

Man AHL Diversified plc

Flash report for the week 30 December 2008 – 05 January 2009

Man AHL Diversified plc posted a loss over the reporting period. NAV per share fell 3.3% as a number of key trends reversed, with losses mainly attributed to positions in currencies, bonds and energies. However, over the last 12 months, the Programme rose 26.6%, compared to the MSCI World TR Index (USD) which declined 37.0%.

Within currency trading, long positions in the euro proved particularly detrimental to performance. The euro fell after data indicated a deepening recession in the euro zone, raising speculation that the European Central Bank would implement a further round of interest rate cuts over the coming months. Data showing weaker-than-expected inflation in Spain and Italy lent further support to this notion, putting further downward pressure on the European currency. Additional losses were incurred from long positions in the Japanese yen against the US dollar. An increase in risk appetite weighed heavily on the Japanese currency, causing investors to withdraw funds from the relative safe haven of the Japanese yen. On the positive side, losses were slightly trimmed by long positions in the Australian dollar. The currency climbed over the period as decreasing risk aversion revived demand for higher-yielding assets.

In the bond sector, long trades in US Treasuries

negatively impacted returns as prices fell on the back of the increased risk appetite. Prices were further held back on rising speculation regarding the amount of new issuance needed to cope with the cost of bailing out the financial system and stimulating the US economy. On the positive side, long positions in Japanese government bonds helped trim some losses as prices rose on speculation that annual GDP for 2008 would be worse-than-expected.

Short commodity positions also suffered from the increase in risk appetite over the period. Short positions in crude oil and other oil related products detracted from performance as fighting in Gaza sent oil prices higher. Further support for oil prices came from concerns over supplies from Nigeria after militants damaged a major pipeline. The WTI crude oil index consequently rose 22% over the period to reach \$48.81 a barrel. Additional losses were experienced from the agricultural sector, especially from short positions in wheat, corn and cotton.

Other notable losses over the period included short positions in stock indices. Global equities rallied on President-elect Barack Obama's economic stimulus plan and increased hope of an economic recovery in 2009.

Key markets	Position
Profits	
Japanese government bonds	Long
Australian dollar: US dollar	Long
Euribor	Long
Losses	
US Treasuries	Long
Euro: British pound	Long
Eurodollar	Long

Sectors traded	Profit/loss
Agriculturals	-0.25%
Bonds	-0.86%
Currencies	-0.84%
Energies	-0.43%
Interest Rates	-0.13%
Metals	-0.06%
Stocks	-0.36%
Credit	0.00%

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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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