



Man AHL Diversified Futures Ltd

Report and Financial Statements for the year ended 30 September 2023

| | Page |
|---|------|
| Directory | 2 |
| Report of the Custodian | 3 |
| Statement of financial position | 4 |
| Statement of changes in equity | 5 |
| Statement of comprehensive income | 6 |
| Statement of cash flows | 7 |
| Notes to the financial statements | 8 |
| Unaudited condensed schedule of investments | 34 |
| Independent Auditors' Report | 47 |

Board of Directors

Michael Collins
Dawn Griffiths
David Smith

Registered Office of the Fund

(Until 30 April 2023)

5 Reid Street
Hamilton HM 11
Bermuda

(Effective 1 May 2023)

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Company Secretary

(Until 30 April 2023)

Christine Perinchief
c/o SS&C Fund Services (Bermuda) Ltd.
5 Reid Street
Hamilton HM 11
Bermuda

(Effective 1 May 2023)

Conyers Corporate Services (Bermuda) Limited
2 Church Street
Hamilton HM 11
Bermuda

Investment Manager and Introducing Broker

AHL Partners LLP
2 Swan Lane
Riverbank House
London EC4R 3AD
United Kingdom

Services Manager and Marketing Adviser

Man Investments AG
Huobstrasse 3
8808 Pfaffikon SZ
Switzerland

Legal advisor as to Bermudian Law

Conyers Dill & Pearman Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Auditor

Deloitte Ireland LLP
Deloitte & Touche House
29 Earlsfort Terrace
Dublin 2
Ireland

Custodian

The Bank of New York Mellon SA/NV, Dublin Branch
Riverside II
Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2
Ireland

Administrator

BNY Mellon Fund Services (Ireland) Designated Activity Company
One Dockland Central
Guild Street
IFSC
Dublin 1
Ireland

Hong Kong Branch of Administrator

The Bank of New York Mellon Alternative Investment Services
Level 24
Three Pacific Place
1 Queen's Road East
Hong Kong

Registrar

BNY Mellon Alternative Investment Services Ltd.
Ingham and Wilkinson Building
4th Floor
129 Front Street
Hamilton HM 12
Bermuda

Hong Kong Representative

Man Investments (Hong Kong) Limited
Unit 2206-2207
22nd Floor
Man Yee Building
68 Des Voeux Road Central
Hong Kong



BNY MELLON

The Bank of New York Mellon SA/NV,
Dublin Branch
Riverside II, Sir John Rogerson's Quay,
Grand Canal Dock, Dublin 2, D02 KV60

T +353 1 900 7920
F +353 1 829 1024

REPORT FROM THE CUSTODIAN TO THE SHAREHOLDERS DATED 11 DECEMBER 2023

For the period from 1 October 2022 to 30 September 2023 (the “**Period**”)

The Bank of New York Mellon, SA/NV, Dublin Branch (the “**Custodian**” “**us**”, “**we**”, or “**our**”) has enquired into the conduct of Man AHL Diversified Futures Ltd (the “**Company**”) for the Period, in its capacity as Custodian to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company, in accordance with our role as Custodian to the Company and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Custodian

Our duties and responsibilities with respect to disclosure to shareholders are outlined in Part II, Chapter 4.5 (f) of the Securities and Futures Commission of Hong Kong's Code on Unit Trusts and Mutual Funds of 1 January 2019 (as amended) (the “**Regulations**”).

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company's constitutional documentation and the Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not been so managed, we as Custodian must state in what respects it has not been so managed and the steps which we have taken in respect thereof.

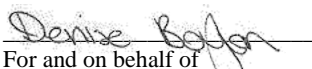
Basis of Custodian Opinion

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the Period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the constitutional documentation and the Regulations; and
- (ii) otherwise in accordance with the provisions of the constitutional documentation and the Regulations.



For and on behalf of
The Bank of New York Mellon, SA/NV, Dublin Branch,
Riverside II,
Sir John Rogerson's Quay,
Grand Canal Dock,
Dublin 2.

Registered in Ireland No. 907126, VAT No. IE9578054E

The Bank of New York Mellon SA/NV, trading as The Bank of New York Mellon SA/NV, Dublin Branch is authorised by the National Bank of Belgium and regulated by the Central Bank of Ireland for conduct of business rules.

The Bank of New York Mellon SA/NV, Boulevard Anspachlaan 1, B-1000 Brussels Belgium – Tel. (32) 2 545 81 11, V.A.T. BE 0806.743.159-RPM-RPR Brussels Company No. 0806.743.159. The Bank of New York Mellon SA/NV is a Belgian limited liability company, authorized and regulated as a significant credit institution by the European Central Bank and the National Bank of Belgium under the Single Supervisory Mechanism and by the Belgian Financial Services and Markets Authority.

Man AHL Diversified Futures Ltd

Statement of financial position

As at 30 September 2023



| | Notes | 2023 US\$ | 2022 US\$ |
|--|-------|---------------------|---------------------|
| Assets | | | |
| Cash and cash equivalents | 3 | 19,631,027 | 26,276,625 |
| Collateral balances with brokers | 3 | 15,503,222 | 8,143,517 |
| Due from brokers | | 2,656,973 | 1,155,064 |
| Financial assets at fair value through profit or loss | 4 | 102,277,707 | 144,848,354 |
| Dividends receivable | | 36,937 | 36,218 |
| Other assets | 9 | 3,070 | 3,040 |
| Total assets | | 140,108,936 | 180,462,818 |
| Liabilities | | | |
| Collateral balances due to brokers | 3 | (4,415,851) | (10,379,498) |
| Due to brokers | | (2,450,810) | (1,019,406) |
| Subscriptions received in advance | | (30,611) | (27,298) |
| Redemptions payable | | (420,310) | (90,660) |
| Financial liabilities at fair value through profit or loss | 4 | (15,567,328) | (18,237,230) |
| Dividends payable on short securities | | (16,494) | (14,588) |
| Management fees payable | 8,9 | (276,801) | (344,461) |
| Incentive fees payable | 8,9 | - | (5,367,849) |
| Services management fees payable | 8,9 | (21,221) | (26,409) |
| Introducing broker fees payable | 8,9 | (92,267) | (114,820) |
| Hong Kong representative fees payable | 8,9 | (397) | (411) |
| Directors' fees payable | 8,9 | - | (4,367) |
| Accrued expenses and other liabilities | 8 | (195,862) | (187,993) |
| Total liabilities | | (23,487,952) | (35,814,990) |
| Net assets | | 116,620,984 | 144,647,828 |

Which are represented by:

Equity

2,233,509 (2022: 2,552,016) Redeemable Participating Shares with a Net Asset Value per Redeemable Participating Share of US\$52.21 (2022: US\$56.67)

10 US\$116,620,984 US\$144,647,828

Approved and authorised for issue on behalf of the Board on 11 December 2023.

Director

Director

The accompanying notes form an integral part of these financial statements.

Man AHL Diversified Futures Ltd

Statement of changes in equity

As at 30 September 2023



| | Note | 2023 US\$ | 2022 US\$ |
|--|------|--------------------|--------------------|
| Net assets attributable to 2,552,016 (2022: 2,557,593) Redeemable Participating Shareholders at the beginning of the year | | 144,647,828 | 124,723,440 |
| Issue of 189,768 (2022: 310,303) Redeemable Participating Shares | 10 | 9,818,195 | 16,099,062 |
| Redemption of 508,275 (2022: 315,880) Redeemable Participating Shares | 10 | (26,364,658) | (16,619,949) |
| Net gain/(loss) for the year attributable to Redeemable Participating Shareholders | | (11,480,381) | 20,445,275 |
| Net assets attributable to holders of 2,233,509 (2022: 2,552,016) Redeemable Participating Shares at the end of the year | | 116,620,984 | 144,647,828 |

The accompanying notes form an integral part of these financial statements.

Man AHL Diversified Futures Ltd

Statement of comprehensive income
For the year ended 30 September 2023



| | Notes | 2023 US\$ | 2022 US\$ |
|---|-------|----------------------------|--------------------------|
| Income | | | |
| Net gain/(loss) on foreign currency | 7 | (32,103) | (410,165) |
| Net gain/(loss) on financial assets and liabilities at fair value through profit or loss | 7 | (10,707,826) | 32,280,534 |
| Interest income | | 5,257,788 | 768,257 |
| Dividend income | | 104,080 | 87,096 |
| Other income | | 297,975 | 5,973 |
| | | <u>(5,080,086)</u> | <u>32,731,695</u> |
| Expenses | | | |
| Management fees | 8,9 | (3,668,129) | (3,959,351) |
| Introducing broker fees | 8,9 | (1,222,710) | (1,319,783) |
| Interest expense | | (875,565) | (497,864) |
| Services management fees | 8,9 | (281,223) | (303,555) |
| Audit fees | | (65,438) | (65,775) |
| Dividend expense | | (34,957) | (23,605) |
| Custodian fees | 8 | (30,568) | (32,995) |
| Legal and other professional fees | 9 | (29,848) | (21,205) |
| Directors' fees | 8,9 | (12,000) | (12,000) |
| Hong Kong representative fees | 8,9 | (4,987) | (4,973) |
| Incentive fees | 8,9 | (779) | (5,782,309) |
| Bank charges | | - | (8,346) |
| Transaction and brokerage costs | 8 | (343) | (4,965) |
| Other expenses | 8,9 | (173,748) | (248,169) |
| | | <u>(6,400,295)</u> | <u>(12,284,895)</u> |
| Withholding tax | | - | (1,525) |
| Net gain/(loss) for the year attributable to Redeemable Participating Shareholders | | <u>(11,480,381)</u> | <u>20,445,275</u> |

All recognised gains and losses for the year arose solely from continuing operations.

The accompanying notes form an integral part of these financial statements.

Man AHL Diversified Futures Ltd

Statement of cash flows

For the year ended 30 September 2023



| | 2023 US\$ | 2022 US\$ |
|--|---------------------|---------------------|
| Cash flows from operating activities | | |
| Net gain/(loss) for the year attributable to Redeemable Participating Shareholders | (11,480,381) | 20,445,275 |
| Adjustments to reconcile net gain/(loss) for the year attributable to Redeemable Participating Shareholders to net cash provided by/(used in) operating activities: | | |
| (Increase)/decrease in financial assets at fair value through profit or loss | 42,570,647 | (54,762,959) |
| Increase/(decrease) in financial liabilities at fair value through profit or loss | (2,669,902) | 1,496,416 |
| (Increase)/decrease in collateral balances with brokers | (7,359,705) | 10,818,743 |
| Increase/(decrease) in collateral balances due to brokers | (5,963,647) | 3,331,120 |
| (Increase)/decrease in due from brokers | (1,501,909) | 6,535,088 |
| (Increase)/decrease in dividends receivable | (719) | (7,595) |
| (Increase)/decrease in other assets | (30) | (129) |
| Increase/(decrease) in due to brokers | 1,431,404 | (5,323,951) |
| Increase/(decrease) in dividends payable on short securities | 1,906 | 6,903 |
| Increase/(decrease) in management fees payable | (67,660) | 29,212 |
| Increase/(decrease) in incentive fees payable | (5,367,849) | 2,457,328 |
| Increase/(decrease) in services management fees payable | (5,188) | 2,240 |
| Increase/(decrease) in introducing broker fees payable | (22,553) | 9,737 |
| Increase/(decrease) in Hong Kong representative fees payable | (14) | - |
| Increase/(decrease) in directors' fees payable | (4,367) | 3,367 |
| Increase/(decrease) in accrued expenses and other liabilities | 7,869 | 63,263 |
| Net cash provided by/(used in) operating activities | 9,567,902 | (14,895,942) |
| Cash flows from financing activities | | |
| Proceeds on issue of Redeemable Participating Shares | 9,821,508 | 16,072,240 |
| Payments on redemption of Redeemable Participating Shares | (26,035,008) | (16,728,425) |
| Net cash provided by/(used in) financing activities | (16,213,500) | (656,185) |
| Net change in cash and cash equivalents | (6,645,598) | (15,552,127) |
| Cash and cash equivalents at the beginning of the year | 26,276,625 | 41,828,752 |
| Cash and cash equivalents at the end of the year | 19,631,027 | 26,276,625 |
| Net change in cash and cash equivalents for the year consists of: | | |
| Net change in cash and cash equivalents before the effect of exchange rate fluctuations | (6,613,495) | (15,141,962) |
| Effect of exchange rate fluctuations on cash and cash equivalents | (32,103) | (410,165) |
| Net change in cash and cash equivalents | (6,645,598) | (15,552,127) |
| Supplemental disclosure of cash flow information: | | |
| Interest received | 5,257,788 | 768,257 |
| Interest paid | (875,565) | (497,864) |
| Dividend received | 103,361 | 79,501 |
| Dividend paid | (33,051) | (16,702) |

The accompanying notes form an integral part of these financial statements.

