



# Next Edge AHL Fund

September 2019

## Important Notes

The 'Next Edge AHL Fund' or 'Fund' means the 'Next Edge AHL Fund'.

Capitalized terms not defined in this presentation are defined as set forth in the prospectus of the Fund (the 'Prospectus').

This communication is not, and under no circumstances is to be construed as, an invitation to make an investment in the Fund nor does it constitute a public offering to sell the Fund or any other products described herein. Applications for the Fund will only be considered on the terms of the Prospectus. The Prospectus contains important detailed information about the Fund. Copies of the Prospectus may be obtained from Next Edge Capital Corp., the principal distributor of the Fund. Each purchaser of the units of the Fund (the 'Units') may have statutory or contractual rights of action under certain circumstances as disclosed in the Prospectus. Please review the provisions of the applicable securities legislation for particulars of these rights. Terms defined herein shall have the same meaning as in the Prospectus. Potential investors should note that alternative investments can involve significant risks and the value of an investment may go down as well as up.

There is no guarantee of trading performance and past or projected performance is not indicative of future results.

Next Edge Capital Corp. is the manager and trustee of the Fund (the 'Manager'). The Fund obtains economic exposure to an investment portfolio (the 'Underlying Assets') managed by an unaffiliated investment manager, AHL Partners LLP (the 'Investment Manager') that ultimately invests in a diversified portfolio of financial instruments across a range of global markets including stocks, bonds, currencies, short-term interest rates, energies, metals, credit and agricultural commodities using a trend-following trading program (the 'AHL Diversified Programme'). The AHL Diversified Programme is implemented and managed by AHL ('AHL'), a division of the Investment Manager. The Investment Manager is a part of the Man Investments division ('Man') of Man Group plc ('Man Group'). Investors should review the Prospectus in its entirety for a complete description of the Fund, its risks, and consult their registered dealers before making an investment.

AHL Diversified plc. is also accessed by the AHL Diversified Programme. Man AHL Diversified plc is an open-ended investment company organized under the laws of Ireland and listed on the Irish Stock Exchange. While it is intended that the Underlying Assets will be managed with the same investment objectives and strategies used by the Investment Manager in managing the assets of Man AHL Diversified plc, their investments may not be identical and the returns of the Underlying Assets will differ from the returns of Man AHL Diversified plc. Differences in performance will be due to a number of factors including but not limited to fees, taxes, currency hedging, foreign exchange, variations in trading programmes and allocations, cash flows and asset size. The leverage, strategy and investments of Man AHL Diversified plc have varied over time and as a result performance in any future period will vary. The information about the performance of Man AHL Diversified plc is not, and should not be construed to be, an indication about the future performance of the Underlying Assets or the Fund. Investors should review the Prospectus in its entirety for a complete description of the Fund, its risks, and consult their registered dealers before making an investment.

The information contained in this material is subject to change without notice and Next Edge Capital Corp. will not be held liable for any inaccuracies or misprints.

Any descriptions or information involving investment process or strategies is provided for illustration purposes only, may not be fully indicative of any present or future investments, may be changed at the discretion of the Investment Manager and are not intended to reflect performance.

The Fund has not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any State securities laws. The Fund may not be offered or sold in the United States or to US persons.

This material was prepared by AHL Partners LLP ("Investment Manager") (company number OC380907) which is registered in England and Wales at Riverbank House, 2 Swan Lane, London, EC4R 3AD. Authorised and regulated in the UK by the Financial Conduct Authority. Unless stated otherwise the source of all information is Man Group plc and its affiliates as of the date on the first page of this material. Unless stated otherwise the source of all market data is Man Group plc.

### **Cautionary Note Regarding Forward Looking Statements**

The following presentation may contain forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that Next Edge Capital Corp., AHL Partners LLP or any affiliates thereof (the 'Companies') believe, expect or anticipate will or may occur in the future (including, without limitation, statements regarding any targeted returns, projections, forecasts, statements and future plans and objectives of the Companies) are forward-looking statements. These forward-looking statements reflect the current expectations, assumptions or beliefs of the Companies based on information currently available to the Companies.

Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Companies to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Companies.

Factors that could cause actual results or events to differ materially from current expectations include, among other things, changes in international financial and commodities markets, fluctuations in currency exchange and interest rates, illiquidity of portfolio investments, reduction in availability of leverage, default by counterparties, special risks arising from short sales and investments in forward contracts and other derivatives, unintentional trades, accuracy of analytical models, valuation risks, limitations on redemptions, tax consequences, changes in applicable laws and other risks associated with investing in securities and those factors discussed under the section entitled 'Risk Factors' in the Prospectus.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Companies disclaim any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Companies believe that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

## **Certain Risks of Investing in Next Edge AHL Fund**

There are risks associated with an investment in the Fund, as a result of, among other considerations, the nature and operations of the Fund. An investment in Units should only be made after consultation with independent qualified sources of investment and tax advice. An investment in the Fund is speculative and involves a high degree of risk and is not intended as a complete investment program. It should be borne in mind that risks involved in this type of investment are greater than those normally associated with other types of investments. There is a risk that an investment in the Fund will be lost entirely or in part. Only investors who do not require immediate liquidity of their investment and who can reasonably afford a substantial impairment or loss of their entire investment should consider the purchase of Units. An investment in the Fund is not suitable for investors seeking current income for financial or tax planning purposes as distributions, if any, will generally be automatically reinvested on behalf of Unitholders in additional Units of the same Class.

The following does not purport to be a complete summary of all the risks associated with an investment in the Fund.

**No Guarantee** There is no guarantee that an investment in Units will earn any positive return. The value of the Units may increase or decrease depending on market, economic, political, regulatory and other conditions affecting the Underlying Fund's portfolio. Investment in Units is more volatile and risky than some other forms of investments. All prospective Unitholders should consider an investment in the Fund within the overall context of their investment policies. There can be no assurance that the Underlying Assets will be able to achieve its investment objective. The investment strategies applied in the Underlying Assets may not have previously been used by a fund similar to the Underlying Fund. There is no assurance that the information set out herein will be, in any respect, indicative of performance. Legal, tax and regulatory changes may occur that can adversely affect the Fund and Unitholders.

**No Advice to Investors** The Manager, Investment Advisor, underlying investment managers and advisors, bank, legal counsel, accountants and other service providers who provide advice and other services to the Fund and the Underlying Assets are accountable to the Fund and the Underlying Assets only and not to the Unitholders themselves. Each prospective investor should consult his own legal, tax and financial advisers regarding the desirability of an investment in the Fund.

**Potential Conflicts of Interest** There are certain potential conflicts of interest including the fact that the Manager, the Investment Advisor and their affiliates may carry on investment activities for other clients (including investment funds sponsored by the Manager, the Investment Advisor or their affiliates) or on a proprietary basis in which the Fund or the Underlying Assets will have no interest. Future investment activities by the Manager or the Investment Advisor, including the establishment of other investment funds, may give rise to additional conflicts of interest. Similar conflicts of interest may arise in the case of any hedge fund held in the portfolios of the Underlying Assets. Investors should refer to the conflicts of interest section in the offering memorandum for further discussion.

**Reliance on the Manager, Investment Advisor & Analytical Tools** The Fund will be highly dependent upon the expertise and abilities of the Manager and the Investment Advisor. The loss of services of key personnel of any of the foregoing persons could adversely affect the Fund. Substantially all decisions with respect to the management of the Underlying Assets will be made exclusively by the Investment Advisor (although it may delegate administrative responsibilities from time to time). The Investment Advisor will make and implement decisions with respect to the allocation and investment of the Underlying Assets. The AHL Diversified Programme uses certain strategies that depend on the reliability and accuracy of analytical models. To the extent that such models (or the assumptions underlying them) do not prove to be correct, the Underlying Assets may not perform as anticipated, which could result in substantial losses for the Fund and therefore, for Unitholders.

**Illiquidity** Under certain conditions redemptions may be temporarily restricted or suspended. Unitholders requesting redemptions may therefore potentially experience delays in receiving redemption payments. An investment in Units is hence suitable only for sophisticated investors who do not need full liquidity with respect to this investment. The Underlying Assets may make leveraged investments in markets that are volatile and which may become illiquid. Accordingly, it may be impossible or expensive to liquidate the positions against which the market is moving. Alternatively, it may not be possible, in certain circumstances, for a position to be initiated or liquidated promptly. The ability of the Underlying Assets to respond to movements may be impaired. These risks may be accentuated where the Underlying Assets are required to liquidate positions to meet margin requests, margin calls, redemption requests or other funding requirements. Due to the differences in margin treatment between futures and options, there may be periods in which positions on both sides must be closed down prematurely due to short-term cash flow needs. Were this to occur during an adverse move in a spread or straddle relationship, a substantial loss could occur.

**Fees and Expenses** The Fund is obligated to pay Management Fees and other expenses regardless of whether the Fund realizes a profit. Under certain circumstances, the Fund may be subject to significant indemnification obligations in respect of the Manager, the Trustee or certain affiliated parties. The Underlying Assets will have to support significant transaction costs and fees, including management and performance fees paid in respect of the AHL Diversified Programme. The performance of the Underlying Assets will also be affected by brokerage and related transaction costs.

## **Certain Risks of Investing in Next Edge AHL Fund**

**Insufficient Trading Capital** The Investment Advisor manages risk to ensure that the Underlying Assets risk are within predetermined levels. Nevertheless, in the event of an exceptional decline in value of the underlying portfolio's trading capital to a level insufficient to sustain access to the AHL Diversified Programme, the Underlying Assets may have to cease trading activities in the AHL Diversified Programme.

**No Recourse to the Underlying Assets** The return to the Unitholders and the Fund will be dependent upon the return on the Underlying Assets. Securities in the Common Share Portfolio may be pledged to and may be held by the Counterparty as security for the obligations of the Fund. However, Unitholders will not have, and the Units will not represent, any direct or indirect ownership interest in assets in the Underlying Fund. Investors will have no recourse to assets in the Underlying Fund.

**Use of Leverage & Derivatives** There are a number of risks associated with the use of leverage and derivatives. Risks associated with options or instruments and with the instruments themselves may differ from the risks associated with underlying assets. Derivative instruments may not be liquid in all circumstances, so that in volatile markets the Underlying Assets may not be able to close out a position without incurring a loss. No assurance can be given that short sales, hedging, leverage and other techniques and strategies used by the Underlying Assets will not result in material losses. The uncovered selling of a call option generally exposes the seller to unlimited risk. The use of over-the-counter derivatives will subject the Underlying Assets to the credit risk that its counterparty may not be able to meet its financial obligations and thus, the Underlying Assets could possibly lose its margin and any gains on a contract. Investors should refer to the Prospectus for further discussion.

**Investment in Emerging Markets** The Underlying Fund's underlying investments may be established in jurisdictions where there is no regulatory supervision or where regulatory supervision is limited and the Underlying Assets may invest in emerging economies or markets, and in unrated, illiquid, volatile or low-grade assets. There will only be very limited constraints on the investment techniques that can be employed by the Underlying Fund. The value of the Underlying Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the countries in which its assets are ultimately invested.

**Currency Risk** Exchange rate fluctuations could cause the value of the Underlying Assets to diminish or increase. Investments of the Underlying Assets that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. The Underlying Assets may, but are not obligated to, hedge these risks by investing directly in foreign currencies, buying and selling forward foreign currency exchange contracts and buying and selling options on foreign currencies, but there can be no assurance such strategies will be effective.

These are only some of the risks of investing in Next Edge AHL Fund. Please review the "Risk Factors" section of the Prospectus for a more complete description of the risks.



# NEXTEGE CAPITAL

We are an alternative investment fund manager providing leading-edge solutions for investors. For almost two decades our experienced team has launched numerous investment solutions in a variety of product structures. The people and approaches we discover may not be well known, but we believe they provide something remarkable – **access to what's next.**



## Next Edge Capital Corp.

Formed in July 2006, was renamed Next Edge Capital Corp. after the spinout of Man Investments Canada Corp. from Man Group plc (“Man”) in June 2014.

Licensed as an Exempt Market Dealer, Portfolio Manager and Investment Fund Manager.

Management team responsible for raising over CDN \$3 Billion of alternative assets in Canada since 2000.\*

Focused on providing unique, non-correlated investment ideas.

	Industry Experience	With NECC Since	Responsibility
<b>Toreigh Stuart, CFA</b>	27	2006	Managing Director, Founding Partner, CEO
<b>Robert Anton</b>	26	2006	Managing Director, Founding Partner, Head of Sales and Product Development
<b>David Scobie</b>	25	2009	Managing Director, Founding Partner, Chief Operating Officer
<b>Erica Axani</b>	20	2017	Senior Vice-President, Credit and Risk
<b>Cheng Dang, CPA, CA</b>	11	2012	Executive Vice President, Finance
<b>Eden Rahim</b>	30	2014	Portfolio Manager
<b>Mike Bird</b>	32	2014	Associate Portfolio Manager
<b>Richard Goode</b>	20	2019	Executive Vice President, Sales

\*Please note that over CDN \$2 Billion of the CDN \$3 Billion of alternative assets raised relates to assets raised at a previous firm(s).

# An overview of Man Group<sup>1</sup>

## Entrepreneurial fund management within an institutional framework



- A global investment management firm focused on delivering performance for clients through a diverse spectrum of specialist active investment disciplines, empowered by the latest technology
- Individual performance-driven investment engines with centralised operations and services, managing around USD 114.4 billion<sup>1</sup>
- Large institutional client base, including sovereign wealth funds, endowments and pension funds
- Headquarters in London, with offices in every major region
- Actively engaged industry leader, a signatory of the UN-supported PRI and founding member of the Standards Board for Alternative Investments (former HFSB)

<ul style="list-style-type: none"> <li>▪ Systematic investment manager</li> <li>▪ Offering absolute return and long-only quantitative funds</li> <li>▪ One of the longest running systematic traders with over 30 years' experience</li> <li>▪ AuM USD 29.9 billion</li> <li>▪ Founded in 1987</li> <li>▪ 129 investment professionals</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fundamentally driven quantitative asset manager</li> <li>▪ Offering long-only, active extension and alternative equity and credit strategies across geographic regions, investment styles and capitalisation strata</li> <li>▪ Focus on risk adjusted alpha</li> <li>▪ AuM USD 35.0 billion<sup>2</sup></li> <li>▪ Founded in 1989</li> <li>▪ 73 investment professionals</li> </ul>	<ul style="list-style-type: none"> <li>▪ Discretionary investment manager</li> <li>▪ Offering absolute return and long-only funds across asset classes, sectors and geographies</li> <li>▪ Investment teams benefit from a collaborative environment and are unconstrained by a house view</li> <li>▪ AuM USD 33.5 billion</li> <li>▪ Founded in 1995</li> <li>▪ 98 investment professionals</li> </ul>	<ul style="list-style-type: none"> <li>▪ Focused on investments in private markets, including real and corporate assets across the capital structure globally</li> <li>▪ Differentiated risk and return characteristics to public market investments</li> <li>▪ AuM USD 2.5 billion</li> <li>▪ Current capabilities include US residential real estate equity and debt, US and European commercial real estate debt, and US direct lending to specialty finance vehicles</li> <li>▪ 35 investment professionals</li> </ul>	<ul style="list-style-type: none"> <li>▪ Global alternative investment specialist</li> <li>▪ Flexible approach to building alternatives portfolio solutions<sup>3</sup> through managed accounts, commingled strategies and advisory relationships</li> <li>▪ Operates one of the largest independent dedicated managed account platforms</li> <li>▪ AuM USD 13.9 billion<sup>4</sup></li> <li>▪ Founded in 1991</li> <li>▪ 37 investment professionals</li> </ul>

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1. As at 30 June 2019. Throughout this presentation reference to 'Man' refers to all Man Group plc and its subsidiaries. Combined AUM of all affiliated Man investment managers. All investment management services are offered through Man affiliated investment managers. 2. Man Numeric firm total AUM is USD 32.8 billion (AUM excludes approximately USD 2.2 billion in leveraged assets). 3. The use of the term 'solutions' within this presentation does not constitute or imply any guarantee that any product/strategy will be successful or that its aims or objectives will be achieved. 4. Man FRM firm total used here (USD 13.9 billion) is different from that quoted in the H1 2019 trading statement (USD 13.5 billion) released by Man Group on 31 July 2019. The former represents aggregate FUM at the product fund/strategy level while the latter breaks down FUM across the underlying related investment managers within a fund/strategy/product.

