

# Man AHL Diversified Markets EU



Monthly report | as at 25 May 2009

NAV per unit EUR 32.56 | Total NAV EUR 554,106,943 | No. units 17,016,451

The global economic recovery theme, which has dominated markets for the past couple of months, continued to grow in popularity in May. The resultant bullish investor sentiment drove risk assets higher and provided market conditions that were more favourable to quantitative trend following strategies.

The continued rally in global equities over the month benefited a number of long stock indices positions. Notable profits were secured from trades in the Asia-Pacific region as equities rose strongly on positive news-flow from China's economy. However, despite the optimism surrounding the global economy, interest rates are still expected to remain low for the foreseeable future. As such, profits were generated from long Eurodollar trades as prices rose steadily throughout most of the month, also helped, in part, by speculation that LIBOR would continue to fall. Long Euribor and Short Sterling contracts also added gains, allowing the short-term interest rate sector as a whole to post a solid return and reverse the loss

realised last month.

The programme secured strong profits from the accelerating decline of the US dollar over the month. The US dollar fell around 7% on a trade weighted basis, driven by increased investor risk appetite and lingering fears over the sustainability of the US's top level credit rating. However, unlike last month, when the programme was largely long dollar, this month saw the programme capture gains from the fall in the dollar through short USD positions against AUD, CHF and BRL in particular (although, in fact, all of the currency pairs that generated profits were short USD). Tempering overall gains were whipsawed positions in EUR v JPY and short GBP v USD contracts.

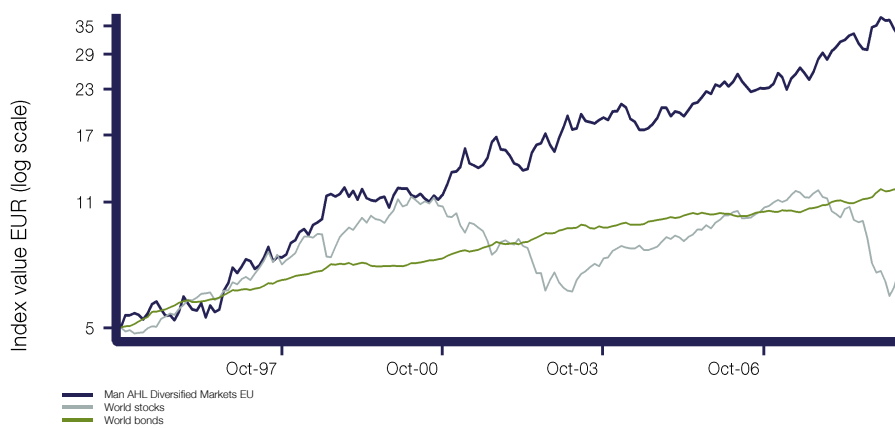
The combination of increased risk appetite and the decline in the US dollar boosted commodity prices higher in May, with the DJ-AIG commodity index gaining around 12%. This was largely detrimental to the positions held within the commodity sectors as

many markets were held short. The energy complex finished the month relatively unchanged as gains from long gasoline and crude oil positions were offset by losses from whipsawed natural gas trades and short gas oil contracts. Within the metals sector, the programme capitalised on the uptrend in gold prices as the re-inflation trade took hold. The allocation to agricultural caused a loss as short wheat and corn positions suffered as prices rallied in line with all other commodities.

Elsewhere, conditions continued to remain unfavourable to bond positions. Short Japanese bonds were the leading detractor as prices finished the month relatively unchanged but with high levels of intra-month variability.

## Performance chart

1 November 1994 to 25 May 2009



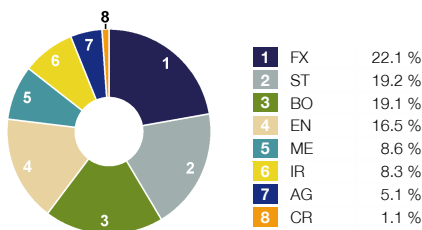
## Performance statistics

1 November 1994 to 25 May 2009

	Product	World stocks	World bonds
Last month	0.3 %	5.4 %	-0.9 %
Last quarter	-9.5 %	23.2 %	-0.2 %
Year to date	-11.1 %	4.2 %	-1.4 %
Last 12 months	0.4 %	-32.3 %	8.6 %
Last calendar year	32.9 %	-38.7 %	11.1 %
Total return	617.5 %	52.3 %	150.5 %
Annualised return	14.5 %	2.9 %	6.5 %
Annualised volatility	17.8 %	14.9 %	3.1 %
Sharpe ratio	0.64	0.02	0.89
Worst drawdown	-20.2 %	-50.9 %	-2.5 %
Correlation		-0.18	0.33