1. General

Man AHL Diversified Futures Ltd (the “Fund”) was incorporated as an exempted company with limited liability under the laws of Bermuda on 11 September 1997 and carries on business as an open-ended investment company, trading a diversified portfolio of futures, forwards, swaps and fixed income securities under the Companies Act 1981 of Bermuda.

The Fund commenced trading on 12 May 1998. The Fund seeks to achieve substantial medium-term capital growth while aiming to restrict the associated risk through the AHL Diversified Programme which is managed by AHL. AHL is an investment division of Man Group and it operates through various legal vehicles. AHL provides investors with highly liquid and efficient trading strategies which offer low correlation to more traditional investment disciplines. Man Group means Man Group plc and all or any of its subsidiaries and associates, as the context requires.

The Fund has been authorised by the Securities and Futures Commission in Hong Kong under the Code on Unit Trusts and Mutual funds.

AHL Partners LLP (the “Investment Manager”) was appointed as the Investment Manager of the Fund. The responsibility for the investment selection, portfolio construction and portfolio management of the Fund’s portfolio rests with the Investment Manager.

The Investment Manager is authorised and regulated by the United Kingdom Financial Conduct Authority (the “FCA”) in the conduct of its regulated activities.

Deloitte Ireland LLP has been appointed auditor to the Fund and has replaced Ernst & Young Limited in this role.

The most recent applicable prospectus of the Fund is dated 29 April 2020 (the “Prospectus”) and the most recent addenda are dated 1 January 2022 and 31 January 2023 (the “Addenda”).

2. Significant accounting policies

(a) Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and where relevant, in accordance with the provisions of the Hong Kong Securities & Futures Commission Code on Unit Trusts and Mutual Funds pursuant to the Securities and Futures Ordinance (Cap 571) April 2003 (as amended effective 1 January 2019). The financial statements have been prepared on an historical cost basis, except for financial assets and liabilities at fair value through profit or loss that have been measured based on fair value.

(b) Changes in accounting policy and disclosure

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Fund’s financial statements for the year ended 30 September 2022.

New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Fund has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective (effective for periods beginning on or after 1 January 2023):

Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2)

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose ‘significant accounting policies’ with ‘material accounting policy information’. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure. These amendments had no material effect on financial statements of the Fund.

Definition of Accounting Estimates (Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors)

The amendment to IAS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. These amendments had no material effect on financial statements of the Fund.

At the date of authorisation of the financial statements there were a number of other standards and interpretations which were in issue but not yet effective. Management anticipates that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Fund.

(c) Use of accounting judgements and estimates

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the amounts reported and disclosures made in these financial statements and accompanying notes, including certain valuation assumptions. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in the future. As at 30 September 2023 and 30 September 2022 there were no adjustments made.

(d) Going concern

Management has made an assessment of the Fund’s ability to continue as a going concern and is satisfied that it has resources to continue in business for a period of at least 12 months beyond the date these financial statements are available to be issued. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Fund’s ability to continue as a going concern; therefore, the financial statements are prepared on a going concern basis.

2. Significant accounting policies (continued)

(e) Interest income

Interest income is recorded on an accruals basis. Interest earned on cash is recorded in the statement of comprehensive income and interest earned on derivatives is recorded in net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the statement of comprehensive income.

(f) Dividend income

Dividend income is recorded on an ex-dividend basis, gross of withholding tax. Dividends earned on these instruments are recorded in net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the statement of comprehensive income.

(g) Financial assets and liabilities

Financial assets and liabilities at fair value through profit or loss

For Net Asset Value ("NAV") purposes, the valuation of financial assets and liabilities is calculated in accordance with the Prospectus. For financial statements purposes, financial assets and liabilities have been valued in accordance with IFRS using the policies outlined below.

At 30 September 2023 and 30 September 2022, there are no material differences between these valuation methods.

In accordance with IFRS 9, *Financial Instruments: Classification and Measurement*, the Fund classifies its financial assets and liabilities at initial recognition into the categories of financial assets and financial liabilities as discussed below.

Under IFRS 9, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and on its contractual cash flow characteristics.

In evaluating the classification of its financial assets, the Fund has considered the following:

- Whether it is held within a business model whose objective is to hold assets only to collect contractual cash flows ("business model test"); and
- Whether its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI test").

Both the business model test and SPPI test must be met in order to account for a financial asset at amortised cost or FVOCI. If both tests are not met the financial asset must be measured at FVTPL.

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any government bonds, equity swaps, interest rate swaps, credit default swaps, futures and forward contracts as fair value through other comprehensive income.

The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective.

The Fund recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Purchases and sales of investments are recognised on the trade date, which is the date on which the Fund commits to purchase or sell the asset. Financial assets and liabilities at fair value through profit or loss are initially recognised at fair value. All transaction costs for such instruments are recognised directly in the statement of comprehensive income.

Consequently, all investments are measured at fair value through profit or loss.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, government bonds and exchange traded securities) is based on quoted market prices at the statement of financial position date.

In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

The Directors have appointed an Independent Pricing Committee ("IPC") to undertake certain services concerning the valuation policies and procedures relating to the Fund. The IPC is an independent body set up to: (1) establish a pricing matrix (a table which lays out a pricing source for certain assets and liabilities) which the Directors have adopted for the Fund and which is used by BNY Mellon Fund Services (Ireland) Designated Activity Company (the "Administrator") to calculate the value of the assets and liabilities held by the Fund; and (2) to establish the prices of any positions held in the Fund that do not have an independently ascertainable value, as per the pricing matrix. In addition, the IPC provides general governance and oversight of the valuation process.

The Fund may from time to time invest in financial instruments or securities that are not traded in an active market (for example, over-the-counter ("OTC") derivatives and private placements of both equities and fixed income securities). These financial instruments are valued at their fair value in the manner described in subsequent accounting policies.

Any exchange traded derivative instruments (including, but not limited to, options and futures) dealt in on a market are valued at the settlement price on the relevant valuation day for such instruments on such a market. If the settlement price is not available, their probable realisation value shall be determined with care and in good faith by the Investment Manager.

Investments are derecognised when the rights to receive cash flows have expired or the Fund has transferred substantially all of the risks and rewards of ownership.

2. Significant accounting policies (continued)

(h) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Fund or the counterparty. As at 30 September 2023 and 30 September 2022, no financial assets and liabilities are offset in the statement of financial position.

(i) Derivatives

The Fund may trade derivative financial instruments whose values are based upon an underlying asset, index, currency or interest rate. The net unrealised gains or losses, rather than contract or notional amounts, represents the approximate future cash flows from trading.

The Fund may engage in forward contracts, futures contracts, interest rate swaps, credit default swaps and equity swaps. These are described below:

– Forward contracts

Forward contracts are recorded on the trade date and are valued based on the underlying asset for forward commodity contracts and at the applicable foreign exchange rates on the last business day of the year for forward currency contracts. The difference between the fair value of the original contract amount and the fair value of the open forward contract position is reflected as financial assets or financial liabilities at fair value through profit or loss in the statement of financial position and as net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the statement of comprehensive income.

– Futures contracts

Futures contracts are recorded on the trade date and are valued at the applicable last traded price on the last business day of the year. The difference between the original contract amount and the fair value of the open futures position is reflected as financial assets or financial liabilities at fair value through profit or loss in the statement of financial position and as net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the statement of comprehensive income. Realised gains or losses are recognised on the closing or trade date of the contract and are included in net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the statement of comprehensive income.

– Swap contracts

Swaps are contractual agreements between two parties to exchange streams of payments over time based on specified notional amounts. The Fund's main swap contracts consist of interest rate swaps, credit default swaps and equity swaps as detailed below:

– Interest rate swaps

Interest rate swaps relate to contracts taken out by the Fund with major brokers in which the Fund either receives or pays a floating rate of interest in return for paying or receiving, respectively, a fixed rate of interest. The payment flows are usually netted against each other, with the difference being paid by one party to the other. Changes in the value of the interest rate swap agreements and amounts received or paid in connection with these contracts, are included in net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the statement of comprehensive income.

– Credit default swaps

The Fund may enter into credit default swaps for speculative purposes or to manage its exposure to certain sectors of the market or to reduce credit risk. The Fund may enter into credit default swap agreements to provide a measure of protection against the default of an issuer (as buyer of protection) and/or gain credit exposure to an issuer to which it is not otherwise exposed (as seller of protection). Credit default swaps are agreements in which one party pays fixed periodic payments to counterparty in consideration for a guarantee from the counterparty to make a specific payment should a negative credit event take place (e.g. default, bankruptcy or debt restructuring). The Fund may either buy or sell (write) credit default swaps.

If a credit event occurs, as a buyer, the Fund will either receive from the seller an amount equal to the notional amount of the swap and deliver the referenced security or underlying securities comprising of an index or receive a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising of an index. As a seller (writer), the Fund will either pay the buyer an amount equal to the notional amount of the swap and take delivery of the referenced security or underlying securities comprising of an index or pay a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising of an index.

The periodic payments received or made by the Fund are included in net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the statement of comprehensive income. Swaps are marked-to-market daily and changes in value are recorded in net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the statement of comprehensive income. When the swap is terminated, the Fund will record a realised gain/(loss) equal to the difference between the proceeds from (or cost of) the closing transaction and the Fund's basis in the contract, if any. Swap transactions involve, to varying degrees, elements of credit and market risk in excess of the amounts recognised in the statement of financial position. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreements, and that there may be unfavourable changes in interest rates and/or market values associated with these transactions.

– Equity swaps

Equity swaps are recorded on the trade date basis and are valued based on the difference between the notional long/short position of the underlying equity security calculated from a reference price on the date of entering into the swap and the market value at the date of closing the trade, or the reporting date if prior to terminating the swap. The difference between the initial recognition amount and the market value of the open equity swaps is reflected as financial assets and liabilities at fair value through profit or loss in the statement of financial position and as net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the statement of comprehensive income. Realised gains or losses are recognised on the closing or trade date of the swap and are included in net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the statement of comprehensive income.