Team	Approximate headcount	Overview
Research and Investment	~45	<ul style="list-style-type: none"> <li>Research and develop systematic strategies across styles and asset classes</li> <li>Organised in nine distinct thematic teams: Alternative Markets, Core, Data Innovation, Equities, Liquid Strategies, Machine Learning, Macro, Short-term, and Volatility</li> </ul>
Research Technology	~50	<ul style="list-style-type: none"> <li>Research technologists embedded within thematic research teams</li> </ul>
Investment & Data Implementation	~15	<ul style="list-style-type: none"> <li>Implementation, operational monitoring and maintenance of data and investment strategies</li> <li>Separate and independent from Research and Investment function</li> </ul>
CPM and Business Management	~15	<ul style="list-style-type: none"> <li>CPM responsible for interactions between clients and Sales, as well as client services</li> <li>Management setting business strategy, priorities; embedded recruitment and talent functions</li> </ul>
Platform Technology <sup>1</sup>	~30	<ul style="list-style-type: none"> <li>Develop and maintain infrastructure for data, research and systematic trading</li> </ul>
Execution <sup>1</sup>	~45	<ul style="list-style-type: none"> <li>Responsible for the execution of electronic and voice/OTC markets, continuously, 24/5</li> <li>Experienced physical traders by asset class, across London and Hong Kong; e-trading team responsible for infrastructure and algorithms to trade futures, FX, equities, options</li> </ul>
Risk <sup>1</sup>	~5	<ul style="list-style-type: none"> <li>Responsible for reviewing and approving new models as well as monitoring portfolios; has authority, although very rarely exercised, to intervene discretionally to reduce portfolio risks</li> <li>Separate and independent from Research and Investment function</li> </ul>
Man Group Infrastructure	~730	<ul style="list-style-type: none"> <li>Support from broad Man Group infrastructure, including Sales &amp; Marketing, Operations, Technology, Legal, Compliance, HR and Finance</li> </ul>

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As at September 2019. Source: Man Group database.

1. Risk, Execution and Platform Technology headcount directly supporting AHL

## People

We are not academic theorists; we are practical scientists using our skills to hunt for alpha.

- Highly qualified, passionate and persistent professionals
- Diverse scientific backgrounds
- 'Group challenge' ethic

## Freedom

We don't view markets through a traditional finance lens. We look for alpha without constraints.

- Search for alpha opportunities everywhere – any market, any model, any data
- Our only constraint is ourselves

## Collaboration

We are collaborative and transparent.

- Exchange of ideas in an open environment
- Unique partnership with Oxford University
- Risks of not sharing significantly exceed the risks of sharing

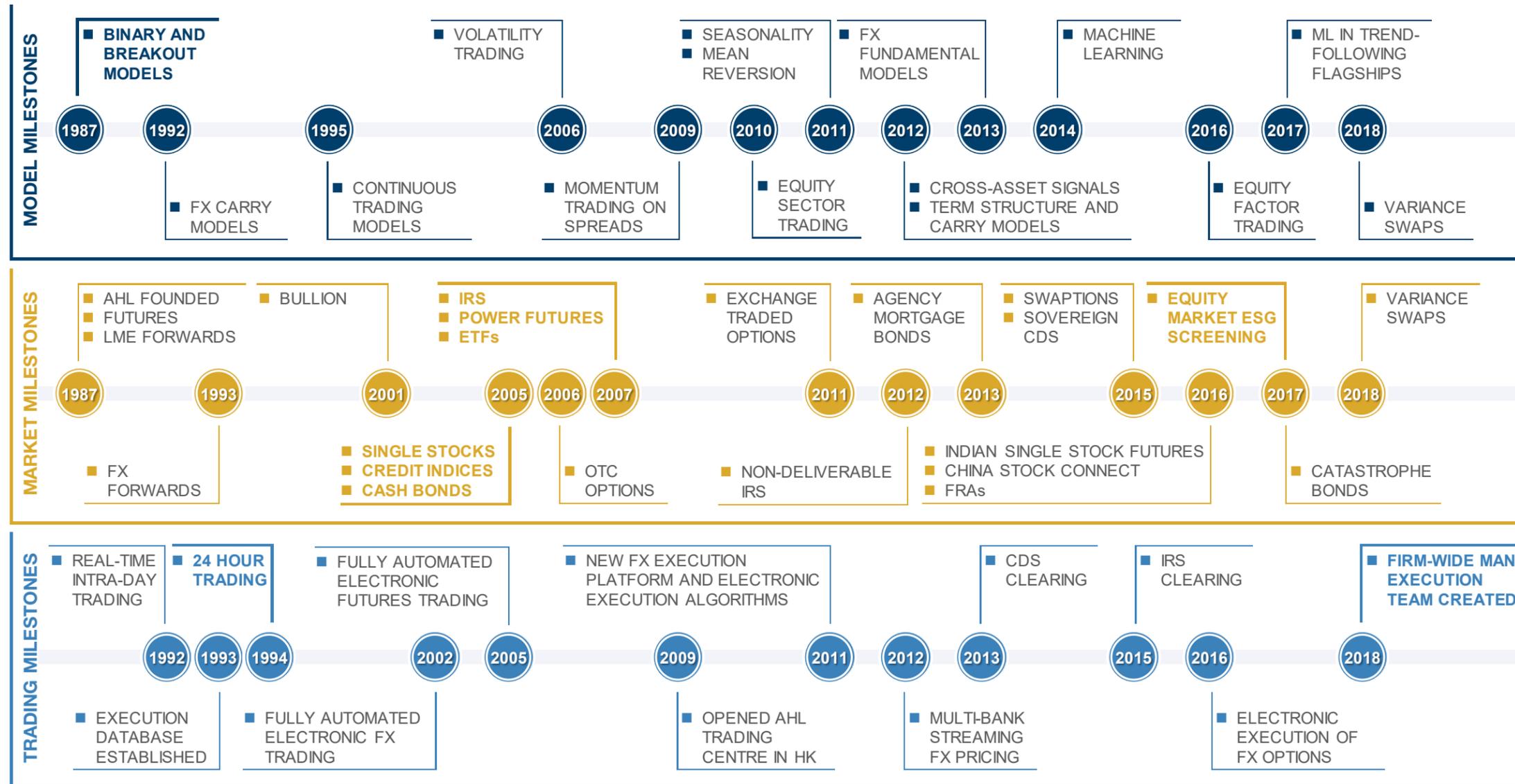
## Responsible Investment

We believe that ESG has scope beyond investment restrictions and integrate RI with our philosophy

- Good stewardship using ESG criteria for proxy voting
- Exclusions apply across 100% of our equity universe, including controversial weapons

# Man AHL experience

History of Man AHL: more than 30 years experience of research and innovation



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Source: Man Group database, as at 30 September 2019.



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Individual strategies listed may not currently be available for direct investments and some strategies may not be available to US investors. This is not an exhaustive list of strategies managed by AHL; as part of a customized portfolio other strategies may be available, subject to capacity and minimum investment restrictions.

As at 30 September 2019. Notional AUMs are estimates based on internal strategy allocations and adjusted for volatility targets. AUMs represent the levered assets under management (exposure) across AHL in this strategy. Any descriptions or information involving investment process or strategies is provided for illustration purposes only, may not be fully indicative of any present or future investments, may be changed at the discretion of the investment manager and are not intended to reflect performance. See Important information and other disclosures at the beginning and end of this presentation. This is a general guideline that may be amended from time to time by AHL without prior notice to investors.

Source: Man Group database.

# Introduction

Why invest in Managed Futures?



## Investor Requirements

**Performance**

**Simplicity**

**Liquidity**

**Portfolio enhancement**

## Managed Futures

Has delivered positive returns over 40 years through economic cycles

Core strategy identifies and profits from price trends

Liquid portfolio holdings at all times

Rare opportunities to profit during times of equity market turmoil

# Introduction

Providing access to the AHL Diversified Programme

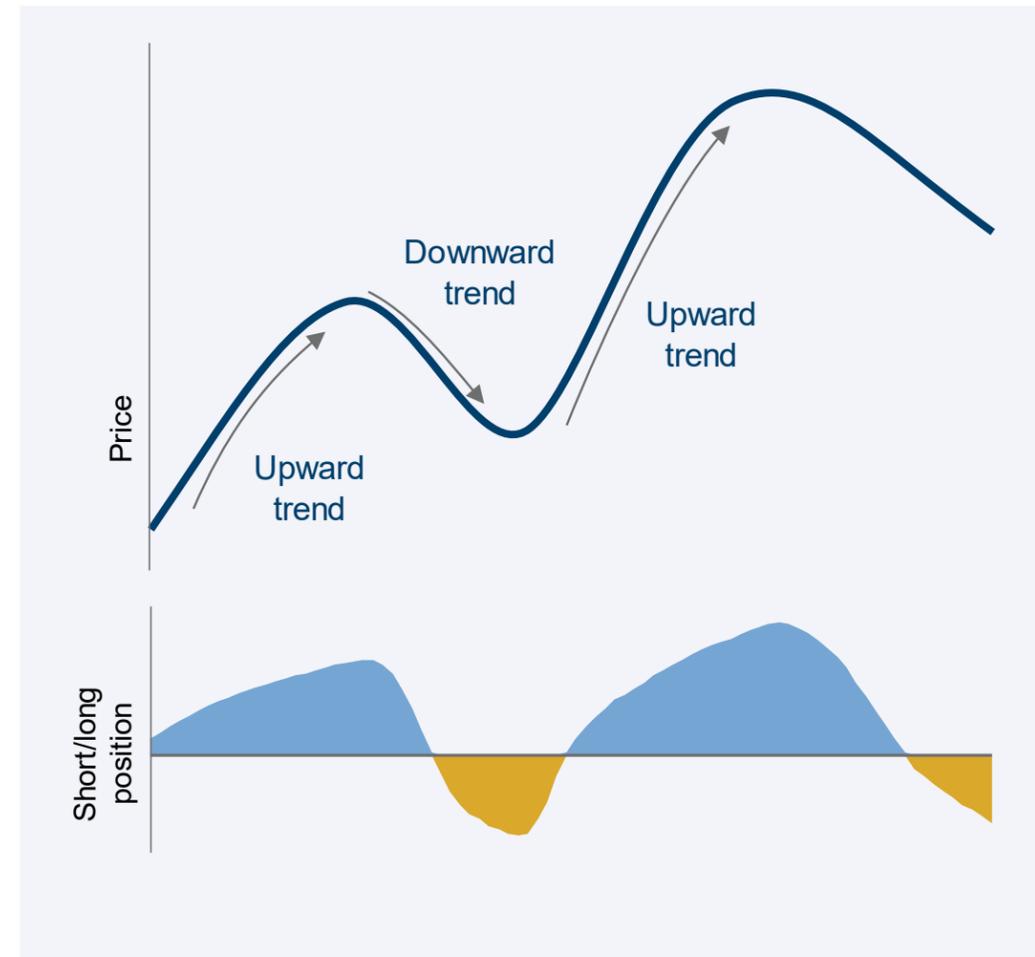
<b>Strategy</b>	<ul style="list-style-type: none"><li>▪ Systematic trend following over 500 markets</li><li>▪ Access to many unique markets through AHL Evolution Programme</li><li>▪ Diversification across trend-following models and time horizons</li></ul>
<b>Target investors</b>	<ul style="list-style-type: none"><li>▪ Investors looking for:<ul style="list-style-type: none"><li>– diversifying, liquid strategies</li><li>– from an established manager</li></ul></li></ul>
<b>Portfolio fit</b>	<ul style="list-style-type: none"><li>▪ Low correlation to other asset classes</li><li>▪ ‘Crisis Alpha’<ul style="list-style-type: none"><li>– Equities and bonds</li></ul></li></ul>

## Momentum models use proprietary algorithms to identify trends:

- Across a universe of over 500 highly liquid futures, FX, OTC and cash equity markets
- Lasting a few days to many months
- Able to profit from both up and down trends

## Explanations for trend following:

- Behavioural biases
- Slow dissemination and under-reaction to information
- Long-term macro cycles (policy and business cycle)



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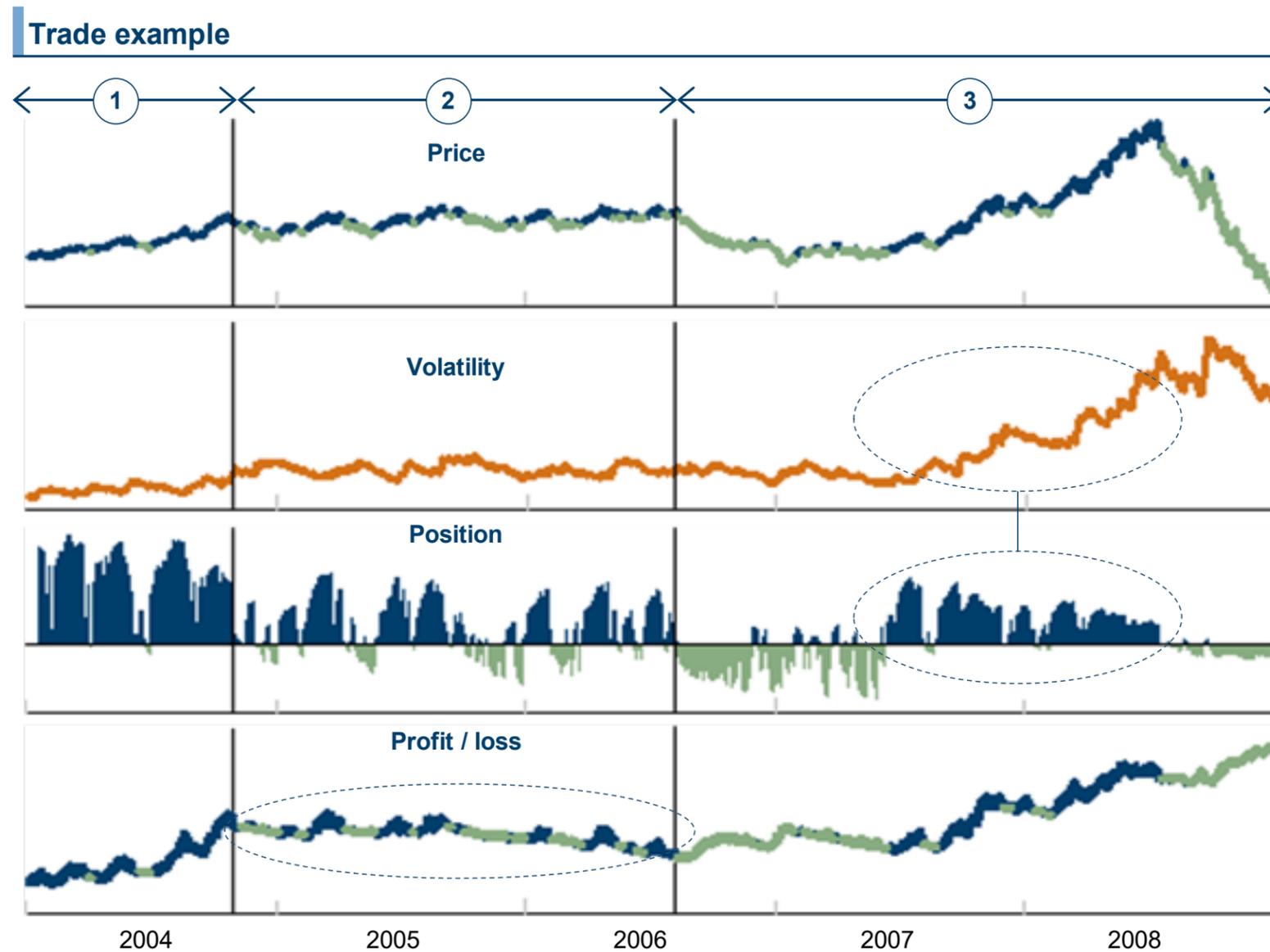
# AHL Diversified Programme

