long
Eurodollar	Long
Japanese bond	Short

Sectors traded	Profit/loss
Agriculturals	0.34%
Bonds	0.45%
Currencies	3.62%
Energies	0.98%
Interest Rates	0.30%
Metals	0.04%
Stocks	0.96%
Credit	0.09%
Volatility	0.02%

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The market sector and key market attributions above are to be used as an indication only. The figures are estimated and generated from the underlying AHL Diversified Programme system 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.

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