2. Significant accounting policies (continued)

(j) Realised gains and losses and unrealised gains and losses

All realised and unrealised gains and losses on securities and derivatives are recognised as net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the statement of comprehensive income. The cost of securities sold is accounted for on First in – First out (“FIFO”) basis. Unrealised gains and losses comprise changes in the fair value of financial instruments for the year and from reversal of prior year’s unrealised gain and losses for financial instruments which were realised in the reporting year. Realised gains and losses represent the difference between an instrument’s initial carrying amount and disposal amount, or cash payments or receipts made in respect of derivative contracts (excluding payments or receipts on collateral margin account for such instruments).

(k) Transaction costs

Transaction costs are incremental costs, which are separately identifiable and directly attributable to the acquisition, issue or disposal of a financial instrument. Transaction costs incurred by the Fund during the year are recognised in the statement of comprehensive income.

(l) Functional and presentation currency

The Fund seeks to generate returns in United States dollars (“US\$”), its capital-raising currency. The liquidity of the Fund is managed on a day-to-day basis in US\$ in order to handle the issue and redemption of the Fund’s Redeemable Participating Shares. The Fund’s performance is also evaluated in US\$. Therefore, as the US\$ is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions, the Fund’s functional currency and presentational currency is the US\$.

(m) Foreign currency

Transactions during the year denominated in foreign currencies have been translated to US\$ at the rates of exchange ruling at the dates of transactions. Assets and liabilities denominated in foreign currencies are translated to US\$ at the rates of exchange in effect at the date of the statement of financial position. For investment transactions and investments held at the year end denominated in foreign currency, resulting gains or losses are included in net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the statement of comprehensive income. All other foreign currency gains and losses are included in the net gain/(loss) on foreign currency in the statement of comprehensive income.

(n) Expenses

All expenses are recognised in the statement of comprehensive income on an accruals basis. Dividend expense is recognised on the ex-dividend date.

(o) Redeemable Participating Shares

Redeemable Participating Shares are classified as equity instruments when:

- The Redeemable Participating Shares entitle the holder to a pro rata share of the Fund’s net assets in the event of the Fund’s liquidation;
- The Redeemable Participating Shares are in the class of instruments that is subordinate to all other classes of instruments;
- All Redeemable Participating Shares in the class of instruments that is subordinate to all other classes of instruments have identical features;
- The Redeemable Participating Shares do not include any contractual obligation to deliver cash or another financial asset other than the holder’s rights to a pro rata share of the Fund’s net assets; and
- The total expected cash flows attributable to the Redeemable Participating Shares over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

In addition to the Redeemable Participating Shares having all of the above features, the Fund must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund; or
- The effect of substantially restricting or fixing the residual return to the Redeemable Participating Shareholders.

The Fund periodically assesses the classification of the Redeemable Participating Shares. If the Redeemable Participating Shares cease to have all the features, or meet all the conditions set out, to be classified as equity, the Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the Redeemable Participating Shares subsequently have all the features and meet the conditions to be classified as equity, the Fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The Fund has assessed that the Redeemable Participating Shares should be classified as equity for the years ended 30 September 2023 and 30 September 2022.

(p) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position may consist of cash at bank, demand deposits, short-term deposits in financial institutions and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less. Short-term investments that are not held for the purpose of meeting short-term cash commitments and restricted margin accounts are not considered cash and cash equivalents. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdraft when applicable.

2. Significant accounting policies (continued)

(q) Collateral balances with brokers and collateral balances due to brokers

Collateral balances with brokers and collateral balances due to brokers include amounts transferred as collateral against open derivative contracts. Amounts receivable from short sales and collateral may be restricted in whole or in part until the related securities are purchased. To the extent that units are purchased on margin, the margin debt may be secured on the related units.

(r) Due from and due to brokers

Due from and due to brokers represents amounts receivable for securities sold and payable for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date. These amounts are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment, if any. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the brokers.

(s) Taxation

There is currently no taxation imposed on income or capital gains by the Government of Bermuda. Under current Bermudan law, the Fund is not obligated to pay any taxes in Bermuda on either income or capital gains. The Fund has received an undertaking from the Minister of Finance in Bermuda pursuant to the provisions of the Exempted Undertakings Tax Protection Act 1966 which exempts the Fund from any such Bermuda taxes, at least until 31 March 2035.

IFRIC Interpretation 23, *Uncertainty over Income Tax Treatment* clarifies the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 in the Fund's financial statements.

Management evaluates such tax positions to determine whether, for all tax years still subject to assessment or challenge by the relevant taxation authorities, the tax positions are probable to be accepted on examination by the relevant tax authorities. If it is probable that the Fund's tax positions are accepted the taxable profit (tax loss) should be consistent with the Fund's tax filings. If not probable the Fund must reflect the effect of the uncertainty in determining its taxable profit (tax loss). The effect of the uncertain tax treatment is determined by applying the expected value method or by applying the most likely method.

Management has analysed the Fund's tax positions, and has concluded that no liability for unrecognised tax benefits should be recorded related to uncertain tax positions for the years ended 30 September 2023 and 30 September 2022.

Currently, the only other taxes recorded; if any, by the Fund on its income are withholding taxes applicable to certain income. For the years ended 30 September 2023 and 30 September 2022, no other income tax liability or expense has been recorded in the accompanying financial statements.

(t) Subscriptions received in advance and redemptions payable

Subscription and redemption monies have been routed through a cash collection account in the name of the Fund. Pending issue of the shares and/or payment of subscription proceeds to an account in the name of the Fund, and pending payment of redemption proceeds or distributions, the relevant investor will be an unsecured creditor of the Fund in respect of amounts paid by or due to it.

(u) Comparative information

Certain prior year figures in the financial statements have been reclassified to conform with the current year presentation.

3. Cash and cash equivalents, collateral balances with brokers and collateral balances due to brokers

At the year end, amounts disclosed as cash and cash equivalents, collateral balances with brokers and collateral balances due to brokers were held at The Bank of New York Mellon SAVV (the "Bank") and Barclays, The Bank of New York Mellon SAVV, Citigroup Inc, Deutsche Bank, Goldman Sachs, HSBC Bank Plc, J.P. Morgan Chase Bank N.A., Merrill Lynch & Co. Inc., Morgan Stanley and NatWest Group plc (the "Brokers"). These include amounts transferred as collateral (over which a security interest exists) against open derivatives, deposits held at call with banks and, other short-term highly liquid investments with original maturities of three months or less.

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2023



4. Financial assets and liabilities at fair value through profit or loss

The following tables summarise financial assets and liabilities at fair value through profit or loss as at 30 September 2023 and 30 September 2022.

| | Cost/Notional US\$ | 2023 Fair Value US\$ | % of Net Assets | Cost/Notional US\$ | 2022 Fair Value US\$ | % of Net Assets |
|--|-----------------------|----------------------------|------------------------|-----------------------|----------------------------|------------------------|
| Financial assets at fair value through profit or loss | | | | | | |
| <i>Held for trading</i> | | | | | | |
| <u>Interest bearing securities</u> | | | | | | |
| Government bonds | 76,160,040 | 77,620,574 | 66.56% | 108,662,934 | 108,989,977 | 75.35% |
| Total interest bearing securities | | <u>77,620,574</u> | <u>66.56%</u> | | <u>108,989,977</u> | <u>75.35%</u> |
| <u>Derivatives</u> | | | | | | |
| Commodity futures | 52,047,889 | 2,226,265 | 1.91% | 17,455,961 | 1,835,885 | 1.27% |
| Currency futures | 5,023,755 | 55,365 | 0.05% | 2,926,550 | 99,718 | 0.07% |
| Stock index futures | 12,934,509 | 175,180 | 0.15% | 2,087,350 | 1,928,862 | 1.33% |
| Interest rate futures | - | 2,912,247 | 2.50% | - | 4,807,931 | 3.32% |
| Forward currency contracts | 665,928,753 | 11,309,563 | 9.70% | 497,873,431 | 15,796,521 | 10.92% |
| Equity swaps | 28,655,175 | 2,976,486 | 2.55% | 15,141,497 | 2,279,078 | 1.58% |
| Credit default swaps | 20,574,000 | 1,082,475 | 0.93% | 84,104,500 | 1,426,203 | 0.99% |
| Interest rate swaps | 100,626,459 | 3,919,552 | 3.36% | 124,827,155 | 7,684,179 | 5.31% |
| Total derivatives | | <u>24,657,133</u> | <u>21.15%</u> | | <u>35,858,377</u> | <u>24.79%</u> |
| Total financial assets at fair value through profit or loss | | <u>102,277,707</u> | <u>87.71%</u> | | <u>144,848,354</u> | <u>100.14%</u> |
| Financial liabilities at fair value through profit or loss | | | | | | |
| <i>Held for trading</i> | | | | | | |
| <u>Derivatives</u> | | | | | | |
| Commodity futures | 68,090,335 | (1,353,986) | (1.16)% | 61,615,336 | (981,019) | (0.68)% |
| Stock index futures | 35,322,127 | (472,187) | (0.40)% | 46,885,452 | (151,755) | (0.10)% |
| Interest rate futures | 542,845,046 | (67,989) | (0.06)% | 339,920,554 | (883) | - |
| Forward currency contracts | 552,886,851 | (9,908,277) | (8.50)% | 372,370,928 | (11,204,667) | (7.75)% |
| Equity swaps | 24,818,331 | (1,639,552) | (1.41)% | 15,663,968 | (2,008,042) | (1.39)% |
| Credit default swaps | 87,583,000 | (494,936) | (0.42)% | - | - | - |
| Interest rate swaps | 188,996,064 | (1,630,401) | (1.40)% | 204,300,859 | (3,890,864) | (2.69)% |
| Total derivatives | | <u>(15,567,328)</u> | <u>(13.35)%</u> | | <u>(18,237,230)</u> | <u>(12.61)%</u> |
| Total financial assets at fair value through profit or loss | | <u>(15,567,328)</u> | <u>(13.35)%</u> | | <u>(18,237,230)</u> | <u>(12.61)%</u> |

None of the financial assets at fair value through profit or loss were used as collateral.