Example: Momentum on a typical futures market

- 1 Man AHL aims to exploit the upward and downward trends over a range of timescales
- 2 Small losses during range-bound markets
- 3 Positions are adjusted to control risk – when volatility increases, positions are scaled back

**An ideal environment for trend followers**

- Trends at the single-instrument level
- Lots of trends in different places
- Low correlation == high diversification



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The above example is intended as an illustration of typical investment considerations and strategy implementation. It should not be construed as indicative of potential performance of a fund or strategy or of any investment made by a fund. Source: Man Group database

# AHL Diversified Programme

Portfolio construction as at September 30, 2019

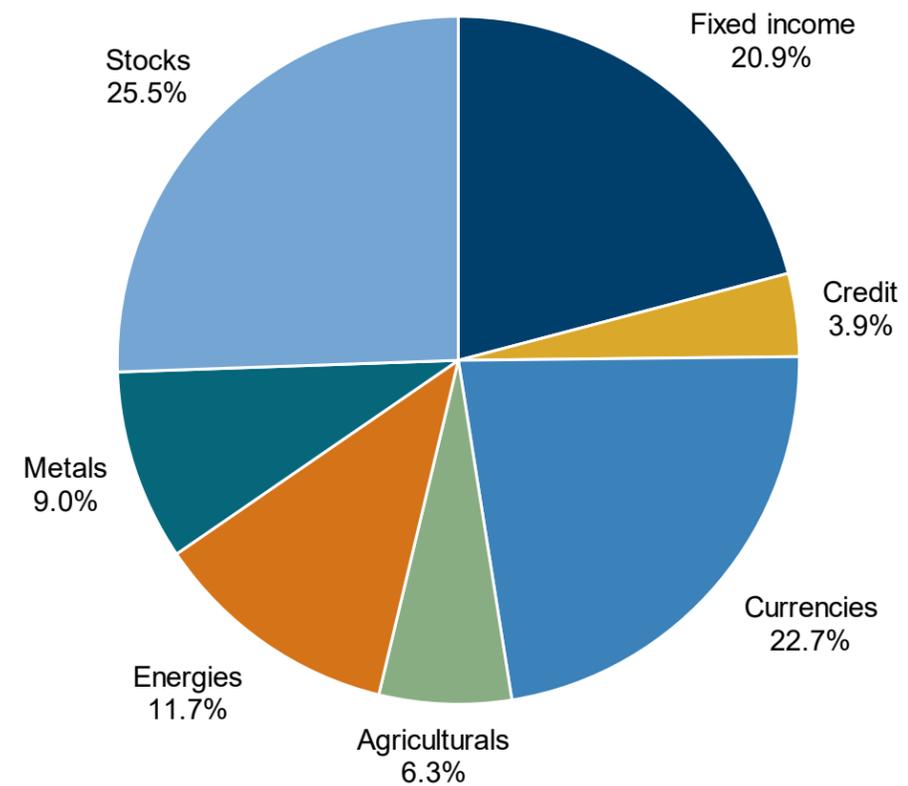


Sector	Number of markets	AHL Diversified Programme market examples	Conventional CTA portfolio markets
Fixed Income	118	Interest Rate Swaps across EM and DM; US Agency TBAs, Options	Treasuries, Bunds, Eurodollar, Short Sterling, Euribor
Credit	10	IG and HY credit indices, e.g. CDX, iTraxx	None
Currencies	58	EM currency forwards, Options	EUR, GBP, JPY
Agriculturals	29	Options	Corn, Wheat, Cocoa
Energies	70	European electricity and coal, Options	Oil, Gas
Metals	18	Options, Iron ore	Gold, Silver, Aluminium
Stocks	203	US, Europe and Japan industry sectors via cash equities; US ETFs, Options	S&P, Dax, FTSE, Nikkei

- Portfolio construction with aim to maximize diversification
- Target volatility: 14%



## Long term sector allocations<sup>1</sup>



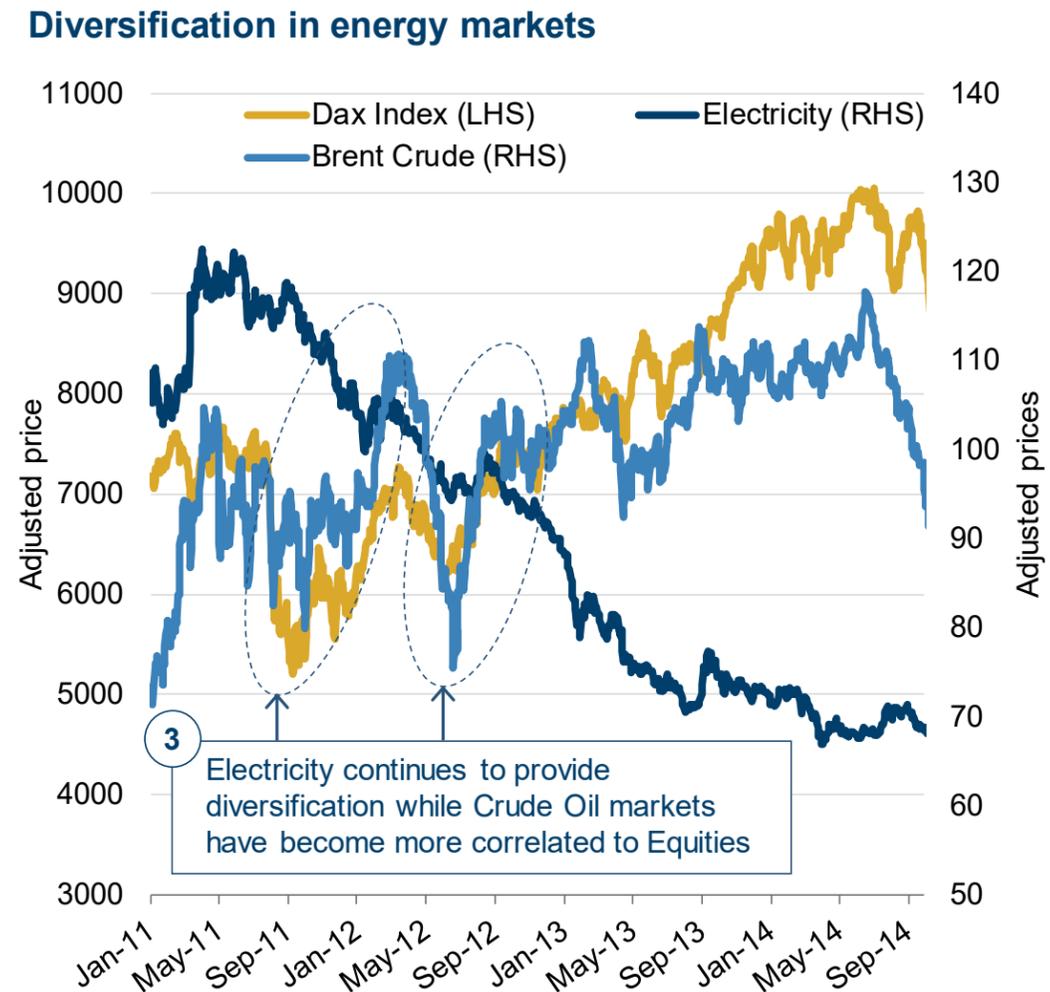
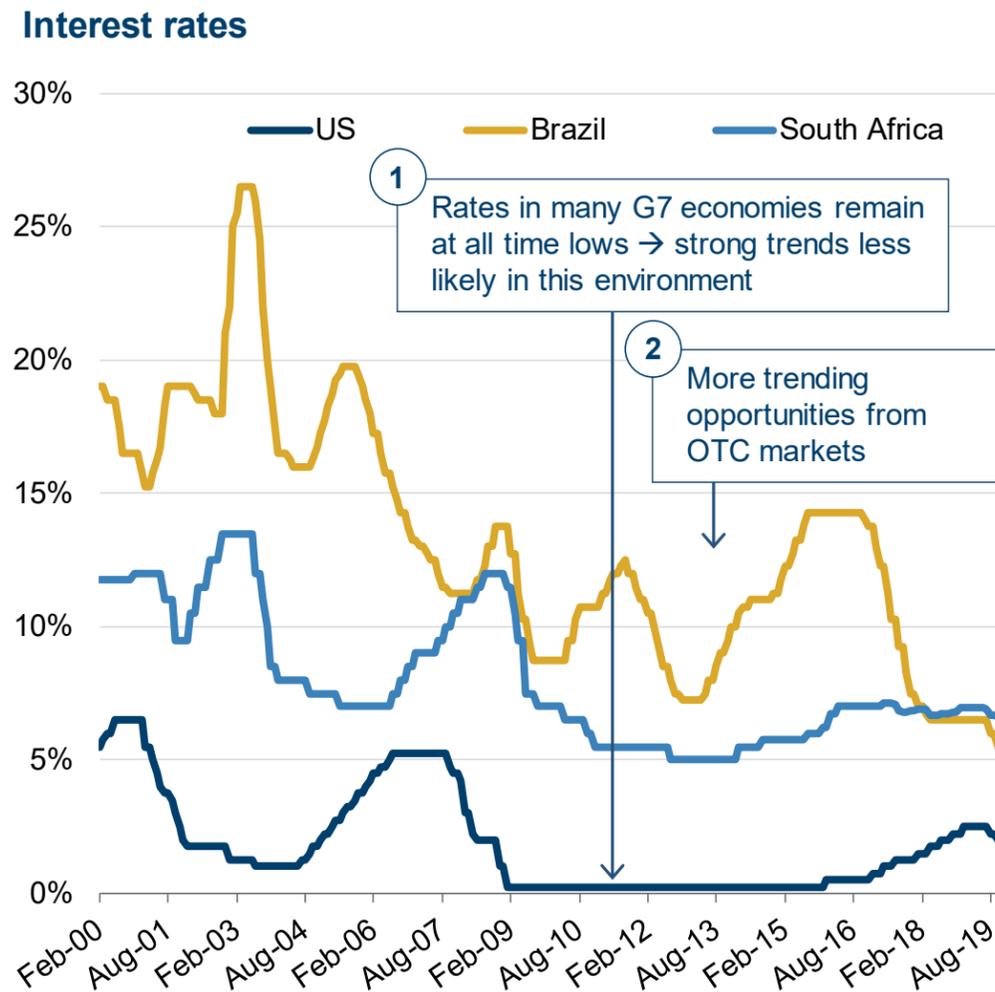
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1. The sector allocations for AHL Diversified Programme are designed to reflect the expected long-term risk exposure to each sector relative to the other sectors in the portfolio. The portfolio structure and constituents are regularly reviewed by the investment management team and sector allocations will change accordingly. 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.

Source: Man Group database

# AHL Diversified Programme

The advantage of trading non-traditional markets: AHL Evolution Programme



Past performance is not indicative of future results. Returns may increase or decrease as a result of currency fluctuations.

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Date range: 1 February 2000 to 30 September 2019 (left hand chart) and 1 January 2011 to 30 September 2014 (right hand chart). Interest rates are represented by the US Fed funds target rate, Brazil Selic target rate and South Africa repo average rate. Electricity price is represented by the Phelix Baseload Annual contract. Prices have been multiplied by a factor of two for scaling purposes. Adjusted price simulates the cost of buying one unit of a market adjusting the history for the rolling of contracts. 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.

Source: Man Group database and Bloomberg.

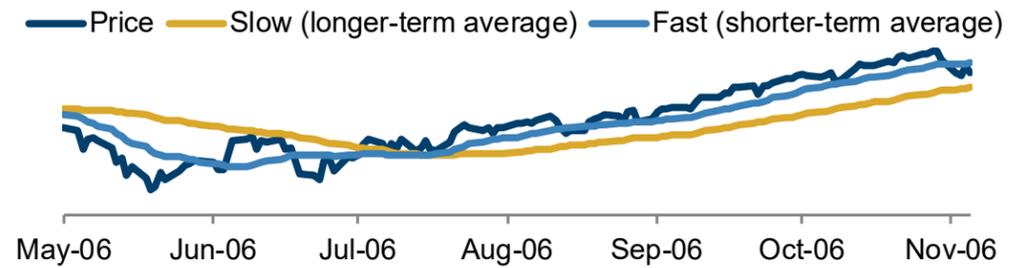
# Model features

Illustrative momentum calculation

## Model features

- 100% systematic, with no discretion
- Profits from sustained periods of rising or falling markets
- Suffers from markets reversals
- Diversification from multiple:
  - speeds: ~1 week to ~1 year trends
  - models: Moving averages, breakouts, machine learning

### A Moving average signals



### B Signal = Fast - Slow



### C Turning signal into position / risk



Past performance is not indicative of future results. Returns may increase or decrease as a result of currency fluctuations.