## Sector allocations

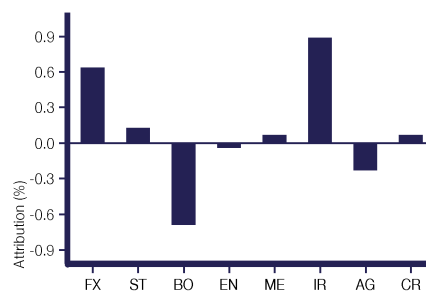
As at 25 May 2009



FX: Currencies, ST: Stocks, BO: Bonds, EN: Energies, ME: Metals, IR: Interest rates, AG: Agricultural, CR: Credit.

## Performance attribution

May 2009



## Key market attribution

May 2009

Highest performing markets	Direction	Attribution
Eurodollar	L	0.58 %
Australian dollar: US dollar	L	0.33 %
Australian bonds	S	0.26 %

Lowest performing markets	Direction	Attribution
Wheat	S	-0.18 %
Natural gas	L	-0.19 %
Japanese bonds	S	-0.46 %

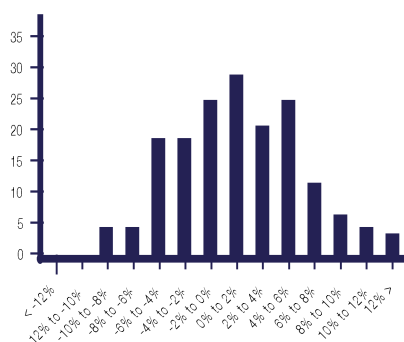
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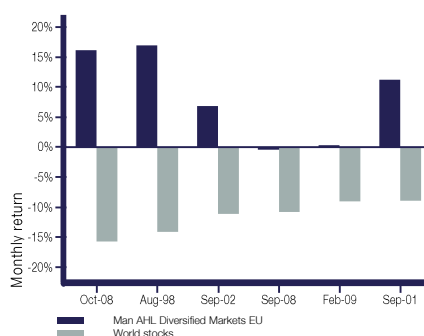
## Distribution of monthly returns