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2023



4. Financial assets and liabilities at fair value through profit or loss (continued)

The top five long and short positions by fair value held by the Fund on a gross basis as at 30 September 2023 and 30 September 2022 are as follows:

30 September 2023

| Issuer | Fair value | |
|---|------------|-----------------|
| | US\$ | % of Net Assets |
| Long positions | | |
| United States Treasury Bill 0.00% 09/11/2023 | 21,877,212 | 18.76 % |
| United States Treasury Bill 0.00% 16/11/2023 | 20,861,386 | 17.89 % |
| United States Treasury Bill 0.00% 19/10/2023 | 19,950,163 | 17.11 % |
| United States Treasury Bill 0.00% 02/11/2023 | 14,931,813 | 12.80 % |
| CDS CDX-NAIGS41V1-5Y 100(20-DEC-2028) BARCLAYS CAPITAL INC. 0bps CDX | 356,390 | 0.31 % |
| Short positions | | |
| CDS CDX-EMS40V1-5Y 100(20-DEC-2028) BARCLAYS CAPITAL SECURITIES LIMITED 94.565bps CDX | (273,068) | (0.23%) |
| IRSW: CAD - RCV 3.82125% VS CORRA O/N OBP:18SEP23-19SEP33:RY (17726499) IRS Fixed | (203,027) | (0.17%) |
| IRSW: CAD - RCV 4.0585% VS CORRA O/N OBP:18SEP23-18SEP28:TD (17717113) IRS Fixed | (174,138) | (0.15%) |
| CBOE VIX FUTURE OCT23 | (131,702) | (0.11%) |
| IRSW: JPY - RCV 1.024% VS TONA O/N OBP:20SEP23-16SEP43:MS (16907156) IRS Fixed | (95,219) | (0.08%) |

30 September 2022

| Issuer | Fair value | |
|---|------------|-----------------|
| | US\$ | % of Net Assets |
| Long positions | | |
| United States Treasury Bill 0.00% 16/02/23 | 29,600,223 | 20.46% |
| United States Treasury Bill 0.00% 25/11/22 | 27,883,087 | 19.28% |
| United States Treasury Bill 0.00% 19/01/23 | 26,730,961 | 18.48% |
| United States Treasury Bill 0.00% 12/01/23 | 24,775,706 | 17.13% |
| IRSW: CAD - PAY 2.32% VS CDOR 3M BP : 13JUN22-14JUN32 : JPM | 667,882 | 0.46% |
| Short positions | | |
| IRSW: EUR - RCV -0.459% VS EURIBOR 3M BP : 16MAR22-20MAR24 | (219,192) | (0.15%) |
| IRSW: EUR - RCV 0.17% VS EURIBOR 3M OBP : 15JUN22-19JUN24 | (208,203) | (0.14%) |
| IRSW: CAD - RCV 2.89% VS CDOR 3M BP : 19SEP22-13SEP32 : JPM | (203,118) | (0.14%) |
| IRSW: ZAR - RCV 7.2% VS JIBAR 3M BP : 15DEC21-17DEC31 : JPM | (184,003) | (0.13%) |
| IRSW: EUR - RCV 0.247% VS EURIBOR 3M BP : 16MAR22-20MAR24 | (169,636) | (0.12%) |

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2023



4. Financial assets and liabilities at fair value through profit or loss (continued)

The following table summarises the geographical and economic breakdown of the Fund's portfolio as a percentage of the net assets as at 30 September 2023 and 30 September 2022.

| Geographical breakdown | 2023 | 2022 | Economic breakdown | 2023 | 2022 |
|------------------------|---------------|---------------|------------------------|---------------|---------------|
| | % | % | | % | % |
| Australia | 0.25% | 0.06% | Basic Materials | 0.04% | - |
| Belgium | (0.01%) | (0.03%) | Communications | 0.05% | (0.07%) |
| Bermuda | 0.02% | 0.01% | Consumer, Cyclical | 0.18% | 0.28% |
| Brazil | (0.02%) | - | Consumer, Non-cyclical | 0.41% | 0.12% |
| Canada | 1.17% | 0.91% | Diversified | 0.02% | 0.04% |
| China | 0.02% | (0.06%) | Energy | 0.15% | (0.03%) |
| Czech Republic | (0.01%) | 0.14% | Financial | 0.10% | (0.08%) |
| Denmark | 0.02% | 0.01% | Government | 66.56% | 75.35% |
| European Union | (0.18%) | 0.36% | Industrial | 0.13% | (0.04%) |
| Finland | 0.01% | - | Other | 6.59% | 11.93% |
| France | 0.06% | (0.03%) | Technology | (0.05%) | 0.16% |
| Germany | 0.80% | 0.92% | Utilities | 0.12% | (0.13%) |
| Hong Kong | 0.06% | 0.36% | | 74.30% | 87.53% |
| Hungary | - | 0.02% | | | |
| Ireland | 0.02% | 0.01% | | | |
| Israel | 0.04% | 0.09% | | | |
| Italy | 0.08% | (0.01%) | | | |
| Japan | 0.29% | 0.12% | | | |
| Luxembourg | - | (0.01%) | | | |
| Malaysia | - | 0.01% | | | |
| Mexico | 0.15% | 0.04% | | | |
| Netherlands | (0.04%) | - | | | |
| New Zealand | 0.33% | 0.17% | | | |
| Norway | 0.07% | 0.05% | | | |
| Poland | (0.02%) | 0.09% | | | |
| Singapore | (0.01%) | 0.29% | | | |
| South Africa | (0.07%) | (0.09%) | | | |
| South Korea | 0.12% | 0.40% | | | |
| Spain | 0.05% | (0.02%) | | | |
| Sweden | 0.20% | 0.56% | | | |
| Switzerland | 0.01% | (0.01%) | | | |
| Taiwan | 0.02% | 0.12% | | | |
| Thailand | 0.02% | (0.01%) | | | |
| United Kingdom | (0.36%) | 0.50% | | | |
| United States | 71.27% | 82.56% | | | |
| Uruguay | 0.01% | - | | | |
| | 74.37% | 87.53% | | | |

Fair value of financial instruments

The Fund has established a framework with respect to the measurement of fair values. This includes a periodic review by the Investment Manager of all significant fair value measurements, including Level 3 fair values.

The Investment Manager regularly reviews significant unobservable inputs and valuation adjustments (if any). If third party information is used to measure fair values, the Investment Manager assesses the evidence obtained from the third parties to support the conclusion such that valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2023



4. Financial assets and liabilities at fair value through profit or loss (continued)

Fair value of financial instruments (continued)

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in determining the measurements in line with IFRS 13.

The fair value hierarchy has the following levels:

- Level 1 - Quoted market price in an active market for an identical instrument.
- Level 2 - Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3 - Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant impact on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques

Listed or publicly traded investment in government bonds and derivatives

When fair values of listed or publicly traded government bonds and derivatives are based on quoted market prices, or binding dealer price quotations, in an active market for identical assets without any adjustments, the instruments are included within Level 1 of the hierarchy.

OTC derivatives

The Fund uses widely recognised valuation techniques for determining fair values of OTC forward contracts, interest rate swaps, equity swaps and credit default swaps. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including both credit risk and foreign exchange spot and forward rates and interest rate curves. For these financial instruments, inputs used are market observable and are, therefore, included within Level 2.

The following tables are a summary of the classification within the fair value hierarchy of the Fund's financial instruments carried at fair value as at 30 September 2023 and 30 September 2022:

| <u>As at 30 September 2023</u> | Level 1 US\$ | Level 2 US\$ | Level 3 US\$ | Total Fair Value US\$ |
|---|--------------------|---------------------|-----------------|--------------------------|
| Financial assets at fair value through profit or loss | | | | |
| <u>Interest bearing securities</u> | | | | |
| Government bonds | 77,620,574 | - | - | 77,620,574 |
| Total interest bearing securities | 77,620,574 | - | - | 77,620,574 |
| <u>Derivatives</u> | | | | |
| Commodity futures | 2,226,265 | - | - | 2,226,265 |
| Currency futures | 55,365 | - | - | 55,365 |
| Stock index futures | 175,180 | - | - | 175,180 |
| Interest rate futures | 2,912,247 | - | - | 2,912,247 |
| Forward currency contracts | - | 11,309,563 | - | 11,309,563 |
| Equity swaps | - | 2,976,486 | - | 2,976,486 |
| Credit default swaps | - | 1,082,475 | - | 1,082,475 |
| Interest rate swaps | - | 3,919,552 | - | 3,919,552 |
| Total derivatives | 5,369,057 | 19,288,076 | - | 24,657,133 |
| Total financial assets at fair value through profit or loss | 82,989,631 | 19,288,076 | - | 102,277,707 |
| Financial liabilities at fair value through profit or loss | | | | |
| <u>Derivatives</u> | | | | |
| Commodity futures | (1,353,986) | - | - | (1,353,986) |
| Stock index futures | (472,187) | - | - | (472,187) |
| Interest rate futures | (67,989) | - | - | (67,989) |
| Forward currency contracts | - | (9,908,277) | - | (9,908,277) |
| Equity swaps | - | (1,639,552) | - | (1,639,552) |
| Credit default swaps | - | (494,936) | - | (494,936) |
| Interest rate swaps | - | (1,630,401) | - | (1,630,401) |
| Total derivatives | (1,894,162) | (13,673,166) | - | (15,567,328) |
| Total financial liabilities at fair value through profit or loss | (1,894,162) | (13,673,166) | - | (15,567,328) |

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2023



4. Financial assets and liabilities at fair value through profit or loss (continued)

Valuation techniques (continued)

| <u>As at 30 September 2022</u> | Level 1 US\$ | Level 2 US\$ | Level 3 US\$ | Total Fair Value US\$ |
|---|--------------------|---------------------|-----------------|--------------------------|
| Financial assets at fair value through profit or loss | | | | |
| <u>Interest bearing securities</u> | | | | |
| Government bonds | 108,989,977 | - | - | 108,989,977 |
| Total interest bearing securities | 108,989,977 | - | - | 108,989,977 |
| <u>Derivatives</u> | | | | |
| Commodity futures | 1,835,885 | - | - | 1,835,885 |
| Currency futures | 99,718 | - | - | 99,718 |
| Stock index futures | 1,928,862 | - | - | 1,928,862 |
| Interest rate futures | 4,807,931 | - | - | 4,807,931 |
| Forward currency contracts | - | 15,796,521 | - | 15,796,521 |
| Equity swaps | - | 2,278,345 | 733 | 2,279,078 |
| Credit default swaps | - | 1,426,203 | - | 1,426,203 |
| Interest rate swaps | - | 7,684,179 | - | 7,684,179 |
| Total derivatives | 8,672,396 | 27,185,248 | 733 | 35,858,377 |
| Total financial assets at fair value through profit or loss | 117,662,373 | 27,185,248 | 733 | 144,848,354 |
| Financial liabilities at fair value through profit or loss | | | | |
| <u>Derivatives</u> | | | | |
| Commodity futures | (981,019) | - | - | (981,019) |
| Stock index futures | (151,755) | - | - | (151,755) |
| Interest rate futures | (883) | - | - | (883) |
| Forward currency contracts | - | (11,204,667) | - | (11,204,667) |
| Equity swaps | - | (2,008,042) | - | (2,008,042) |
| Interest rate swaps | - | (3,890,864) | - | (3,890,864) |
| Total derivatives | (1,133,657) | (17,103,573) | - | (18,237,230) |
| Total financial liabilities at fair value through profit or loss | (1,133,657) | (17,103,573) | - | (18,237,230) |

Short term balances are excluded from the tables above as their carrying values at the year end approximates to their fair values.

Investments are reviewed at each year end to ensure that they are correctly classified between Level 1, 2 and 3 in accordance with the fair value hierarchy outlined above. Where an investment's characteristics change during the year and investments no longer meet the criteria of a given level, they are transferred into a more appropriate level at the end of the relevant financial reporting year. For the year ended 30 September 2023 and 30 September 2022, there were no transfers between Level 1 and Level 2.

The following table includes a reconciliation of amounts for the years ended 30 September 2023 and 30 September 2022 for financial instruments classified within Level 3:

| | Derivatives 2023 US\$ | Total 2023 US\$ | Derivatives 2022 US\$ | Total 2022 US\$ |
|--|-----------------------------|-----------------------|-----------------------------|-----------------------|
| Financial assets and liabilities at fair value through profit or loss | | | | |
| Opening balance | 733 | 733 | - | - |
| Total gains and losses: | | | | |
| -Realised | - | - | (820) | (820) |
| -Unrealised | (733) | (733) | 733 | 733 |
| Purchases | - | - | - | - |
| Sales | - | - | - | - |
| Transfers into Level 3 | - | - | 820 | 820 |
| Closing Balance | - | - | 733 | 733 |

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2023



4. Financial assets and liabilities at fair value through profit or loss (continued)

Valuation techniques (continued)

All net realised and unrealised gains/(losses) in the tables above are reflected in the accompanying statement of comprehensive income. Net realised and unrealised loss amounts on Level 3 securities held as at 30 September 2023 was US\$(733) (2022: US\$(87)).