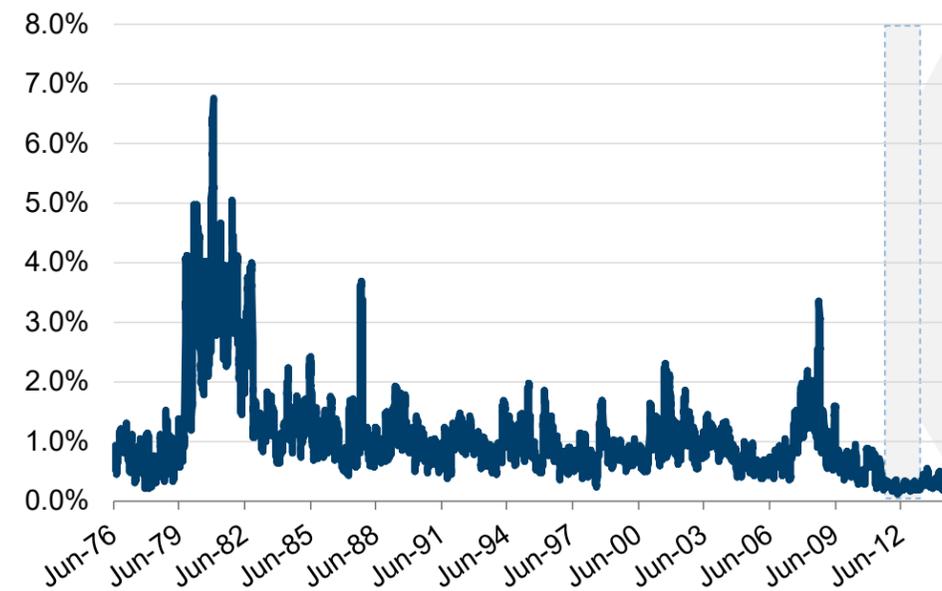
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**Model-driven strategies rely on robust analysis of historical market behaviour, without behavioural biases**

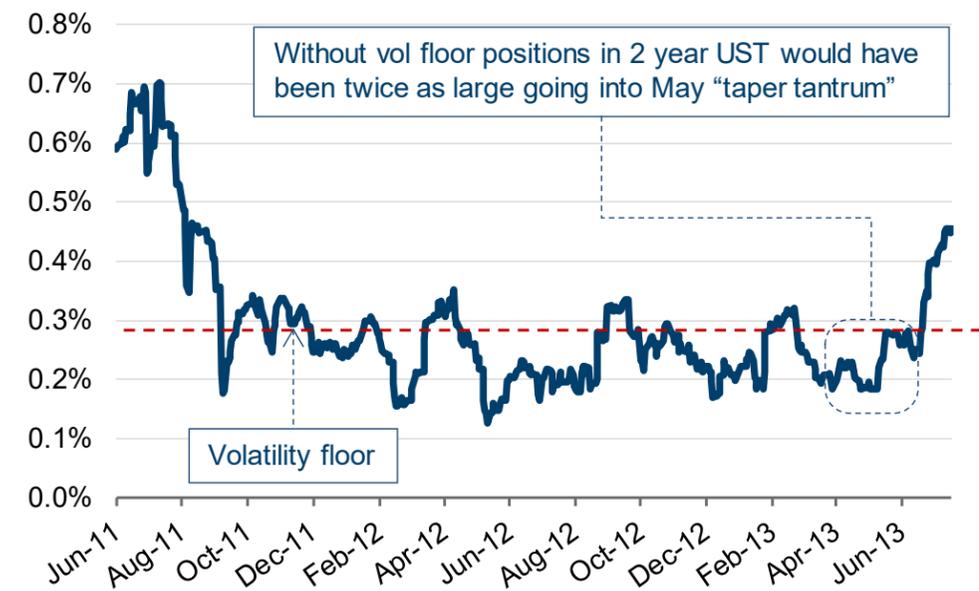
**But some risks don't show up in back-tests, e.g.,**

- With yields in much of the developed world at all time lows, yield volatility is also at unprecedented levels
- As volatility tends to zero, standard vol scaling techniques would increase positions infinitely!

**US 2 year treasury note:  
Annualised yield volatility (1976–2014)**



**Annualised yield volatility (2011–2013)**



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# Model features

## Momentum conditioned carry

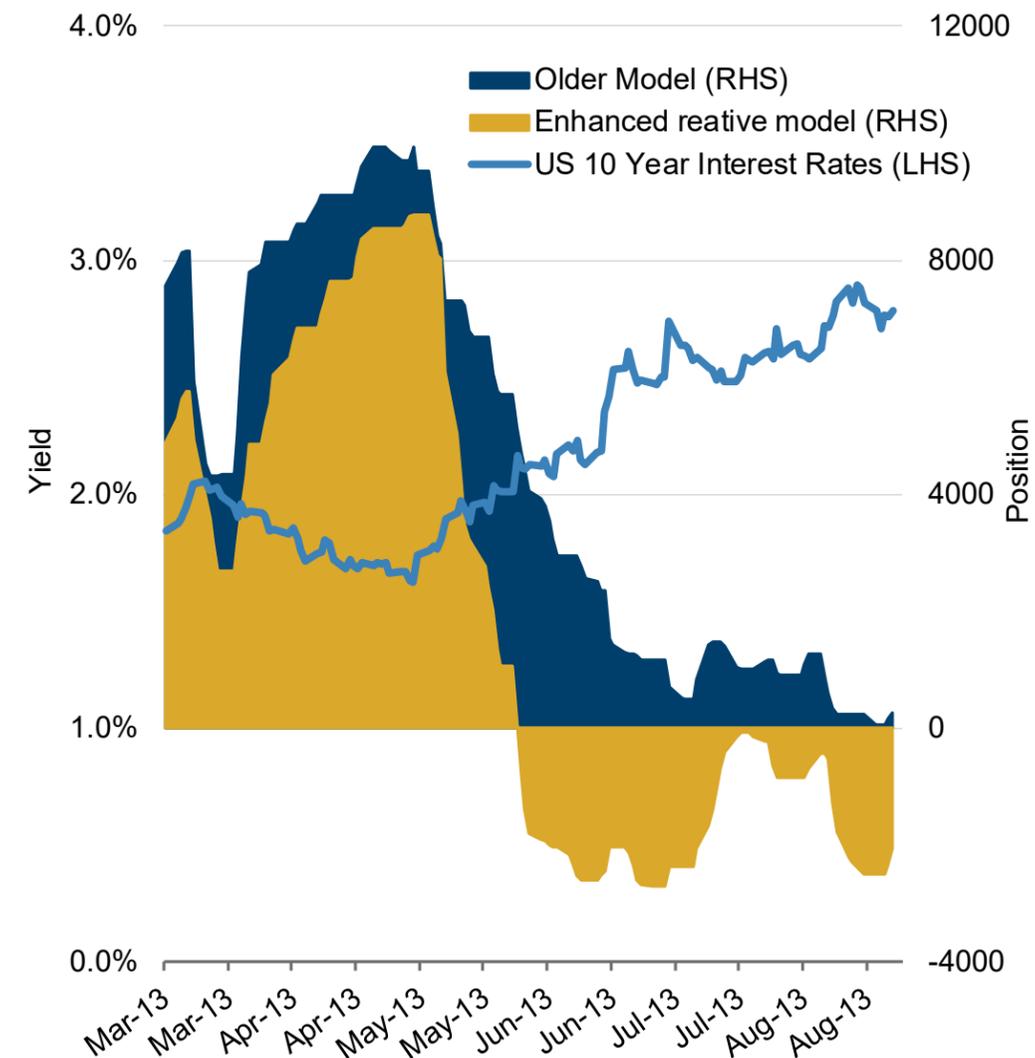


### Carry is an effective predictor in fixed income...

- ...but returns are negatively skewed
- When carry and momentum agree → trade slowly
- When they disagree → become more responsive

### Approach taken:

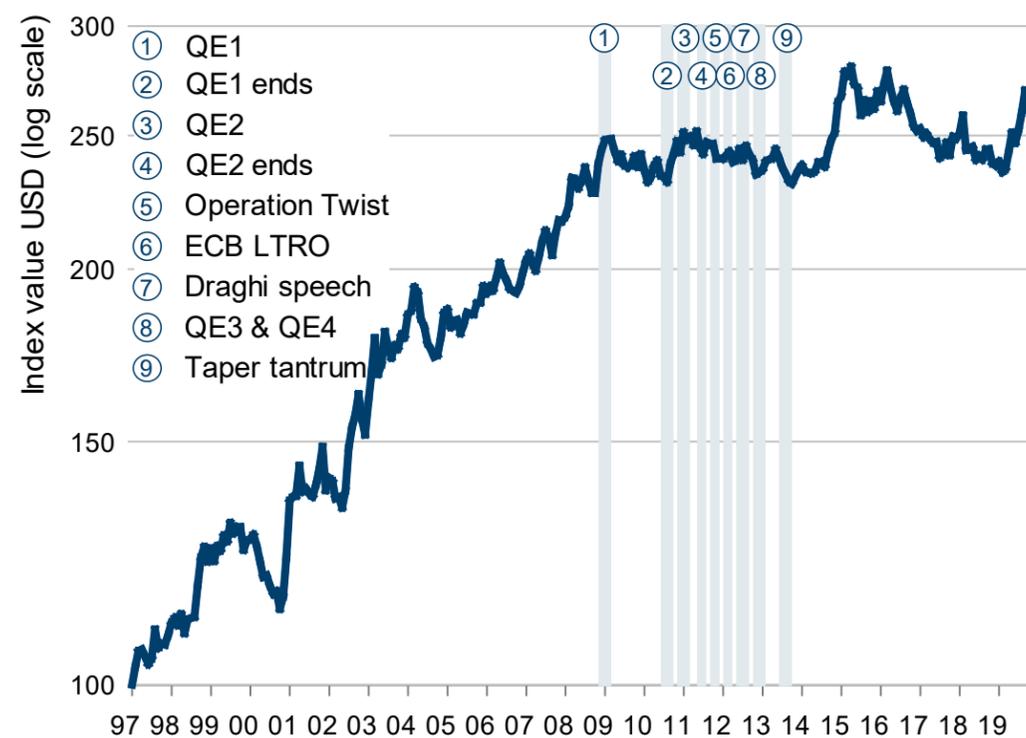
- Trade momentum, as well as momentum conditioned carry
- Faster momentum conditioning reduces losses during sharp reversals (May/June 2013 losses cut by 5%)
- Resulting portfolio retains positive skew



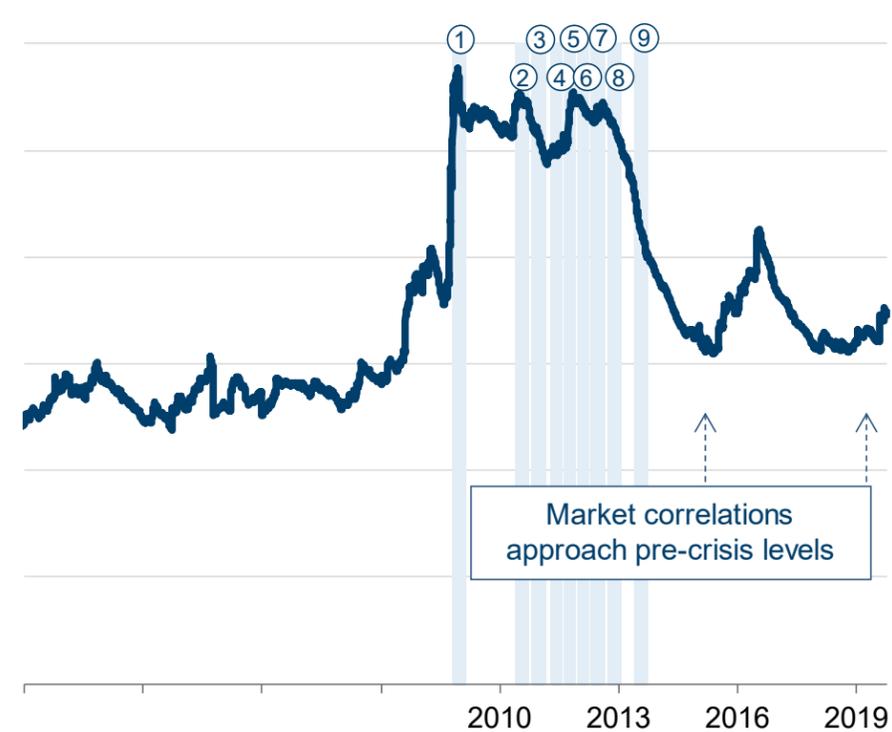
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- After a very strong 2008, average CTA returns were flat for five years
- Unprecedented central bank and government intervention (Trend reversals; ‘Risk-on, risk-off’)
- Portfolio diversification severely diluted, high inter-market correlations

### Managed Futures performance (Barclay BTOP50 index)



### Average pairwise correlation<sup>1</sup> for futures/FX markets



Past performance is not indicative of future results. Returns may increase or decrease as a result of currency fluctuations.

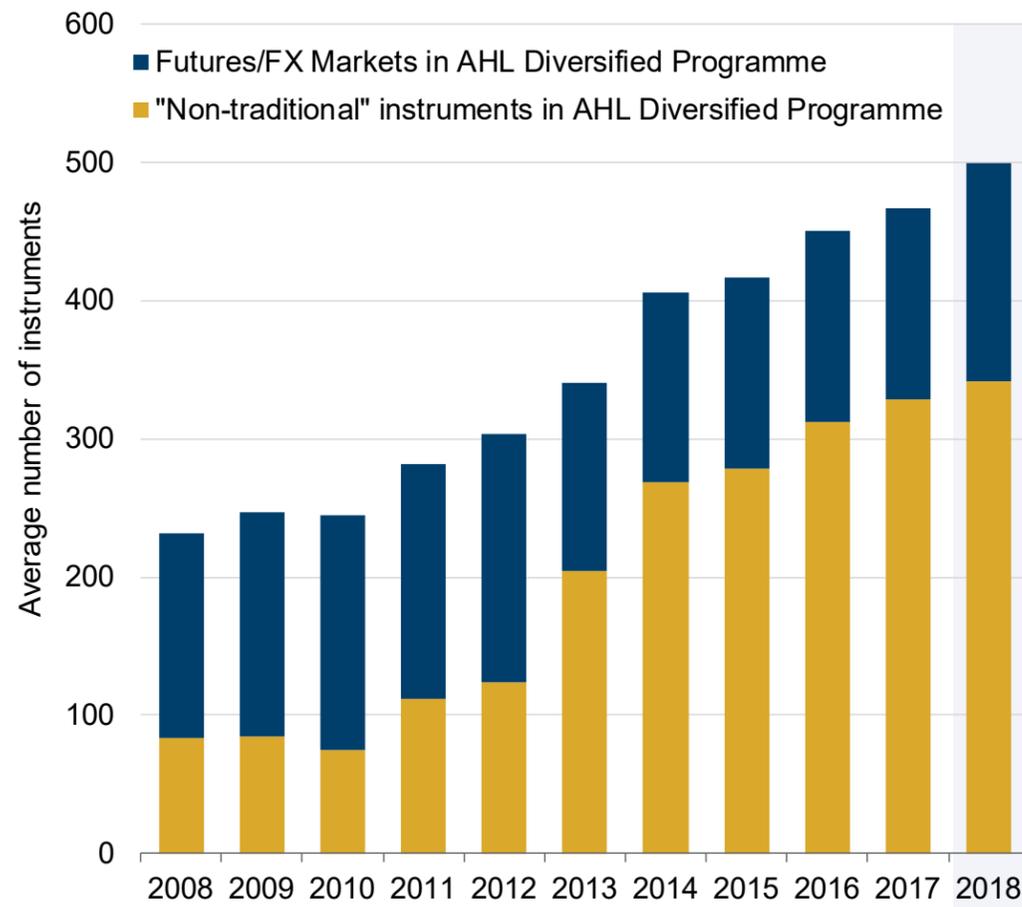
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1. Correlation is measured as the average pairwise 1-year correlations of trend-following returns of AHL's futures and FX instruments using current models. Date range: 1 January 1997 to 30 September 2019. Please note that the Barclay BTOP50 Index data over the past may be subject to change. Please note that the figures for the last month of Barclay BTOP 50 are based on estimates. Source: Man Group database and Bloomberg.