1 November 1994 to 25 May 2009



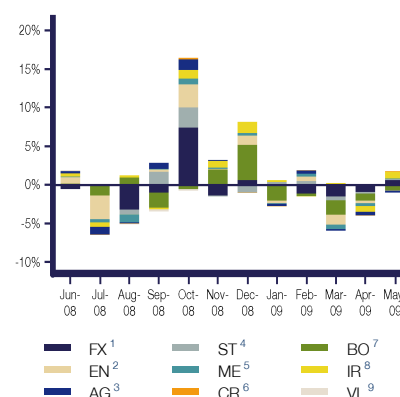
## Performance when benchmark down in %

1 November 1994 to 25 May 2009



## Monthly sector contribution

June 2008 to May 2009



## Historical performance

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
1994											8.6 %	0.0 %	N/A
1995	1.4 %	-1.1 %	-3.2 %	4.2 %	6.6 %	1.8 %	-5.2 %	-4.3 %	0.6 %	-3.4 %	5.6 %	11.1 %	13.4 %
1996	-4.7 %	-3.8 %	-0.8 %	5.1 %	-9.1 %	8.3 %	-4.3 %	1.7 %	13.4 %	5.5 %	10.9 %	-3.5 %	17.1 %
1997	4.4 %	5.0 %	-1.1 %	-5.2 %	2.4 %	5.3 %	7.6 %	-9.2 %	3.1 %	-0.4 %	1.9 %	8.1 %	22.4 %
1998	2.0 %	5.4 %	2.2 %	-3.8 %	7.0 %	1.6 %	2.4 %	16.9 %	1.2 %	-1.8 %	1.8 %	4.4 %	45.2 %
1999	-6.0 %	4.1 %	-5.9 %	7.5 %	-5.9 %	-1.3 %	-0.6 %	2.1 %	0.7 %	-7.0 %	8.5 %	5.1 %	-0.3 %
2000	-0.4 %	0.1 %	-4.4 %	-1.2 %	2.2 %	-3.2 %	-2.1 %	4.3 %	-2.8 %	3.6 %	7.1 %	8.6 %	11.3 %
2001	0.5 %	3.1 %	13.2 %	-9.6 %	-1.3 %	-1.7 %	2.0 %	4.9 %	11.2 %	3.6 %	-8.1 %	-0.3 %	16.1 %
2002	-3.8 %	-5.0 %	-1.2 %	-3.4 %	0.9 %	11.5 %	5.4 %	1.1 %	6.8 %	-7.3 %	-4.5 %	9.4 %	8.1 %
2003	8.0 %	7.9 %	-8.8 %	0.8 %	10.0 %	-4.4 %	-0.9 %	-0.8 %	2.2 %	1.7 %	-1.7 %	5.9 %	19.9 %
2004	0.1 %	4.9 %	-2.2 %	-7.6 %	-1.9 %	-5.2 %	-0.1 %	1.3 %	2.8 %	4.1 %	7.3 %	-0.2 %	2.4 %
2005	-5.5 %	3.2 %	-0.8 %	-2.4 %	4.4 %	4.2 %	1.0 %	3.5 %	4.0 %	-1.5 %	6.4 %	-1.2 %	15.6 %
2006	3.1 %	-3.0 %	3.2 %	5.3 %	-4.9 %	-3.4 %	-3.4 %	1.0 %	1.4 %	-0.1 %	0.4 %	2.9 %	1.8 %
2007	7.4 %	-2.7 %	-8.0 %	7.5 %	3.1 %	4.5 %	-3.7 %	-4.1 %	5.4 %	8.9 %	4.2 %	-4.5 %	17.5 %
2008	5.8 %	2.7 %	3.8 %	1.1 %	3.1 %	1.2 %	-6.2 %	-3.9 %	-0.4 %	16.1 %	1.3 %	5.6 %	32.9 %
2009	-2.1 %	0.3 %	-5.8 %	-4.1 %	0.3 %								-11.1 %

## Key facts summary

Investment manager	Man Investments Netherlands B.V.	Valor number	CH334898
Portfolio manager	AHL	Reuters page	MAN01
Dealing frequency	Weekly	ISIN number	NL0000319606
Bloomberg ticker	EDFGCFI	Tranche B ISIN	NL0009086982

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## Important notes

<sup>1</sup> Currencies <sup>2</sup> Energies <sup>3</sup> Agriculturals <sup>4</sup> Stocks <sup>5</sup> Metals <sup>6</sup> Credit <sup>7</sup> Bonds <sup>8</sup> Interest rates <sup>9</sup> Volatility

Product performance is net of all manager and performance fees. We continue to seek new trading opportunities as part of our ongoing research programme. From 1 May 2008, a number of new markets will be introduced which are expected to yield further diversification benefits for shareholders. Please note this fund is valued weekly, however statistics have been calculated using the last weekly valuation of each month. **There is no guarantee of trading performance and past performance is no indication of current or future performance/results. The performance data does not take account of the commissions and/or costs incurred on the issue and redemption of units. Where this product is being compared to an index, it should be understood that the index is not a benchmark and is not representative of the product's investment strategy. It should be seen as a comparison of asset classes.** Sharpe ratios are calculated using the 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. As the Sharpe ratio is an absolute measure of risk-adjusted return, negative Sharpe ratios are shown as N/A, as they can be misleading. World stocks: MSCI World Index hedged to EUR. World bonds: Citigroup World Government Bond Index hedged to EUR (Total return). These indices are not benchmarks as they are not representative of the fund's investment strategy. They should therefore be seen as comparisons of asset classes. The range of strategies and the allocations to each are regularly refined by the investment manager based on continuing research. The market sector and key market attributions above are to be used as indications only. The figures are estimated and generated from the underlying AHL 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. The European Union Savings Directive 2003/48/EC (the 'Directive') came into force with effect from 1 July 2005. The Directive requires a paying agent (as defined in the Directive), established in an EU member state, associated/dependent territories, or certain third countries, to either report or withhold tax from payments of savings income to an individual beneficial owner residing in another EU member state or covered territory. Savings income is defined in the Directive and can include coupon and dividend payments, distribution and redemption payments in respect of investments in bonds/shares and certain investment funds. Investors should seek independent advice on the impact of the Directive on their investment. It is the investment objective to generate capital gains rather than interest. Information for German Investors: The accumulated deemed distributed income as per end of month dated above: USD 0,0000000 / per share. **Access the latest performance and other information on the Man Investments website: <http://www.maninvestments.com>.** With the introduction of Markets in Financial Instruments Directive ('MiFID'), performance returns need to be shown on a 12 month rolling basis. As such the MiFID compliant returns within the Historical Returns table are highlighted. From 31 May 1995 to 25 May 2009 Man AHL Diversified Markets EU has a total return of 502.5 %.