The fair value of investments classified as Level 3 is based on unobservable inputs that may be subject to significant variability. Because of the inherent uncertainty of valuation with respect to such investments, the Fund's estimates of fair value may differ significantly from fair values that would have been used had observable inputs been available for the valuation of such investments, and the differences could be material.

As at 30 September 2023, the Fund held no Level 3 financial instruments.

The following table presents additional information about valuation techniques and inputs used for investments that are measured at fair value and are categorised within Level 3 as at 30 September 2022:

| <u>Asset Description</u> | <u>Fair Value as at 30 September 2022</u> US\$ | <u>Valuation Technique</u> | <u>Unobservable input</u> | <u>Range</u> |
|--------------------------|---|-------------------------------------|-------------------------------|--------------|
| Equity swaps | 733 | Suspension day price/unrealised P&L | N/A | N/A |

Forward contracts

As part of its portfolio management techniques, the Fund may use forward contracts to economically hedge any non-functional currency exposure (although formal hedge accounting is not used). Forward contracts may also be used for trading purposes. Forward contracts entered into by the Fund represent a firm commitment to buy or sell an underlying asset, or currency at a specified value and point in time based upon an agreed or contracted quantity.

Forward contracts may expose the Fund to the risks associated with the absence of an exchange market on which to close out an open position. The Investment Manager closely monitors the Fund's exposure under forward contracts as part of the overall management of the Fund's market risk.

Futures contracts

The Fund is subject to interest rate, stock index and commodity risks in the normal course of pursuing its investment objectives. The Fund may use futures contracts to gain exposure to, or hedge against changes in the value of interest rates, commodities or index. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date. A futures contract is an exchange traded financial instrument and is often cash settled.

Equity swaps

Equity swaps represent agreements that obligate two parties to exchange cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified amount of an underlying asset or otherwise deemed notional amount. The payment flows are usually netted against each other, with the difference being paid by one party to the other. Therefore amounts required for the future satisfaction of the equity swaps may be greater or less than the amount recorded. The ultimate gain or loss depends upon the prices recorded at the year end date.

Interest rate swaps

An interest rate swap is an agreement between two counterparties in which one stream of future interest payments is exchanged for another based on a specified notional amount. Interest rate swaps usually involve the exchange of a fixed interest rate for a floating interest rate, or vice versa, to reduce exposure to fluctuations in interest rates or to obtain a marginally lower interest rate than would have been possible without the swap.

Credit default swaps

Credit default swaps are contracts in which the Fund pays or receives an interest flow in return for the counterparty accepting or selling all or part of the risk of default or failure to pay of a reference entity on which the swap is written. Where the Fund has bought protection, the maximum potential loss is the value of the interest flows the Fund is contracted to pay until maturity of the contract. Where the Fund has sold protection, the maximum potential loss is the nominal value of the protection sold.

Derivative financial instruments

The Fund is subject to both market and credit risk in trading derivative financial instruments. Market risk is the potential for changes in value due to changes in market interest rates, foreign exchange rates, indices and changes in the value of the underlying financial instruments. Credit risk is the possibility that a loss may occur if counterparty fails to perform according to the terms of the contract. Substantially all derivative contracts are transacted on a margin basis. Such transactions may expose the Fund to significant off-balance sheet risk in the event margin deposits and collateral investments are not sufficient to cover losses incurred.

The Investment Manager manages the risk associated with these transactions by maintaining margin deposits and collateral investments with its brokers in compliance with individual exchange regulations and internal guidelines. The Investment Manager also takes an active role in managing and controlling the Fund's market and counterparty risks and monitoring trading activities and margin levels daily, and, as necessary, deposits additional collateral or reduces positions.

Derivative financial instruments are generally based on notional amounts which are not recorded in the financial statements. These notional amounts represent the theoretical principal value on which the cash flows of the derivative transactions are based. Unrealised gain or loss, rather than notional amounts, of traded derivatives traded by the Fund are included in the statement of financial position.

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2023



4. Financial assets and liabilities at fair value through profit or loss (continued)

The following table details the movements in notional values of the portfolio since the end of the preceding accounting year:

| | Opening US\$ | Net Additions/Realisations US\$ | Closing US\$ |
|---|----------------------|------------------------------------|----------------------|
| Financial assets at fair value through profit or loss | | | |
| Government bonds | 108,662,934 | (32,502,894) | 76,160,040 |
| Commodity futures | 17,455,961 | 34,591,928 | 52,047,889 |
| Currency futures | 2,926,550 | 2,097,205 | 5,023,755 |
| Stock index futures | 2,087,350 | 10,847,159 | 12,934,509 |
| Forward currency contracts | 497,873,431 | 168,055,322 | 665,928,753 |
| Equity swaps | 15,141,497 | 13,513,678 | 28,655,175 |
| Credit default swaps | 84,104,500 | (63,530,500) | 20,574,000 |
| Interest rate swaps | 124,827,155 | (24,200,696) | 100,626,459 |
| Total | 853,079,378 | 108,871,202 | 961,950,580 |
| Financial liabilities at fair value through profit or loss | | | |
| Commodity futures | 61,615,336 | 6,474,999 | 68,090,335 |
| Stock index futures | 46,885,452 | (11,563,325) | 35,322,127 |
| Interest rate futures | 339,920,554 | 202,924,492 | 542,845,046 |
| Forward currency contracts | 372,370,928 | 180,515,923 | 552,886,851 |
| Equity swaps | 15,663,968 | 9,154,363 | 24,818,331 |
| Credit default swaps | - | 87,583,000 | 87,583,000 |
| Interest rate swaps | 204,300,859 | (15,304,795) | 188,996,064 |
| Total | 1,040,757,097 | 459,784,657 | 1,500,541,754 |

During the year ended 30 September 2023, leverage in terms of net derivative exposure of the Fund as a percentage of NAV was as follows:

High – 857% on 20 September 2023

Low - 313% on 10 October 2022

Average - 547%

5. Offsetting financial assets and financial liabilities

As at 30 September 2023 and 30 September 2022, no financial assets and liabilities of the Fund are being presented net within the statement of financial position. The following tables provide information on the financial impact of netting for instruments subject to an enforceable master netting arrangement or similar agreement in the event of default as defined under such agreements.

The following table summarises the net financial assets per counterparty as at 30 September 2023:

| Counterparty | (i) | (ii) | (iii)=(i)+(ii) | |
|-----------------------------------|--|-------------------------------|-------------------------------|--------------------|
| | Gross amounts of assets in the statement of financial position US\$ | Financial instruments US\$ | Cash collateral held* US\$ | Net amount US\$ |
| Barclays | 1,611,425 | (852,346) | (427,230) | 331,849 |
| Citigroup Inc | 834,858 | (702,287) | - | 132,571 |
| Goldman Sachs | 2,315,557 | (504,833) | (1,719,856) | 90,868 |
| HSBC Bank Plc | 7,362,539 | (6,647,608) | - | 714,931 |
| JP Morgan Chase Bank N.A. | 6,174,852 | (3,485,572) | (2,054,441) | 634,839 |
| Merrill Lynch & Co. Inc | 2,506,703 | (255,607) | - | 2,251,096 |
| Morgan Stanley | 739,033 | (560,693) | (178,340) | - |
| NatWest Group plc | 3,111,670 | (2,552,466) | - | 559,204 |
| The Bank of New York Mellon SA/NV | 496 | (496) | - | - |
| Total | 24,657,133 | (15,561,908) | (4,379,867) | 4,715,358 |

* Excess of collateral held by counterparty is not shown for financial reporting purposes.

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2023



5. Offsetting financial assets and financial liabilities (continued)

The following table summarises the net financial liabilities per counterparty as at 30 September 2023:

Offsetting of derivative liabilities and collateral pledged by counterparty

| Counterparty | (i) | (ii) | | (iii)=(i)+(ii) |
|-----------------------------------|---|---|----------------------------------|--------------------|
| | Gross amounts of liabilities in the statement of financial position US\$ | Gross liabilities not offset in the statement of financial position | | Net amount US\$ |
| | | Financial instruments US\$ | Cash collateral pledged* US\$ | |
| Barclays | 852,346 | (852,346) | - | - |
| Citigroup Inc | 702,287 | (702,287) | - | - |
| Goldman Sachs | 504,833 | (504,833) | - | - |
| HSBC Bank Plc | 6,647,608 | (6,647,608) | - | - |
| JP Morgan Chase Bank N.A. | 3,485,572 | (3,485,572) | - | - |
| Merrill Lynch & Co. Inc | 255,607 | (255,607) | - | - |
| Morgan Stanley | 560,693 | (560,693) | - | - |
| NatWest Group plc | 2,552,466 | (2,552,466) | - | - |
| The Bank of New York Mellon SA/NV | 5,916 | (496) | (5,420) | - |
| Total | 15,567,328 | (15,561,908) | (5,420) | - |

* Excess of collateral pledged by counterparty is not shown for financial reporting purposes.

The following table summarises the net financial assets per counterparty as at 30 September 2022:

Offsetting of derivative assets and collateral received by counterparty

| Counterparty | (i) | (ii) | | (iii)=(i)+(ii) |
|-----------------------------------|--|--|-------------------------------|--------------------|
| | Gross amounts of assets in the statement of financial position US\$ | Gross assets not offset in the statement of financial position | | Net amount US\$ |
| | | Financial instruments US\$ | Cash collateral held* US\$ | |
| Barclays | 125,028 | - | - | 125,028 |
| Citigroup Inc | 5,514,524 | (3,797,623) | (560,000) | 1,156,901 |
| Credit Suisse | 175 | - | - | 175 |
| Deutsche Bank AG | 2,987,203 | (1,658,761) | (1,242,563) | 85,879 |
| Goldman Sachs | 2,838,286 | (480,681) | (2,357,605) | - |
| HSBC Bank Plc | 8,212,554 | (5,598,687) | (740,000) | 1,873,867 |
| JP Morgan Chase Bank N.A. | 9,972,035 | (3,672,290) | (4,781,093) | 1,518,652 |
| Merrill Lynch & Co. Inc | 3,209,280 | (394,344) | (193,650) | 2,621,286 |
| Morgan Stanley | 929,848 | (826,486) | (103,362) | - |
| NatWest Group plc | 2,069,303 | (1,808,358) | - | 260,945 |
| The Bank of New York Mellon SA/NV | 141 | - | - | 141 |
| Total | 35,858,377 | (18,237,230) | (9,978,273) | 7,642,874 |

* Excess of collateral held by counterparty is not shown for financial reporting purposes.