# New markets and models

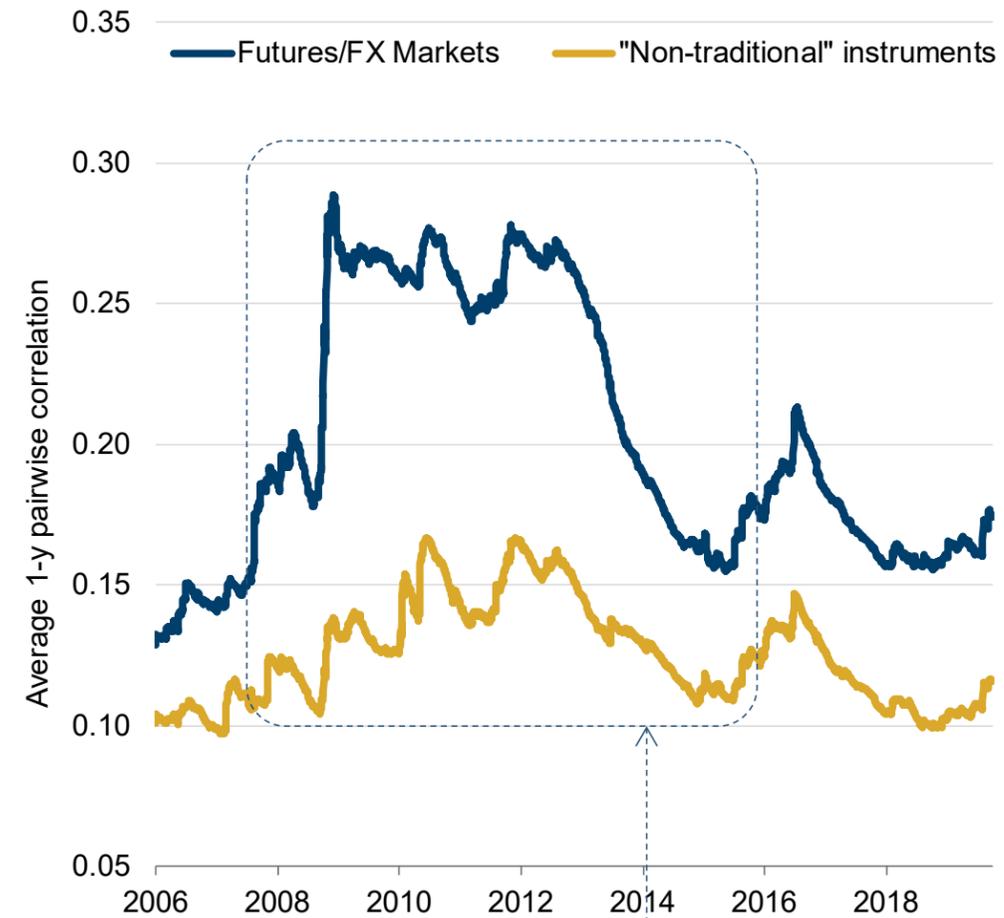
Highly diversified set of instruments, growing through time

## Adding markets and models



Number of traded instruments has doubled post 2008 as Programme expands into non-futures markets

## Correlation<sup>1</sup> between traded markets (1 Jan '06 to 30 Sep '19)



New instruments did not see the same level of correlation increase as Futures/FX markets post 2008

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1. "Non-traditional" instruments are represented by the instruments traded in the AHL Evolution Programme. Correlation is measured as average absolute correlation with 1y lookback.  
 2. As at September 30, 2019.  
 Source: Man Group database

# New markets and models

New research has added value



## Contribution to gross performance<sup>1</sup>

		Markets						
		Markets added to AHL Diversified Programme in						
		2012	2013	2014	2015	2016	2017	2018
Performance attributed to new markets in	2012	3.5%						
	2013	-0.6%	0.2%					
	2014	6.8%	2.4%	0.9%				
	2015	2.1%	1.7%	0.0%	0.5%			
	2016	1.4%	0.5%	0.2%	-0.2%	0.0%		
	2017	1.5%	0.4%	0.4%	1.3%	0.2%	0.1%	
	2018	1.0%	0.1%	0.3%	0.5%	0.4%	0.5%	0.1%

		Models						
		Models added to AHL Diversified Programme in						
		2012	2013	2014	2015	2016	2017	2018
Simulated performance attributed to new models in	2012	-0.5%						
	2013	-0.2%	0.5%					
	2014	5.4%	4.1%	4.2%				
	2015	6.6%	-0.9%	-0.2%	0.9%			
	2016	0.0%	-3.6%	-0.2%	-1.2%	0.8%		
	2017	-0.6%	0.6%	0.0%	0.1%	0.1%	0.0%	
	2018	-0.1%	2.0%	0.3%	0.4%	-0.8%	0.1%	0.1%

Past performance is not indicative of future results. Returns may increase or decrease as a result of currency fluctuations.

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Please note that the performance data is not intended to represent actual past or simulated past performance of an investment product. The data is based on a representative investment product or products that follow the programme. Investment product charges have not been applied. Performance shown in USD.

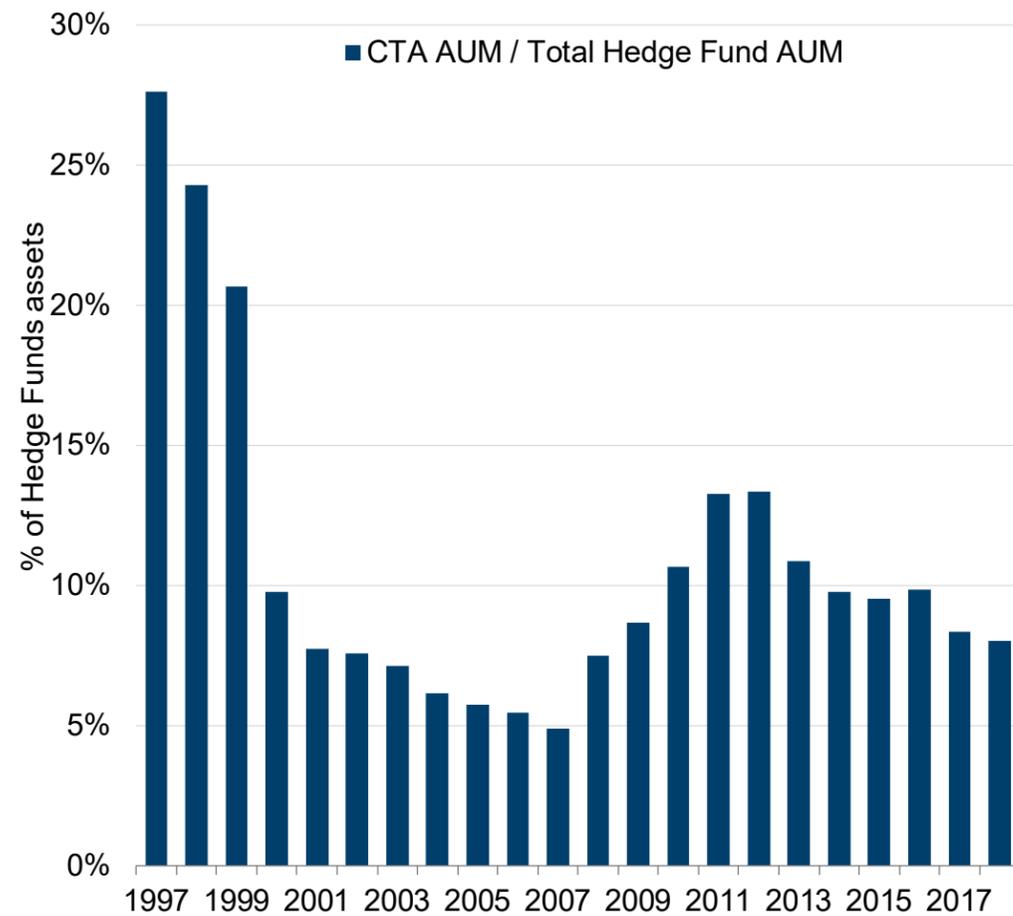
1. Contribution to gross performance AHL Diversified Programme to 31 December 2018. Attributions made by new models is based on predictor simulations.

Source: Man Group database.

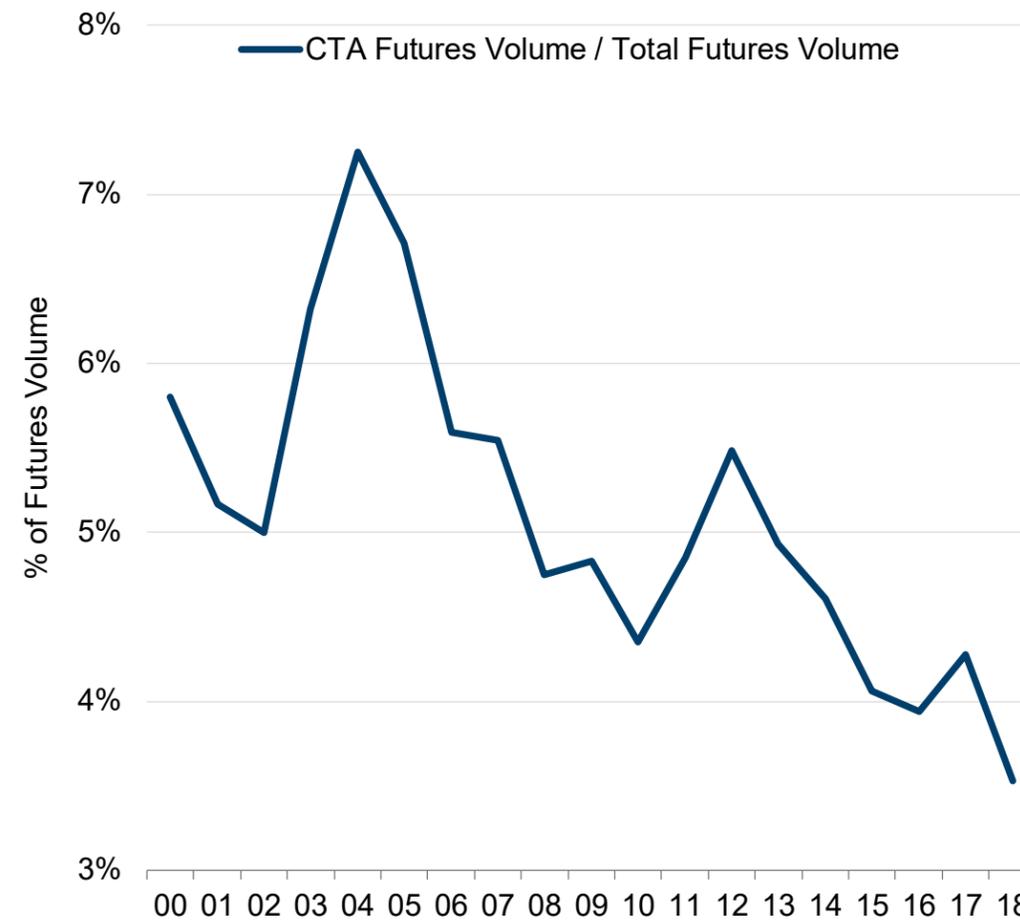
# Better environment for trend following

Managed Futures are a small part of hedge funds and futures markets

**Managed Futures AUM as % of Hedge Funds (1997–2018)<sup>1</sup>**



**Managed futures' participation in futures markets (2000–18)<sup>2</sup>**



**We believe the argument that Man AHL is too large lacks credibility**

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Data as at 31 December, 2018.

1. CTA and hedge fund AUM have been derived from the BarclayHedge database, where Bridgewater AUM have been omitted from the CTA universe.

2. Based on the total number of listed futures contracts traded by CTAs.

Source: Man Group database, BarclayHedge and fia.org

# Portfolio construction

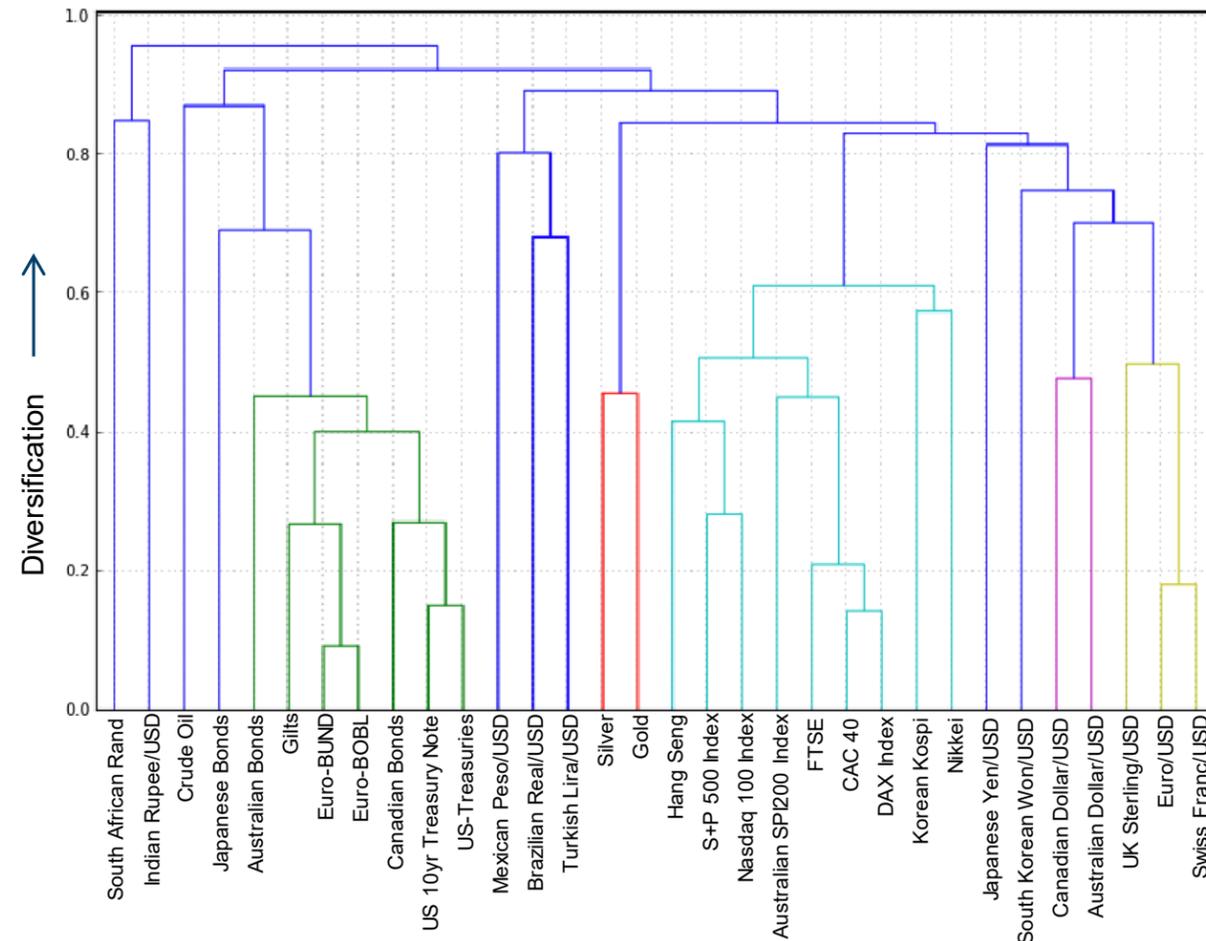
Use of clustering seeks to reduce uncertainty around correlations

## Maximum Diversification

- Bottom-up allocation
- Correlation of momentum returns more predictable than means
- Clustering creates 'ultra-metric' correlation matrix, and preserves structure between related groups
- Accounts for relationships across markets in different sectors
- Designed to maximise diversification for minimum turnover

**Improved realised diversification over equal allocation methodology**

## Example: Diversification through hierarchical clustering

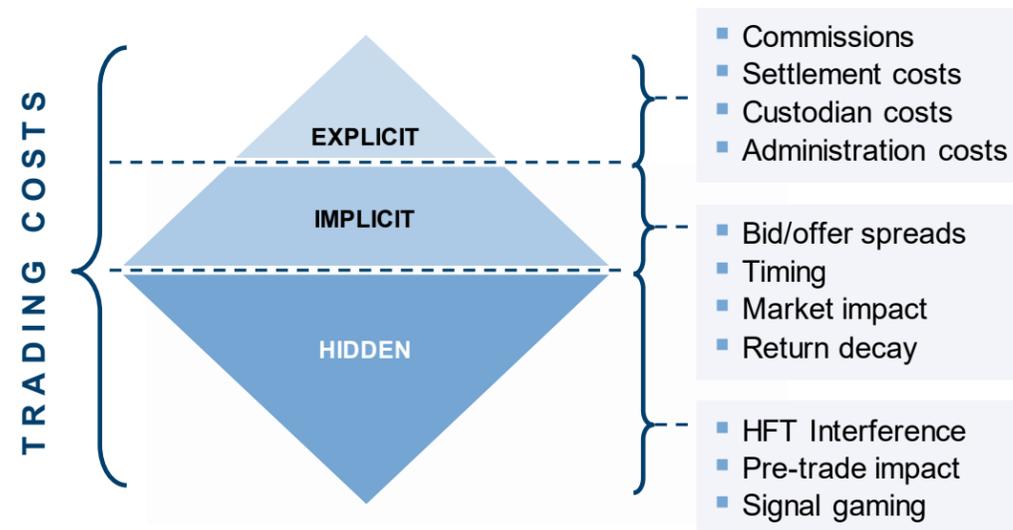


# Execution

Execution research yields significant benefits

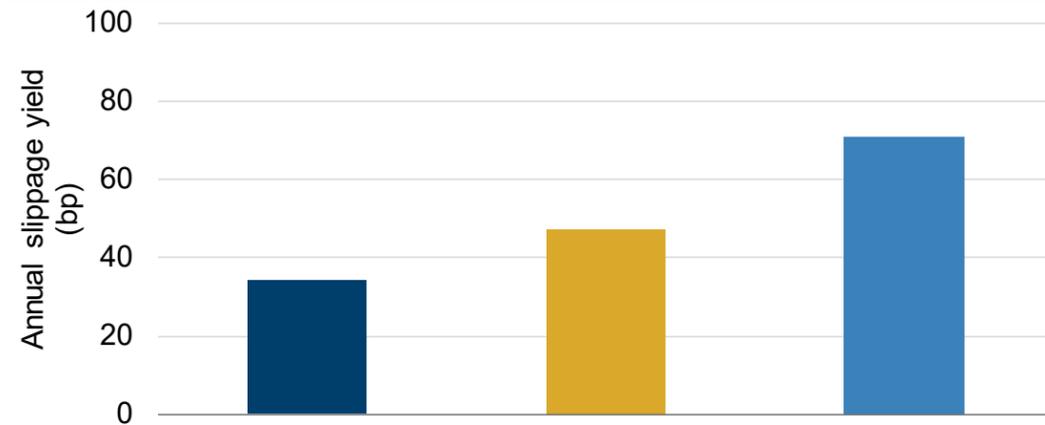
- Reactive models and active risk management only possible with efficient execution
- Man has **three decades of experience** in developing systematic trading methodologies
- Institutional scale helps sustain investment in **in-house developed global execution**
- Continuous R&D to improve platform and rigorous **benchmarking** with external brokers

## Why execution matters: total cost of accessing a market

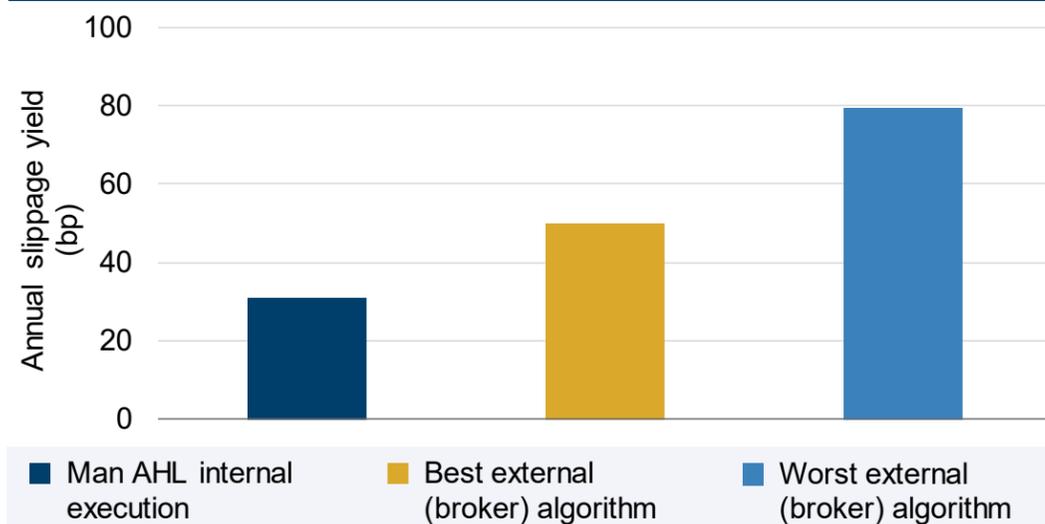


## Example of execution in AHL Diversified Programme in 2018<sup>1</sup>

### Futures algorithms



### FX algorithms



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1. The AHL slippage yields above are the realised annual costs to the programme during 2018 of electronically executed transactions. AHL executes a portion of its trades using broker algorithms for benchmarking purposes. The Best/Worst algo slippage numbers apply statistics derived from this portion of the flow to all electronically executed trades. For the futures component, a weighted average of equities and fixed income is used.

Any descriptions or information involving investment process or strategies is provided for illustration purposes only, may not be fully indicative of any present or future investments, may be changed in the discretion of the investment manager and are not intended to reflect performance. See Important Information at the beginning of this document.

Source: Man Group database

### Independent risk oversight

- Factor analysis, stress testing and VaR measurement
- Comprehensive portfolio risk reporting
- CRO (rarely) intervenes to reduce portfolio risks

### Market

- Margin-to-equity and gross exposure
- Liquidity monitoring: daily volumes and open interest
- Implied volatility

### Model

- Risk management built in during design phase of new systems
- Internal capital always used to test new strategies
- Daily reconciliation of system responses
- Slippage monitored on every trade

### Counterparty

- Multiple clearing and execution brokers
- Daily monitoring of credit ratings
- Very conservative cash management policy

### Disaster recovery

- Servers backed up in real-time in two locations
- Trading can take place out of three locations globally

### Examples: Risk reports for each underlying strategy, as well as bespoke portfolio

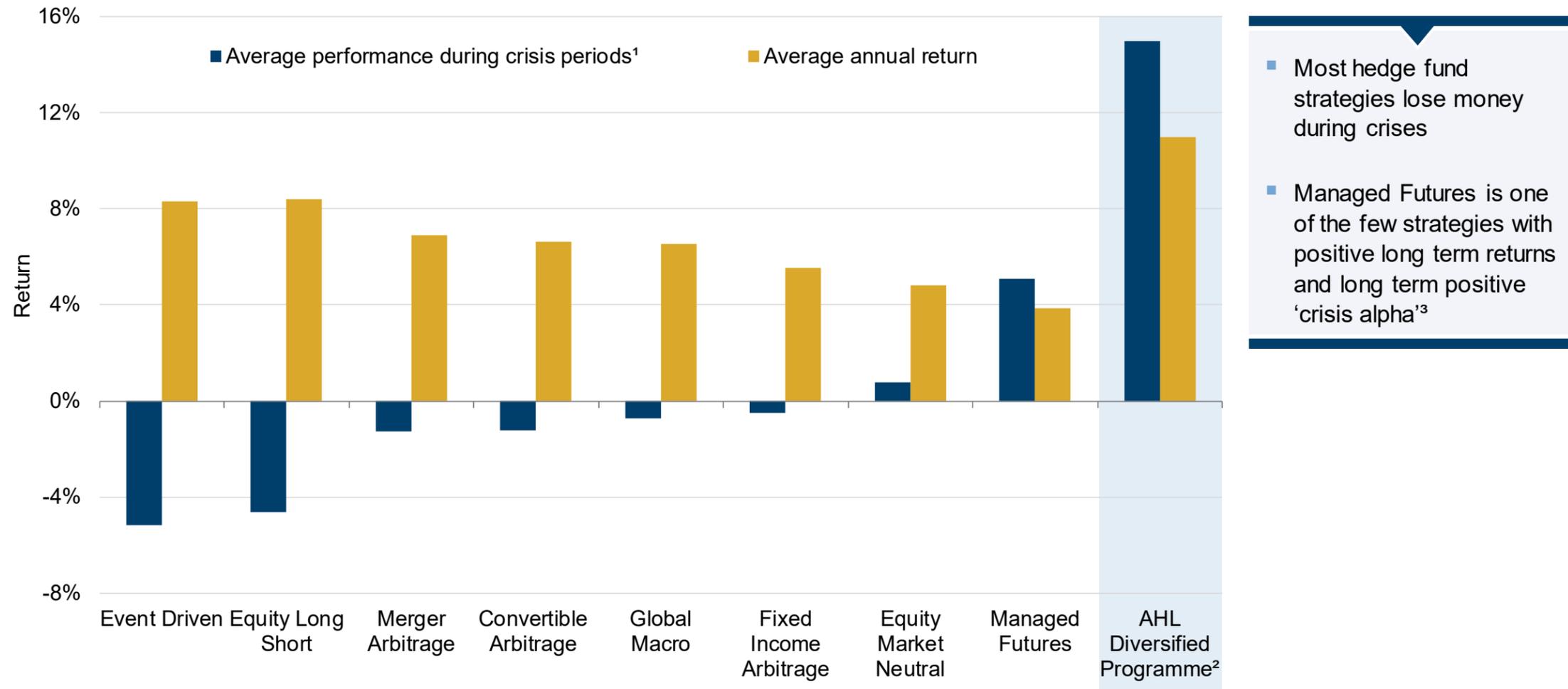


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# Crisis Alpha in the long term

## Performance during equity market stress

January 1, 1997 to December 31, 2018



- Most hedge fund strategies lose money during crises
- Managed Futures is one of the few strategies with positive long term returns and long term positive 'crisis alpha'<sup>3</sup>

Past performance is not indicative of future results. Returns may increase or decrease as a result of currency fluctuations.

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1. Crisis periods are exceptional and the results do not reflect typical performance. To a certain extent, the start and end dates of such events are subjective and different sources may suggest different date ranges, leading to different performance figures. As a consequence, they give no indication of likely performance. Crises are defined as when the S&P index is down more than 10% during a two month period. 2. Please note that the performance data is not intended to represent actual past or simulated past performance of an investment product. The data is based on a representative investment product or products that fully invest in the AHL Diversified Programme. An example fee load of 3%+1% and 20% has been applied. 3. Crisis alpha is average performance during crisis periods. Event Driven: BarclayHedge Event Driven index; Equity Long Short: BarclayHedge Equity Long/Short index; Merger Arbitrage: BarclayHedge Merger Arbitrage index; Convertible Arbitrage: BarclayHedge Convertible Arbitrage index; Global Macro: BarclayHedge Global Macro index; Fixed Income Arbitrage: BarclayHedge Fixed Income Arbitrage index; Equity Market Neutral: BarclayHedge Equity Market Neutral index; Managed Futures: Barclay BTOP50 index. The indices shown on this slide are not formal benchmarks and are not representative of the Strategy's investment strategy. The information is shown for comparison purposes only. Source: Man Group database, CME Group and BarclayHedge.

### AHL Diversified Programme aims to offer:

- access to a strategy with a proven track record
- the benefits of Man AHL's 30 year experience
- transparency on process and model features
- a trend following strategy that is able to benefit from the current strong prospects
- more markets and strong research as a source of differentiation versus competitors
- a highly diversifying addition to portfolios

## Investments Objectives

- To achieve capital appreciation through investment returns that have a low correlation to traditional forms of stock and bond securities.

## Features

- Exposure to the AHL Diversified Programme which has an 20 year proven track record and an annualized net return of 11.3%<sup>1</sup>.
- Access to a diversified range of financial instruments in markets including stocks, bonds, currencies, short-term interest rates, energies, metals, credit and agricultural commodities.

## Product Structure

- Commodity pool structured as an open-ended investment trust.
- Provides exposure to the AHL Diversified Programme.

Past performance is not indicative of future results.