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2023



5. Offsetting financial assets and financial liabilities (continued)

The following table summarises the net financial liabilities per counterparty as at 30 September 2022:

Offsetting of derivative liabilities and collateral pledged by counterparty

| Counterparty | (i) | (ii) | | (iii)=(i)+(ii) |
|---------------------------|---|--|----------------------------------|--------------------|
| | Gross amounts of liabilities in the statement of financial position US\$ | Gross liabilities not offset in the statement financial position | | Net amount US\$ |
| | | Financial instruments US\$ | Cash collateral pledged* US\$ | |
| Citigroup Inc | 3,797,623 | (3,797,623) | - | - |
| Deutsche Bank AG | 1,658,761 | (1,658,761) | - | - |
| Goldman Sachs | 480,681 | (480,681) | - | - |
| HSBC Bank Plc | 5,598,687 | (5,598,687) | - | - |
| JP Morgan Chase Bank N.A. | 3,672,290 | (3,672,290) | - | - |
| Merrill Lynch & Co. Inc | 394,344 | (394,344) | - | - |
| Morgan Stanley | 826,486 | (826,486) | - | - |
| NatWest Group plc | 1,808,358 | (1,808,358) | - | - |
| Total | 18,237,230 | (18,237,230) | - | - |

* Excess of collateral pledged by counterparty is not shown for financial reporting purposes.

As at 30 September 2023, the amount of collateral pledged is US\$15,503,222 (2022: US\$8,143,517) and amount of collateral held was US\$4,415,851 (2022: US\$10,379,498).

6. Financial risk management

Overall risk management

The Fund's investment activities expose it to the various types of risk which are associated with the financial instruments and markets in which it invests. The most important types of financial risks to which the Fund is exposed are market risk, credit risk and liquidity risk. Market risk includes among other things; security price risk, interest rate risk, volatility risk and currency risk. The Investment Manager manages these risks on an aggregate basis along with the risks associated with the Fund's investing activities as part of its overall risk management policies.

The nature and extent of the financial instruments outstanding at the dates of the statement of the financial position and the risk management policies employed by the Fund are discussed below.

The Fund seeks to generate returns through investing in the AHL Diversified Programme, through its underlying investments, which are managed by the Investment Manager.

The Investment Manager distinguishes between two primary risk levels, which are risks at the Fund level, and risks at the underlying investment level. Accordingly, the Investment Manager has implemented procedures to manage risks associated with both the Fund and its underlying investments.

At the Fund level

Risk management at the Fund level can be segregated into pre and post-investment risk management. Pre-investment risk management involves determining asset allocation and portfolio construction. Thereafter, risk management involves conducting risk and return analysis, monitoring the relevant Fund specific portfolio restrictions and investment guidelines and managing currency, interest rate, credit and liquidity risks at the Fund level and making relevant adjustments to asset allocation and portfolio construction. Risk considerations or the need to bring the portfolio back in line with product guidelines may trigger a rebalancing of the portfolio, which is typically done on a daily basis by the Investment Manager's portfolio management team.

At the level of underlying investments

AHL Diversified Programme

The Investment Manager manages the AHL Diversified Programme which employs sophisticated computerised processes primarily to identify trends and other opportunities in markets around the world. A trading and implementation infrastructure is then employed to capitalise on these trading opportunities. This process is quantitative and primarily directional in nature, and is underpinned by risk control, ongoing research, diversification and the constant quest for efficiency.

A product of continuing research and development carried out by the Investment Manager since 1987, the AHL Diversified Programme utilises and is committed to extending the range and versatility of the original investment techniques, strategies and markets. As such, subject to the restrictions set out in the Prospectus, the Investment Manager may increase the number and diversity of markets and instruments traded directly or indirectly by the AHL Diversified Programme and deploy new strategies or trading systems where appropriate. A cornerstone of the investment philosophy is that financial markets experience persistent trends and inefficiencies. Trends are a manifestation of serial correlation in financial markets – the phenomenon whereby past price movements influence future price behaviour. Although they vary in their intensity, duration and frequency, price trends are universally recurrent across all sectors and markets. Trends are an attractive focus for active trading styles applied across a diverse range of global markets.

6. Financial risk management (continued)

At the level of underlying investments (continued)

AHL Diversified Programme (continued)

As well as emphasising sector and market diversification, the AHL Diversified Programme has been constructed to achieve diversification by combining various systems. The systems are driven by powerful computerised processes or trading algorithms, most of which work by sampling prices in real time and measuring price momentum and breakouts. With access to around 300 traded instruments, the Investment Manager provides investors with one of the most diverse trading programmes in the industry. Instruments traded encompass currencies, bonds, rates, energies, metals and agriculturals.

The trading algorithms aim mainly to capture price trends and close out positions when there is a high probability of a different trend developing. The AHL Diversified Programme may include algorithmic systems based on certain forms of quantitative fundamental data that can be captured efficiently, such as interest rate data.

Another important aspect of diversification is the fact that the various systems generate signals across different time frames, ranging from two to three days to several months, which helps to reduce the risk of the AHL Diversified Programme. In line with the principle of diversification, the approach to portfolio construction and asset allocation is premised on the importance of deploying investment capital across the full range of sectors and markets. Particular attention is paid to correlation of markets and sectors, expected returns, market access costs and market liquidity. Portfolios are regularly reviewed and, when necessary, adjusted to reflect changes in these factors. The Investment Manager also has a process for adjusting its market risk exposure in real time to reflect changes in the volatility of individual markets. The portfolio structure and constituents are regularly reviewed by the investment management team and allocations may change to access other sectors and markets.

The leverage range of the AHL Diversified Programme is typically around 200-1000% of the Fund's NAV. In order to calculate leverage, financial derivative instruments are converted into an equivalent position in the underlying asset, with netting and hedging arrangements applied where risk offsetting occurs and as determined by the Investment Manager. Interest rate exposures are duration adjusted in order to compare them on an equivalent risk basis. Cash and cash equivalent instruments, FX hedges of any cash balances, as well as any share class hedges are excluded from the exposure calculation. Leverage is then calculated by summing the absolute values of these netted underlying exposures, and dividing by the Fund's NAV expressed in percentage terms. Leverage is allowed to fluctuate both above and below these average levels to some extent, as leverage is a function of positions held, so strong trends and other opportunities in a market tend to result in larger positions and therefore higher leverage. Leverage may also move below the range in times of increased market stress: the Fund will reduce position sizing with the aim of maintaining a balanced risk profile through time. In addition, there may be times of low trends where the Fund takes smaller positions across markets. Leverage is closely monitored.

Additionally, the Investment Manager benefits from being part of Man. Man offers expertise in client servicing through a worldwide network of offices and staff, product structuring, marketing and compliance together with back-office support functions, including information technology, administration and logistics.

Market risk

Market risk is the risk that fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and security prices.

There are many risk measures used by the Investment Manager; however one generally understood measure is annualised volatility. Annualised volatility is a measure of risk that is calculated as the standard deviation of the returns on the NAV per Redeemable Participating Share for the previous 12 months.

As it is based on the NAV per Redeemable Participating Share, annualised volatility incorporates all performance characteristics of the Fund including the impact of interest rate movements and currency exchange differences in the year. Although the direct investments of the Fund may change, the investment strategies employed by its underlying investments will not significantly change, meaning that the risk and return characteristics that the Fund is exposed to are broadly consistent.

Annualised volatility has limitations as it assumes a normal distribution of periodic returns, which may not be fully representative of hedge fund behaviour. The annualised volatility will also be a more accurate measure where more data points exist. Annualised volatility is based upon historical data. There is no guarantee of trading performance and past performance is no indication of future performance or results.

As at 30 September 2023, the annualised volatility for the Fund was 20.69% (2022: 15.01%).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund may hold investments in fixed interest bearing securities. Any change to the interest rate for particular securities may result in income either increasing or decreasing. Prices of securities held will be impacted by domestic rates of interest. The Fund's performance, therefore, will depend in part on its ability to anticipate and respond to such fluctuations in market interest rates, and to utilise appropriate strategies to maximise returns to the Fund, whilst attempting to minimise the associated risks to its investment capital.

The Fund has exposure to interest rate risk on cash and cash equivalents, collateral balances with brokers, collateral balances due to brokers, government bonds and certain derivative contracts. That exposure may not necessarily be significant due to the generally short term nature of those holdings. But a more significant exposure exists in that the value of all financial instruments held by the Fund may be affected either positively or negatively by changes in interest rates.

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2023



6. Financial risk management (continued)

Interest rate risk (continued)

The Fund is directly exposed to interest rate risk through its investment in debt securities, which is deliberately designed to generate returns through trading strategies focused on exploiting price differentials in rates. The sensitivity of these exposures is modelled through the overall volatility analysis provided in the market risk section.

The following tables detail the Fund's exposure to interest rate risk by the earlier of contractual maturities or re-pricing:

| | Less than one month US\$ | One month to one year US\$ | Over one year US\$ | Not exposed to interest rate US\$ | Total US\$ |
|--|--------------------------------|----------------------------------|--------------------------|---|---------------------|
| As at 30 September 2023 | | | | | |
| Assets | | | | | |
| Cash and cash equivalents | 19,631,027 | - | - | - | 19,631,027 |
| Collateral balances with brokers | 15,503,222 | - | - | - | 15,503,222 |
| Due from brokers | - | - | - | 2,656,973 | 2,656,973 |
| Financial assets at fair value through profit or loss | 19,950,162 | 60,302,417 | 5,282,268 | 16,742,860 | 102,277,707 |
| Dividends receivable | - | - | - | 36,937 | 36,937 |
| Other assets | - | - | - | 3,070 | 3,070 |
| Total assets | 55,084,411 | 60,302,417 | 5,282,268 | 19,439,840 | 140,108,936 |
| Liabilities | | | | | |
| Collateral balances due to brokers | (4,415,851) | - | - | - | (4,415,851) |
| Due to brokers | - | - | - | (2,450,810) | (2,450,810) |
| Subscriptions received in advance | - | - | - | (30,611) | (30,611) |
| Redemptions payable | - | - | - | (420,310) | (420,310) |
| Financial liabilities at fair value through profit or loss | - | - | (2,193,325) | (13,374,003) | (15,567,328) |
| Dividends payable on short securities | - | - | - | (16,494) | (16,494) |
| Management fees payable | - | - | - | (276,801) | (276,801) |
| Services management fees payable | - | - | - | (21,221) | (21,221) |
| Introducing broker fees payable | - | - | - | (92,267) | (92,267) |
| Hong Kong representative fees payable | - | - | - | (397) | (397) |
| Accrued expenses and other liabilities | - | - | - | (195,862) | (195,862) |
| Total liabilities | (4,415,851) | - | (2,193,325) | (16,878,776) | (23,487,952) |
| Net assets | 50,668,560 | 60,302,417 | 3,088,943 | 2,561,064 | 116,620,984 |
| As at 30 September 2022 | | | | | |
| Assets | | | | | |
| Cash and cash equivalents | 26,276,625 | - | - | - | 26,276,625 |
| Collateral balances with brokers | 8,143,517 | - | - | - | 8,143,517 |
| Due from brokers | - | - | - | 1,155,064 | 1,155,064 |
| Financial assets at fair value through profit or loss | - | 112,477,849 | 10,430,441 | 21,940,064 | 144,848,354 |
| Dividends receivable | - | - | - | 36,218 | 36,218 |
| Other assets | - | - | - | 3,040 | 3,040 |
| Total assets | 34,420,142 | 112,477,849 | 10,430,441 | 23,134,386 | 180,462,818 |
| Liabilities | | | | | |
| Collateral balances due to brokers | (10,379,498) | - | - | - | (10,379,498) |
| Due to brokers | - | - | - | (1,019,406) | (1,019,406) |
| Subscriptions received in advance | - | - | - | (27,298) | (27,298) |
| Redemptions payable | - | - | - | (90,660) | (90,660) |
| Financial liabilities at fair value through profit or loss | - | (883) | (3,890,864) | (14,345,483) | (18,237,230) |
| Dividends payable on short securities | - | - | - | (14,588) | (14,588) |
| Management fees payable | - | - | - | (344,461) | (344,461) |
| Incentive fees payable | - | - | - | (5,367,849) | (5,367,849) |
| Services management fees payable | - | - | - | (26,409) | (26,409) |
| Introducing broker fees payable | - | - | - | (114,820) | (114,820) |
| Hong Kong representative fees payable | - | - | - | (411) | (411) |
| Directors' fees payable | - | - | - | (4,367) | (4,367) |
| Accrued expenses and other liabilities | - | - | - | (187,993) | (187,993) |
| Total liabilities | (10,379,498) | (883) | (3,890,864) | (21,543,745) | (35,814,990) |
| Net assets | 24,040,644 | 112,476,966 | 6,539,577 | 1,590,641 | 144,647,828 |

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2023



6. Financial risk management (continued)

Interest rate risk (continued)

Liabilities not exposed to interest rate risk comprise due to brokers, subscriptions received in advance, redemptions payable, certain financial liabilities at fair value through profit or loss, dividends payable on short securities, management fees payable, incentive fees payable, services management fees payable, introducing broker fees payable, Hong Kong representative fees payable, directors' fees payable and accrued expenses and other liabilities. These amounts normally require contractual settlement within one quarter and, in all cases, within one year.

The following tables detail the effect on net assets should interest rates have increased/decreased by 50 basis points (bps) with all other variables remaining constant, assuming that a 50 bps increase/decrease in the base interest rate would result in a correlating 50 bps increase/decrease in the value of net assets. In reality, an increase/decrease of 50 bps would not result in a direct correlating increase/decrease in the fair value of net assets, as the movement in the value of net assets would depend on the individual asset class and/or market sentiment towards any sensitivity in the interest rate. The volatility measures presented in the Market Risk section include, among all other variables, these actual interest rate sensitivities.

| | Less than one month US\$ | One month to one year US\$ | Over one year US\$ | Not exposed to interest rate US\$ | Total US\$ |
|--------------------------------|--------------------------------|----------------------------------|--------------------------|---|---------------|
| As at 30 September 2023 | | | | | |
| Net assets - (50 bps increase) | 50,921,903 | 60,603,929 | 3,104,388 | 2,561,064 | 117,191,284 |
| Net assets - (50 bps decrease) | 50,415,217 | 60,000,905 | 3,073,498 | 2,561,064 | 116,050,684 |
| As at 30 September 2022 | | | | | |
| Net assets - (50 bps increase) | 24,160,847 | 113,039,351 | 6,572,275 | 1,590,641 | 145,363,114 |
| Net assets - (50 bps decrease) | 23,920,441 | 111,914,581 | 6,506,879 | 1,590,641 | 143,932,542 |

The Fund is indirectly exposed to interest rate risk through its investment strategy, which is deliberately designed to generate returns through trading strategies focused on exploiting price differentials in rates. The sensitivity of these exposures is modelled through the overall volatility analysis provided in the market risk section.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Fund is exposed to currency risk through its investments in non-US\$ denominated investments. The Investment Manager has an active procedure to monitor foreign exchange exposures and manages this risk through offsetting non-US\$ denominated balances and entering into offsetting forward currency contracts.

Monetary assets and liabilities denominated in currencies are summarised below. The amounts stated represent the Fund's pre-hedged exposure and do not take account of the significantly reduced sensitivity to currency risk that results from holding the forward currency contracts.

As at 30 September 2023

| Amounts are expressed in their US\$ equivalents | US\$ | Other | Total |
|--|---------------------|---------------------|---------------------|
| Assets | | | |
| Cash and cash equivalents | 12,837,306 | 6,793,721 | 19,631,027 |
| Collateral balances with brokers | 13,697,293 | 1,805,929 | 15,503,222 |
| Due from brokers | 1,262,981 | 1,393,992 | 2,656,973 |
| Financial assets at fair value through profit or loss | 93,111,567 | 9,166,140 | 102,277,707 |
| Dividends receivable | 6,512 | 30,425 | 36,937 |
| Other assets | 3,070 | - | 3,070 |
| Total assets | 120,918,729 | 19,190,207 | 140,108,936 |
| Liabilities | | | |
| Collateral balances due to brokers | (1,138,967) | (3,276,884) | (4,415,851) |
| Due to brokers | (1,180,319) | (1,270,491) | (2,450,810) |
| Subscriptions received in advance | (30,611) | - | (30,611) |
| Redemptions payable | (420,310) | - | (420,310) |
| Financial liabilities at fair value through profit or loss | (10,116,708) | (5,450,620) | (15,567,328) |
| Dividends payable on short securities | (7,605) | (8,889) | (16,494) |
| Management fees payable | (276,801) | - | (276,801) |
| Services management fees payable | (21,221) | - | (21,221) |
| Introducing broker fees payable | (92,267) | - | (92,267) |
| Hong Kong representative fees payable | (397) | - | (397) |
| Accrued expenses and other liabilities | (195,862) | - | (195,862) |
| Total liabilities | (13,481,068) | (10,006,884) | (23,487,952) |
| Net assets | 107,437,661 | 9,183,323 | 116,620,984 |

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2023



6. Financial risk management (continued)

Currency risk (continued)

As at 30 September 2022

| Amounts are expressed in their US\$ equivalents | US\$ | Other | Total |
|--|---------------------|---------------------|---------------------|
| Assets | | | |
| Cash and cash equivalents | 21,437,984 | 4,838,641 | 26,276,625 |
| Collateral balances with brokers | 6,284,686 | 1,858,831 | 8,143,517 |
| Due from brokers | 229,415 | 925,649 | 1,155,064 |
| Financial assets at fair value through profit or loss | 129,236,148 | 15,612,206 | 144,848,354 |
| Dividends receivable | 4,566 | 31,652 | 36,218 |
| Other assets | 3,040 | - | 3,040 |
| Total assets | 157,195,839 | 23,266,979 | 180,462,818 |
| Liabilities | | | |
| Collateral balances due to brokers | (5,040,575) | (5,338,923) | (10,379,498) |
| Due to brokers | (250,569) | (768,837) | (1,019,406) |
| Subscriptions received in advance | (27,298) | - | (27,298) |
| Redemptions payable | (90,660) | - | (90,660) |
| Financial liabilities at fair value through profit or loss | (9,782,456) | (8,454,774) | (18,237,230) |
| Dividends payable on short securities | (1,539) | (13,049) | (14,588) |
| Management fees payable | (344,461) | - | (344,461) |
| Incentive fees payable | (5,367,849) | - | (5,367,849) |
| Services management fees payable | (26,409) | - | (26,409) |
| Introducing broker fees payable | (114,820) | - | (114,820) |
| Hong Kong representative fees payable | (411) | - | (411) |
| Directors' fees payable | (4,367) | - | (4,367) |
| Accrued expenses and other liabilities | (187,993) | - | (187,993) |
| Total liabilities | (21,239,407) | (14,575,583) | (35,814,990) |
| Net assets | 135,956,432 | 8,691,396 | 144,647,828 |

Other price risk

Other price risk is the risk that the price of a financial instrument will fluctuate due to changes in market conditions influencing, directly or indirectly, the value of the financial instrument.

The Fund is exposed to other price risk from its investments. Due to the nature of the trading strategies followed by this Fund, no direct relationship between any market factors and the expected prices of the financial instruments can be reliably established.

Other price risk is managed through the overall risk management processes described above.

Credit/Counterparty risk

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the Fund.

The Fund's maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event that the counterparties fail to perform their obligations as of 30 September 2023 in relation to each class of recognised financial assets is the carrying amount of those assets in the statement of financial position.

With respect to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. Credit risk is mitigated for the AHL Diversified Programme through the diversity of counterparties and regular monitoring of concentration risk.

At 30 September 2023 and 30 September 2022, the Fund holds government bonds in the United States.

The significant exposures are to the Bank and Brokers.

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2023



6. Financial risk management (continued)

Credit/Counterparty risk (continued)

The tables below analyse the Fund's exposure to cash and cash equivalents, collateral balances with brokers, due from brokers, financial assets at fair value through profit or loss and dividends receivable by rating agency category at 30 September 2023 and 30 September 2022 (Source: Moody's).

| Counterparty | Moody's Rating | 2023 US\$ | 2023 % |
|-----------------------------------|----------------|-------------------|----------------|
| Barclays | Baa1 | 4,848,849 | 7.76% |
| Citigroup Inc | A3 | 1,350,088 | 2.16% |
| Deutsche Bank AG | A1 | 15,399 | 0.02% |
| Goldman Sachs | A2 | 10,471,630 | 16.76% |
| HSBC Bank Plc | A3 | 9,200,709 | 14.72% |
| JP Morgan Chase Bank N.A. | Aa2 | 15,684,679 | 25.11% |
| Merrill Lynch & Co. Inc | A1 | 6,370,803 | 10.20% |
| Morgan Stanley | A1 | 3,231,533 | 5.17% |
| NatWest Group plc | A3 | 5,198,759 | 8.32% |
| The Bank of New York Mellon SA/NV | A1 | 6,112,843 | 9.78% |
| | | 62,485,292 | 100.00% |

| Counterparty | Moody's Rating | 2022 US\$ | 2022 % |
|-----------------------------------|----------------|-------------------|----------------|
| Barclays | Baa2 | 714,489 | 1.00% |
| Citigroup Inc | A3 | 5,514,524 | 7.72% |
| BNP Paribas | Aa3 | 2 | - |
| Credit Suisse | Baa2 | 434 | - |
| Deutsche Bank AG | A2 | 3,662,066 | 5.12% |
| Goldman Sachs | A2 | 9,089,353 | 12.72% |
| HSBC Bank Plc | A3 | 8,212,554 | 11.49% |
| JP Morgan Chase Bank N.A. | Aa2 | 16,098,836 | 22.53% |
| Merrill Lynch & Co. Inc | A2 | 5,146,412 | 7.20% |
| Morgan Stanley | A1 | 4,079,951 | 5.71% |
| NatWest Group plc | A3 | 3,611,208 | 5.05% |
| The Bank of New York Mellon SA/NV | A1 | 15,339,972 | 21.46% |
| | | 71,469,801 | 100.00% |

The custody of assets rests with the prime broker/counterparty. The Investment Manager has centralised its due diligence and monitoring process of the prime brokerage and trading relationships through a dedicated prime brokerage and trading team utilised by an affiliated company. Credit and counterparty risk is analysed by examining certain credit related criteria on a centralised basis across platforms by establishing risk tolerance levels in accordance with the overall risk profile of the prime broker/counterparty as determined by the Investment Manager.

In addition, netting agreements and collateral arrangements (including International Swaps and Derivatives Association Inc. Master Agreements for OTC (as applicable derivatives) are routinely put in place when appropriate to allow the counterparty risk mitigating benefits of closeout netting and payment netting.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities or equity that are settled by delivering cash or another financial asset. Redeemable Participating Shareholder redemption requests are the main liquidity risk for the Fund.

The Fund's Redeemable Participating Shares are redeemable as outlined in Note 10. The exposure to liquidity risk through Redeemable Participating Shareholder redemption requests is managed by specifically setting the redemption notice period to accommodate the expected liquidity of the underlying investments as agreed by the Investment Manager.

The Fund's financial instruments include listed securities/exchange-traded futures contracts which are considered readily realisable as they are all listed on major recognised exchanges.