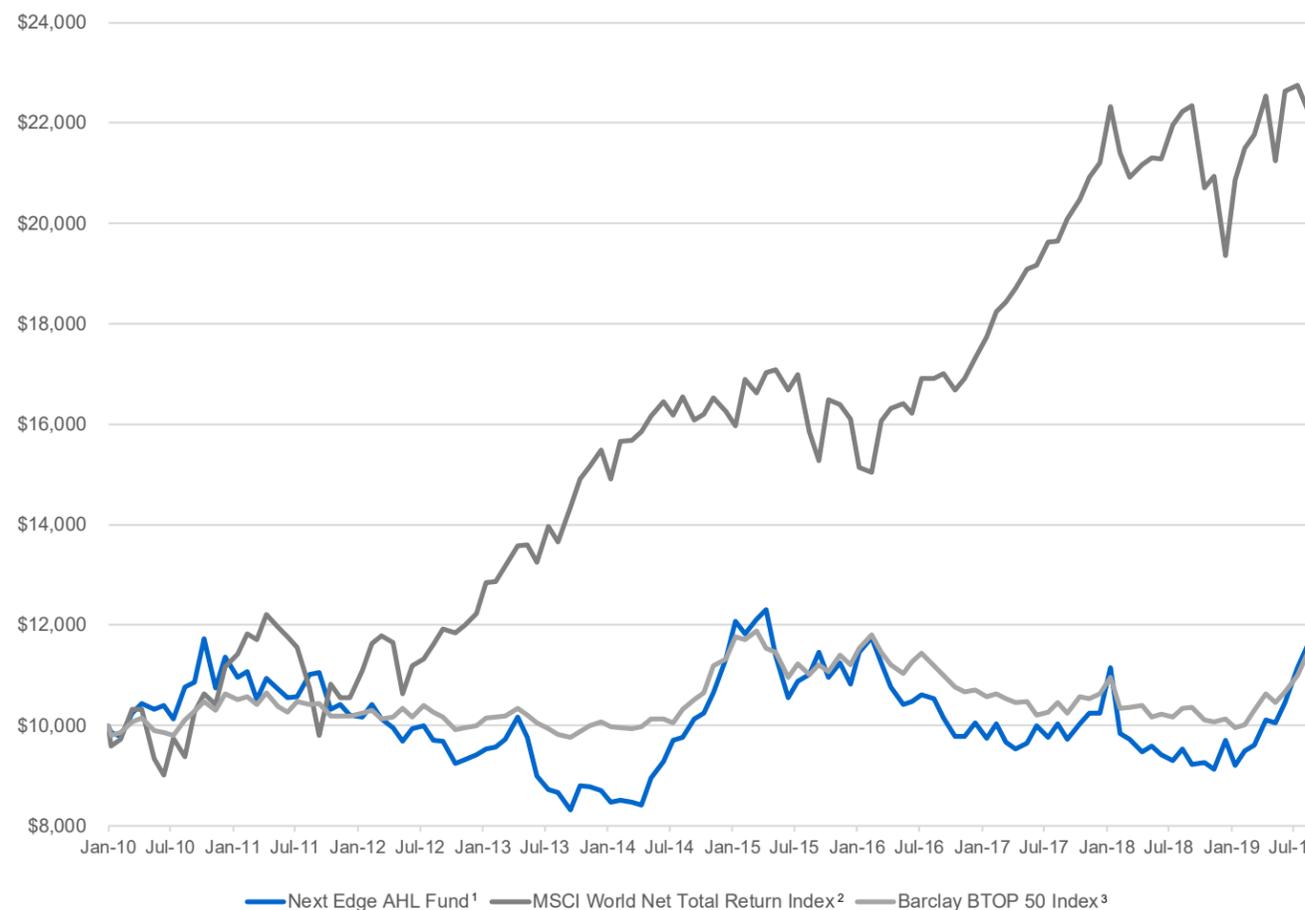
Source: Man Group database

### IMPORTANT INFORMATION

1. The Fund obtains economic exposure to an investment portfolio (the 'Underlying Assets') managed by an unaffiliated investment manager, AHL Partners LLP (the 'Investment Manager') that ultimately invests in a diversified portfolio of financial instruments across a range of global markets including stocks, bonds, currencies, short-term interest rates, energies, metals, credit and agricultural commodities using a trend-following trading program (the 'AHL Diversified Programme'). The AHL Diversified Programme is implemented and managed by AHL ('AHL'), a division of the Investment Manager. AHL Diversified plc. is also accessed by the AHL Diversified Programme. Man AHL Diversified plc is an open-ended investment company organized under the laws of Ireland and listed on the Irish Stock Exchange. While it is intended that the Underlying Assets will be managed with the same investment objectives and strategies used by the Investment Manager in managing the assets of Man AHL Diversified plc, their investments may not be identical and the returns of the Underlying Assets will differ from the returns of Man AHL Diversified plc. Differences in performance will be due to a number of factors including but not limited to fees, taxes, currency hedging, foreign exchange, variations in trading programmes and allocations, cash flows and asset size. The leverage, strategy and investments of Man AHL Diversified plc have varied over time and as a result performance in any future period will vary. The information about the performance of Man AHL Diversified plc is not, and should not be construed to be, an indication about the future performance of the Underlying Assets or the Fund. The historical annualized rates of the AHL Diversified Programme are represented by the returns for AHL Diversified plc., which as of September 30, 2019 are 1yr 20.33%, 3yr 4.68%, 5yr 3.15%, 10yr 2.96% and CARR 11.30%.

# Performance of Next Edge AHL Fund – Class A<sup>1</sup>

December 29, 2009 to September 30, 2019



	AHL FUND <sup>1</sup>	World Stocks <sup>2</sup>	Managed Futures <sup>3</sup>
<b>Last Month</b>	-4.65%	2.13%	-3.08%
<b>Last Quarter</b>	5.68%	0.53%	3.67%
<b>Year to Date</b>	13.84%	17.61%	9.17%
<b>Last 12 Months</b>	19.75%	1.83%	6.92%
<b>Annualized Return</b>	1.02%	8.80%	1.05%
<b>Annualized Volatility</b>	13.04%	13.13%	6.59%
<b>Sharpe Ratio<sup>4</sup></b>	0.01	0.61	0.03
<b>Correlation<sup>5</sup></b>	1.00	0.01	0.72
<b>Worst Drawdown</b>	-29.04%	-19.64%	-16.12%

Past performance is not indicative of future results.

Source: Man Group database and Bloomberg

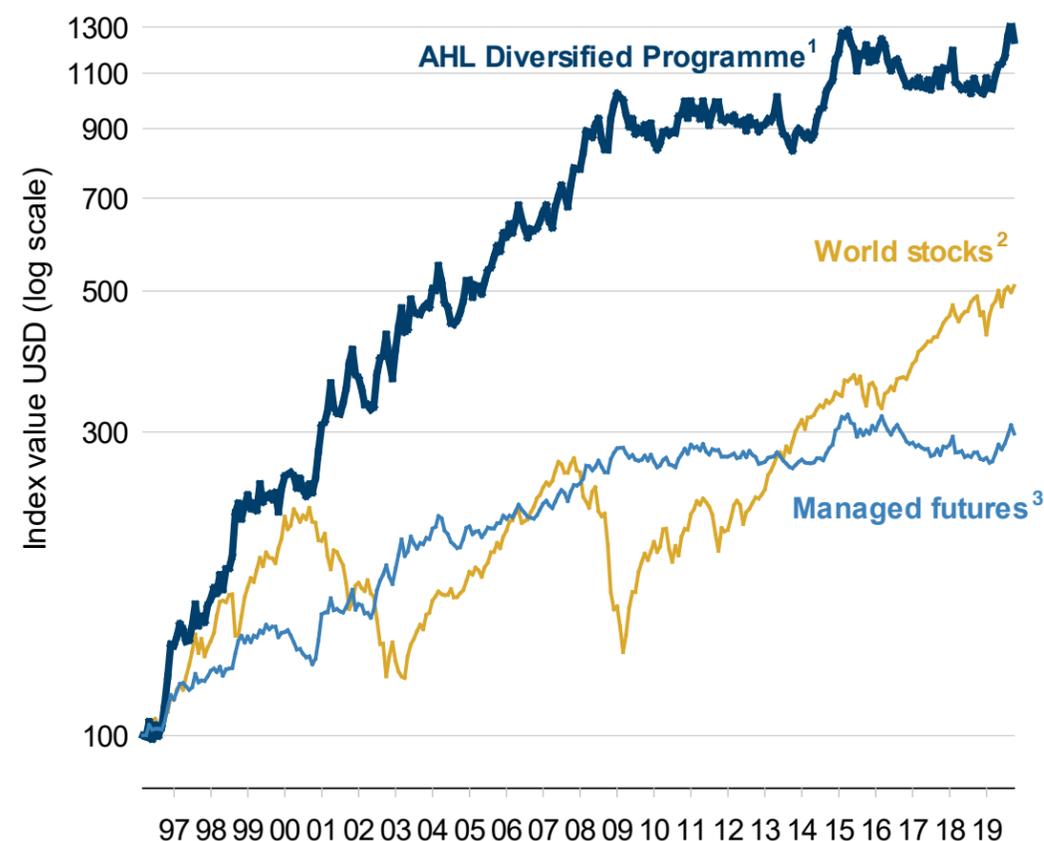
1. Next Edge AHL Fund (the "Fund") returns are net of all fees and expenses associated with Class A Units charged from December 28, 2009 (trading start date.) The historical annualized rates of return for the Next Edge AHL Fund Class A Units as of September 30, 2019 are 1 yr 19.75%, 3 yr 2.83%, 5 yr 1.75%, 10 yr N/A, and CARR 1.02%. The Fund obtains exposure to the returns of a diversified portfolio of financial instruments across a range of global markets including, without limitation, stocks, bonds, currencies, short-term interest rates, energy, metals and agricultural commodities (the "Underlying Assets") managed by AHL Partners LLP (the "Investment Manager") using a predominantly trend-following trading program (the "AHL Diversified Programme"). The AHL Diversified Programme is implemented and managed by the Investment Manager. The AHL Diversified Programme is also accessed by Man AHL Diversified plc. Man AHL Diversified plc is an open-ended investment company organized under the laws of Ireland and listed on the Irish Stock Exchange. While it is intended that the Underlying Assets will be managed with the same investment objectives and strategies used by the Investment Manager in managing the assets of Man AHL Diversified plc, their investments may not be identical and the returns of the Underlying Assets will differ from the returns of Man AHL Diversified plc. Differences in performance will be due to a number of factors including but not limited to fees, taxes, currency hedging, foreign exchange, variations in trading programmes and allocations, cash flows and asset size. The leverage, strategy and investments of Man AHL Diversified plc have varied over time and as a result performance in any future period will vary. The information about the performance of Man AHL Diversified plc is not, and should not be construed to be, an indication about the future performance of the Underlying Assets or the Fund. 2. World stocks: MSCI World Net Total Return Index. The historical annualized rates of return as of September 30, 2019 are 1 yr 1.83%, 3 yr 10.21%, 5 yr 7.18%, 10 yr N/A, and CARR 8.80%. 3. Managed Futures: Barclays BTOP50 Index. Please note that the Barclay BTOP 50 Index data may be subject to change. Please note that the last two months figures for Barclay BTOP 50 are based on estimates. The historical annualized rates of return as of September 30, 2019 are 1 yr 6.92%, 3 yr 0.21%, 5 yr 1.04%, 10 yr N/A, and CARR 1.05%. When 12 months of performance data is unavailable for a calendar year, partial year to date is shown. The indices shown are not benchmarks as they are not representative of the Fund's investment strategy. They shall be used as a comparison of different strategies only. Please note that if no index is offered for selection, we refrain from showing financial indices as no such index would be representative of the Fund's investment strategy and a comparison of strategies would be misleading. 4. Sharpe ratio is calculated using the risk-free rate in the appropriate currency over the period analyzed. 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 shown as N/A, as they can be misleading. Financial statistics that assume a normal distribution of returns from an investment strategy such as volatility, correlation and Sharpe ratio, may underrepresent the risk of sizeable rapid losses from such investment strategy. 5. In a correlation matrix the values can vary between minus one (perfect negative correlation), through zero (no correlation), to plus one (perfect positive correlation.) There is no guarantee of trading performance and past or projected performance is not a reliable indicator of future performance. Returns may increase or decrease as a result of currency fluctuation.

# Performance

## AHL Diversified Programme<sup>1</sup>: Track record



### March 26, 1996 to September 30, 2019



	AHL Diversified Programme <sup>1</sup>	World stocks <sup>2</sup>	Managed Futures <sup>3</sup>
<b>Annualised return</b>	<b>11.3%</b>	7.1%	4.7%
<b>Annualised volatility</b>	<b>16.2%</b>	13.9%	8.1%
<b>Worst drawdown</b>	<b>-20.4%</b>	-50.4%	-16.1%
<b>Sharpe ratio<sup>4</sup></b>	<b>0.53</b>	0.32	0.26
<b>Date of worst drawdown</b>	<b>Mar 15 to Nov 18</b>	Oct 07 to Feb 09	Mar 15 to present
<b>Correlation<sup>5</sup></b>	<b>1.00</b>	-0.11	0.87

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Past performance is not indicative of future results.

1. The Fund obtains economic exposure to an investment portfolio (the 'Underlying Assets') managed by an unaffiliated investment manager, AHL Partners LLP (the 'Investment Manager') that ultimately invests in a diversified portfolio of financial instruments across a range of global markets including stocks, bonds, currencies, short-term interest rates, energies, metals, credit and agricultural commodities using a trend-following trading program (the 'AHL Diversified Programme'). The AHL Diversified Programme is implemented and managed by AHL ('AHL'), a division of the Investment Manager. AHL Diversified plc. is also accessed by the AHL Diversified Programme. Man AHL Diversified plc is an open-ended investment company organized under the laws of Ireland and listed on the Irish Stock Exchange. While it is intended that the Underlying Assets will be managed with the same investment objectives and strategies used by the Investment Manager in managing the assets of Man AHL Diversified plc, their investments may not be identical and the returns of the Underlying Assets will differ from the returns of Man AHL Diversified plc. Differences in performance will be due to a number of factors including but not limited to fees, taxes, currency hedging, foreign exchange, variations in trading programmes and allocations, cash flows and asset size. The leverage, strategy and investments of Man AHL Diversified plc have varied over time and as a result performance in any future period will vary. The information about the performance of Man AHL Diversified plc is not, and should not be construed to be, an indication about the future performance of the Underlying Assets or the Fund. The historical annualized rates of the AHL Diversified Programme are represented by the returns for AHL Diversified plc., which as of September 30, 2019 are 1yr 20.33%, 3yr 4.68%, 5yr 3.15%, 10yr 2.96% and CARR 11.30%. 2. World stocks: MSCI World Net Total Return Index hedged to USD. The historical annualized rates of return as of September 30, 2019 are 1 yr 1.83%, 3 yr 10.21%, 5 yr 7.18%, 10 yr N/A, and CARR 8.80%. 3. Managed Futures: Barclay BTOP 50 Index. Please note that the Barclay BTOP 50 Index data may be subject to change. Please note that the last two months figures for Barclay BTOP 50 are based on estimates. The historical annualized rates of return as of September 30, 2019 are 1 yr 6.92%, 3 yr 0.21%, 5 yr 1.04%, 10 yr N/A, and CARR 1.05%. The indices shown are selected by the Investment Manager for performance illustration and comparison purposes only. They are not formal benchmarks and do not form part of the programme's investment objective or investment policy. 4. Sharpe ratio is calculated using the risk-free rate in the appropriate currency over the period analyzed. 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 shown as N/A, as they can be misleading. Financial statistics that assume a normal distribution of returns from an investment strategy such as volatility, correlation and Sharpe ratio, may underrepresent the risk of sizeable rapid losses from such investment strategy. 5. In a correlation matrix the values can vary between minus one (perfect negative correlation), through zero (no correlation), to plus one (perfect positive correlation.) There is no guarantee of trading performance and past or projected performance is not a reliable indicator of future performance. Returns may increase or decrease as a result of currency fluctuation.

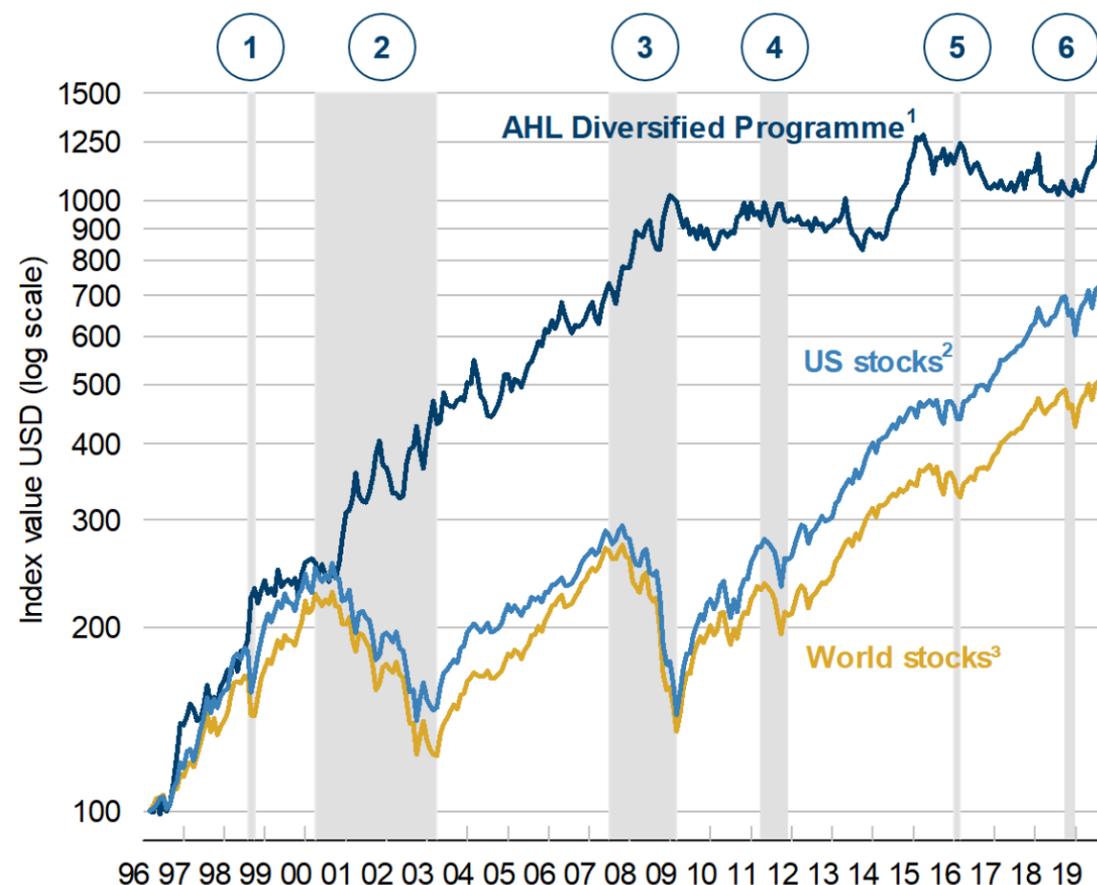
Source: Man Group database, MSCI and Bloomberg

# Performance

Performance during difficult equity market conditions



March 26, 1996 to September 30, 2019



	Total return over the period	AHL Diversified Programme <sup>1</sup>	US stocks <sup>2</sup>	World stocks <sup>3</sup>
①	<b>Russian crisis and LTCM difficulty</b> 1 Aug 1998 to 30 Sep 1998	<b>21.1%</b>	-9.0%	-14.0%
②	<b>Equity bear market</b> 1 Apr 2000 to 31 Mar 2003	<b>68.7%</b>	-40.9%	-45.7%
③	<b>Credit crisis</b> 1 Jul 2007 to 28 Feb 2009	<b>36.1%</b>	-49.2%	-49.3%
④	<b>European sovereign debt crisis</b> 1 Apr 2011 to 30 Sep 2011	<b>6.1%</b>	-13.8%	-15.4%
⑤	<b>China crisis</b> 1 Jan 2016 to 28 Feb 2016	<b>7.7%</b>	-5.1%	-6.8%
⑥	<b>Q4 2018 Sell-off</b> 1 Oct 2018 to 31 Dec 2018	<b>3.5%</b>	-13.5%	-12.9%

The periods selected are exceptional and these results do not reflect typical performance. As a consequence, they give no indication of likely performance. Additionally, selective periods are subjective and may be different to periods selected as exceptional by other sources.

Past performance is not indicative of future results. Returns may increase or decrease as a result of currency fluctuations.

1. Please note that the performance data is not intended to represent actual past or simulated past performance of an investment product. The data is based on a representative investment product or products that fully invest in the AHL Diversified Programme. An example fee load of 3% Management fee + 1% Broker fee and 20% Performance fee has been applied. 2. US stocks: S&P 500 Index (Local Currency Gross Dividend Total Return). 3. World stocks: MSCI World Net Total Return Index hedged to USD. Source: Man Group database, MSCI and Bloomberg

# Historical Performance of The Strategy

Next Edge AHL Fund, Man AHL Diversified (Canada) Fund & AHL Diversified Programme

March 26, 1996 to September 30, 2019



	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2019	-5.03%	3.11%	1.24%	5.20%	-0.71%	4.02%	6.69%	3.88%	-4.65%	--	--	--	13.84%**
2018	8.77%	-11.71%	-1.10%	-2.70%	1.19%	-1.81%	-1.17%	2.51%	-3.28%	0.35%	-1.39%	6.30%	-5.35%
2017	-2.94%	3.00%	-3.65%	-1.48%	1.25%	3.52%	-2.23%	2.78%	-3.19%	3.32%	2.07%	-0.02%	2.02%
2016	5.99%	2.52%	-4.37%	-4.23%	-3.17%	0.51%	1.32%	-0.68%	-3.67%	-3.64%	-0.04%	2.70%	-7.13%
2015	6.70%	-2.13%	2.45%	1.66%	-7.48%	-7.30%	3.00%	1.34%	4.04%	-4.47%	2.67%	-3.80%	-4.42%
2014	-2.64%	0.36%	-0.45%	-0.66%	6.51%	3.73%	4.47%	0.68%	3.64%	1.14%	4.05%	6.20%	30.03%
2013	1.27%	0.45%	1.57%	4.62%	-3.95%	-7.89%	-3.07%	-0.75%	-3.84%	5.69%	-0.31%	-0.79%	-7.54%
2012	-0.29%	2.48%	-2.80%	-1.81%	-2.54%	2.58%	0.48%	-2.91%	-0.24%	-4.42%	0.77%	0.98%	-7.72%
2011	-3.59%	1.10%	-5.06%	4.10%	-1.94%	-1.59%	0.13%	4.22%	0.25%	-6.58%	1.01%	-2.17%	-10.22%
2010	-1.31%	-0.83%	4.70%	1.81%	-1.11%	0.83%	-2.57%	6.25%	0.87%	8.03%	-8.42%	5.73%	13.63%
2009	-0.60%	-1.20%	-5.22%	-4.71%	1.72%	-4.96%	1.78%	-1.45%	2.20%	-4.19%	4.84%	-11.01%	-21.43%
2008	4.97%	7.26%	-0.03%	-1.49%	3.60%	1.59%	-7.49%	-3.86%	-0.39%	13.30%	4.34%	3.50%	26.49%
2007	1.36%	-5.90%	-2.85%	6.73%	3.48%	3.48%	-1.58%	-5.22%	7.15%	5.11%	-0.06%	-0.31%	10.82%
2006	3.91%	-0.79%	-1.97%	8.84%	-3.35%	-1.14%	-5.44%	1.14%	1.81%	0.18%	1.92%	2.32%	7.25%
2005	-6.56%	4.34%	-1.16%	-2.34%	2.82%	6.95%	-0.31%	2.30%	3.98%	0.66%	6.28%	-0.55%	16.77%
2004	4.48%	-1.00%	-0.86%	-4.45%	-3.41%	-4.86%	-2.01%	1.46%	2.83%	7.14%	6.44%	0.15%	5.15%
2003	6.93%	8.09%	-8.27%	-0.97%	13.46%	-4.02%	-0.24%	-0.88%	1.07%	2.52%	-3.36%	8.03%	22.30%
2002	-3.53%	-4.66%	-1.96%	-1.91%	-0.19%	12.97%	5.74%	2.47%	8.26%	-9.60%	-4.61%	10.42%	11.39%
2001	-0.10%	2.92%	11.83%	-6.30%	-2.13%	1.46%	1.62%	0.81%	16.39%	0.90%	-4.66%	-2.46%	19.70%
2000	1.14%	-0.16%	-2.45%	-4.19%	7.00%	-5.33%	-2.18%	3.45%	-0.61%	4.62%	3.75%	14.92%	19.93%
1999	-4.73%	2.33%	-2.15%	6.37%	-3.80%	2.66%	-2.76%	3.27%	2.62%	-4.18%	4.78%	2.75%	6.53%
1998	-2.54%	5.82%	1.20%	-2.77%	4.95%	3.94%	-0.37%	19.87%	0.36%	0.04%	2.40%	3.78%	41.05%
1997	3.14%	6.44%	-2.33%	-4.15%	0.78%	4.58%	9.43%	-8.00%	2.14%	2.10%	-1.99%	10.80%	23.49%
1996	--	--	--	4.40%	-2.49%	0.49%	-2.15%	0.60%	10.63%	8.62%	9.83%	3.16%	37.10%**

Past performance is not indicative of future results.

1. From January 1, 2010 to the present date, the performance of the Next Edge AHL Fund – Class A Units (net of all fees and expenses.)

2. From November 1, 2006 to December 31, 2009 the performance of Man AHL Diversified (Canada) Fund – Class A Units (net of all fees and expenses with dividends reinvested.)

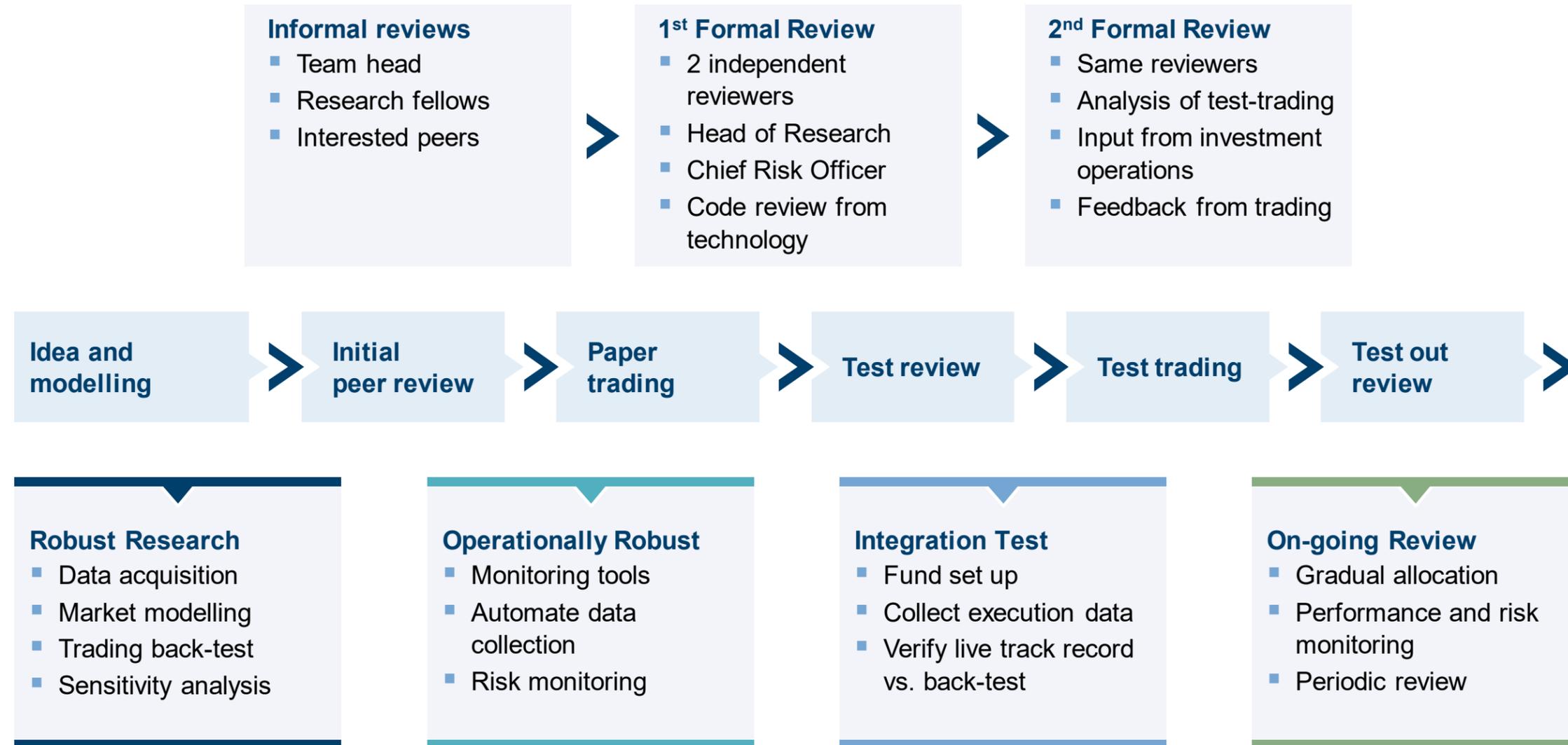
3. This information is on the underlying programme and not the Fund. AHL Diversified Programme represented by the performance of Man AHL Diversified plc from March 26, 1996 to October 31, 2006 (hedged from USD to CAD using the relevant 3 month risk free rate differentials and net of all fees and expenses.) The Investment Manager manages the assets of the AHL Portfolio in accordance with the AHL Diversified Programme. While it is intended that the Underlying Assets will be managed with the same investment objectives in managing the assets of AHL Diversified Programme, their investments may not be identical and the returns of the AHL Portfolio will differ from the returns of AHL Diversified Programme. Differences in performance will be due to a number of factors including but not limited to fees, expenses, taxes, currency hedging, foreign exchange, variations in trading programmes and allocations, variations in notional exposure, investments not being identical, cash flows and asset size. The leverage, strategy and investments of AHL Diversified Programme have varied over time and as a result performance in any future period will vary. AHL Diversified Programme is valued weekly, however, for comparative purposes, statistics have been calculated using the last weekly valuation for each month.

\*\*Part Year

## Appendix

# Research Process

How does a new model enter the portfolio?



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## Matthew Sargaion

Matthew Sargaion is Co-Chief Executive Officer of Man AHL, acting Chief Investment Officer, and a member of the Man Group Executive Committee. Matthew was previously Man AHL's Chief Investment Officer, with overall responsibility for investment management and research from 2012 and 2017, as well as Chief Risk Officer between 2009 and 2012. Before joining Man AHL in 2009, he spent 13 years working at Deutsche Bank, Barclays Capital and UBS. Matthew originally worked for Man AHL from 1992 to 1995 as a trading system researcher and institutional product designer. Matthew holds a degree in Mathematics from the University of Cambridge and a Master's Degree in advanced computer science from the University of Sheffield.



## Antoine Forterre

Antoine Forterre is Co-Chief Executive Officer of Man AHL ('AHL') and a member of the Man Executive Committee. He was previously its Chief Operating Officer, with overall responsibility for technology and other non-investment functions. Antoine was previously Head of Corporate Development and Group Treasurer of Man Group, where he was responsible for sourcing and executing acquisitions as well as managing the Group's capital markets activities. Before joining Man Group in 2011, Antoine worked at Goldman Sachs in Securities, Asset Management and Investment Banking. Antoine graduated from ESSEC with a Masters in Finance and Strategy.



## Kate Straker

Kate Straker is Chief Operating Officer of Man AHL ('AHL'), having previously been responsible for product strategy and project management. Kate joined Man Group in 2006 and prior to joining AHL worked in a number of areas across the group, including product development and operations. She qualified as an ACA with PKF (UK) LLP, which is now part of BDO LLP and holds a first class degree in Pathology and Microbiology from the University of Bristol.



## James Munro

James Munro is Chief Technology Officer of Man AHL. James leads Man AHL's ('AHL') technology team and is responsible for AHL's Research and Trading Systems. He works with Man Group's central trading technology and quant platform teams along with the research and operations teams within AHL to deliver and maintain the outcomes of our quant research process in trading. James has been an Engineer at AHL since 2011 and holds a PhD in Theoretical Physics from University College London.



## Russell Korgaonkar

Russell Korgaonkar is Director of Investment Strategies of Man AHL ('AHL'), and a member of AHL's management and investment committees. He has overall responsibility for AHL's Liquid Strategies unit, which creates and runs scalable systematic strategies, as well as the Institutional Solutions business. Russell joined the firm in 2001 as a researcher and later portfolio manager focused on systematic cash equity strategies, and was instrumental in building up AHL's expertise in this space. In 2011 he became Head of Portfolio Management, responsible for constructing and managing AHL's growing range of portfolios, and was promoted to his current role in June 2017. Russell holds a BA/MA (First Class) in Physics from the University of Oxford.



## Graham Robertson

Graham Robertson is the Head of Client Portfolio Management at Man AHL ('AHL') with principal responsibility for client communication. Prior to joining AHL in 2011, Dr Robertson developed capital structure arbitrage strategies at KBC Alternative Investment Management and equity derivative relative value models for Vicis Capital. He started his career at Credit Suisse in fixed income markets before moving to Commerzbank where he established the relative value team and subsequently became Head of Credit Strategy. Graham holds a DPhil from Oxford University in Seismology and a BSc in Geophysics from Edinburgh University.



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