The Fund's financial instruments also include investments in derivative contracts traded OTC, which are not quoted in an active public market and which generally may be illiquid. As a result, the Fund may not be able to liquidate quickly some of its investments in these instruments at an amount close to their fair value in order to meet its liquidity requirements. The Fund may be forced to sell its more liquid positions at a disadvantageous time, resulting in a greater percentage of the portfolio consisting of illiquid financial instruments.

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2023



6. Financial risk management (continued)

Liquidity risk (continued)

The tables below summarise the maturity profile of the Fund's financial liabilities:

| | Less than 1 month US\$ | 1 to 3 months US\$ | 3 to 12 months US\$ | Greater than 1 year US\$ | Total US\$ |
|--|---------------------------|-----------------------|------------------------|-----------------------------|---------------------|
| As at 30 September 2023 | | | | | |
| Liabilities | | | | | |
| Collateral balances due to brokers | (4,415,851) | - | - | - | (4,415,851) |
| Due to brokers | (2,381,488) | - | - | (69,322) | (2,450,810) |
| Subscriptions received in advance | (30,611) | - | - | - | (30,611) |
| Redemptions payable | (420,310) | - | - | - | (420,310) |
| Financial liabilities at fair value through profit or loss | (9,817,512) | (3,349,607) | (190,846) | (2,209,363) | (15,567,328) |
| Dividends payable on short securities | (12,046) | (4,448) | - | - | (16,494) |
| Management fees payable | (276,801) | - | - | - | (276,801) |
| Services management fees payable | - | - | (21,221) | - | (21,221) |
| Introducing broker fees payable | - | - | (92,267) | - | (92,267) |
| Hong Kong representative fees payable | - | - | (397) | - | (397) |
| Accrued expenses and other liabilities | - | - | (195,862) | - | (195,862) |
| Total liabilities | (17,354,619) | (3,354,055) | (500,593) | (2,278,685) | (23,487,952) |
| As at 30 September 2022 | | | | | |
| Liabilities | | | | | |
| Collateral balances due to brokers | (10,379,498) | - | - | - | (10,379,498) |
| Due to brokers | (777,037) | - | - | (242,369) | (1,019,406) |
| Subscriptions received in advance | (27,298) | - | - | - | (27,298) |
| Redemptions payable | (90,660) | - | - | - | (90,660) |
| Financial liabilities at fair value through profit or loss | (12,452,097) | (1,845,272) | (48,997) | (3,890,864) | (18,237,230) |
| Dividends payable on short securities | (5,973) | (8,615) | - | - | (14,588) |
| Management fees payable | (344,461) | - | - | - | (344,461) |
| Incentive fees payable | - | - | (5,367,849) | - | (5,367,849) |
| Services management fees payable | - | - | (26,409) | - | (26,409) |
| Introducing broker fees payable | - | - | (114,820) | - | (114,820) |
| Hong Kong representative fees payable | - | - | (411) | - | (411) |
| Directors' fees payable | - | - | (4,367) | - | (4,367) |
| Accrued expenses and other liabilities | - | - | (187,993) | - | (187,993) |
| Total liabilities | (24,077,024) | (1,853,887) | (5,750,846) | (4,133,233) | (35,814,990) |

7. Net gain/(loss) on financial assets and liabilities at fair value through profit or loss

| | 2023 Fair Value US\$ | 2022 Fair Value US\$ |
|--|----------------------------|----------------------------|
| Realised and unrealised gain/(loss) on foreign currency | | |
| Net realised gain/(loss) on foreign currency | 33,034 | (236,355) |
| Change in net unrealised gain/(loss) on foreign currency | (65,137) | (173,810) |
| Net gain/(loss) on foreign currency | (32,103) | (410,165) |

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2023



7. Net gain/(loss) on financial assets and liabilities at fair value through profit or loss (continued)

| | 2023 Fair Value US\$ | 2022 Fair Value US\$ |
|---|----------------------------|----------------------------|
| Realised and unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss | | |
| Net realised gain/(loss) on equity swaps | (2,224,352) | (243,588) |
| Net realised gain/(loss) on forward currency contracts | 5,599,142 | 2,772,764 |
| Net realised gain/(loss) on commodity futures | (6,114,453) | 10,107,362 |
| Net realised gain/(loss) on currency futures | (115,840) | 683,048 |
| Net realised gain/(loss) on interest rate futures | 765,376 | 12,174,692 |
| Net realised gain/(loss) on stock index futures | (1,869,951) | (8,370,411) |
| Net realised gain/(loss) on credit default swaps | 564,464 | (1,785,608) |
| Net realised gain/(loss) on interest rate swaps | 468,871 | 250,562 |
| Total net realised gain/(loss) | <u>(2,926,743)</u> | <u>15,588,821</u> |
| Change in net unrealised gain/(loss) on equity swaps | 1,065,906 | (154,575) |
| Change in net unrealised gain/(loss) on forward currency contracts | (3,190,567) | 6,498,456 |
| Change in net unrealised gain/(loss) on commodity futures | 29,431 | (1,856,464) |
| Change in net unrealised gain/(loss) on currency futures | (44,353) | 72,985 |
| Change in net unrealised gain/(loss) on interest rate futures | (1,974,809) | 4,837,698 |
| Change in net unrealised gain/(loss) on stock index futures | (2,074,114) | 2,584,202 |
| Change in net unrealised gain/(loss) on credit default swaps | (88,414) | 254,734 |
| Change in net unrealised gain/(loss) on interest rate swaps | (1,504,163) | 4,454,677 |
| Total net movement in unrealised gain/(loss) | <u>(7,781,083)</u> | <u>16,691,713</u> |
| Net gain/(loss) on financial assets and liabilities at fair value through profit or loss | <u>(10,707,826)</u> | <u>32,280,534</u> |

8. Fees and expenses

Management and incentive fees

The Investment Manager is entitled to a management fee of 3% per annum of the NAV of the Fund (the "Management Fee") accrued daily and calculated on the aggregate NAV at the immediately preceding valuation day. The Management Fee is payable monthly in arrears by the Fund.

Incentive fees are calculated and accrued daily at each valuation day and payable annually in arrears at the rate of 20% of any net appreciation (after deduction of the management fee but prior to deduction of the incentive fee) in the NAV per Redeemable Participating Share on the last valuation day in the relevant financial year of the Fund above any previous highest NAV per Redeemable Participating Share on any preceding dealing day on which an incentive fee had previously been paid, multiplied by the number of Redeemable Participating Shares outstanding on the valuation day in respect of which the incentive fee is calculated. As at 30 September 2023, incentive fees of US\$Nil (2022: US\$5,367,849) were payable by the Fund, which represented 0.00% (2022: 3.71%) of the Fund's NAV.

Where an investor redeems Redeemable Participating Shares part way through a financial year, the incentive fee accrued in respect of those Redeemable Participating Shares is crystallised and paid at the end of the year up to 31 January 2023 and thereafter is paid at the end of the month in which the relevant Redeemable Participating Shares are redeemed.

Management and incentive fees payable in respect of the AHL Diversified Programme are paid to Man Investments AG in consideration for marketing advisory and investment management services.

Services management fees

The Fund pays the Services Manager in respect of shareholder services an annual fixed fee of US\$1,000 plus an annual variable fee accruing at each valuation day and payable quarterly as per a sliding scale based on the number of investors as follows:

| | |
|----------------------|------------|
| Up to 100 investors | US\$10,000 |
| 101 to 200 investors | US\$13,000 |
| 201 to 400 investors | US\$16,000 |
| 401 to 600 investors | US\$19,000 |

When there are more than 600 investors, the annual variable fees are increased by increments of US\$3,000 for every additional 200 investors. The Services Manager is also paid by the Fund an annual fee of 0.05% of the NAV. In addition, a fee of US\$27 is paid in arrears by the Fund in respect of outward payments to Shareholders.

8. Fees and expenses (continued)

Services management fees (continued)

In respect of valuation services, the Fund pays the Services Manager a fee of 0.23% per annum of the NAV accrued daily and paid monthly in arrears. The valuation fees payable are subject to a minimum of US\$25,000 per annum.

The Services Manager pays fees to the Administrator for all administration services provided out of the Services Manager fee.

Company secretary fees

Until 30 April 2023, SS&C Fund Services (Bermuda), Ltd. served as company secretary to the Fund. Effective 1 May 2023, Conyers Corporate Services (Bermuda) (the "Company Secretary") was appointed as company secretary of the Fund.

The company secretary fees are charged at an annual retainer fee at the Company Secretary's customary rates for such services. The Company Secretary is reimbursed for all disbursements and reasonable expenses incurred in the performance of its duties, and such disbursements are invoiced separately and payable quarterly. Company secretary fees are included in other expenses in the statement of comprehensive income.

Introducing broker fees

Introducing broker fees, excluding institutional charges, are calculated at a rate of 1% per annum of the NAV as determined on each valuation day, were paid to the Introducing Broker.

Transaction and brokerage costs

Transaction and brokerage costs consist entirely of institutional charges for the years ended 30 September 2023 and 30 September 2022 which cover exchange and other third party costs, that are payable to brokers.

Hong Kong representative fees

The Hong Kong representative is paid a fee, calculated monthly at an amount of up to US\$5,000 per annum.

Custodian fees

The Bank of New York Mellon SA/NV, Dublin Branch (the "Custodian") has been appointed as custodian to the Fund. The Custodian is paid by the Fund a fee accruing at each valuation day and payable monthly at a rate of up to 0.025% per annum of the NAV subject to a minimum annual fee of US\$35,000. In addition, the Custodian is entitled to be reimbursed for all out-of-pocket expenses properly incurred by it in the performance of its duties. The Fund will be responsible for the fees and expenses of any sub-custodians appointed by the Custodian.

Directors' fees

The Fund pays the fees to the Directors. Each Director's fee is US\$4,000 per annum. In addition, the Directors receive reimbursement for travel and other out-of-pocket expenses relating to attendance at meetings and other matters, including any expenses relating to the performance of due diligence for the benefit of the Fund.

Other expenses

Included within other expenses in the statement of operations are operating fees and expenses applicable to the Fund which are not separately disclosed above.

9. Related party transactions

Master Multi-Product Holdings Ltd, a Bermuda incorporated company, is a related party through its 100% holding of management shares (the "Management Shares") in the Fund. Master Multi-Product Holdings Ltd is itself owned by Conyers Trust Company (Bermuda) Limited as trustee of the Master Multi-Product Purpose Trust.

AHL Partners LLP – the Investment Manager and Introducing Broker of the Fund, Man Investments (Hong Kong) Limited – the Hong Kong Representative of the Fund, Man Investments AG – the Marketing Adviser and Services Manager of the Fund and Man Group Operations Limited are indirect wholly-owned subsidiaries of Man Group plc and therefore all subsidiaries of Man Group plc are related parties.

Man Group Operations Limited pays for certain operating fees and expenses centrally on behalf of the Fund, which are then periodically recharged back to the Fund. Outstanding recharges as at 30 September 2023 amount to US\$13,339 (2022: US\$88,742) and have been included within accrued expenses and other liabilities in the statement of financial position.

Conyers Dill & Pearman, the Fund's legal adviser, is a related party as Dawn Griffiths is a Director of the Fund and a partner of the law firm.

Each of the Directors is or may become involved in other financial investment and professional activities which may cause conflicts of interest with the management of the Fund. These activities include management or administration of other companies (including those with investment objectives similar to those of the Fund or structures that may be related to Man Group plc sponsored investment funds), serving as directors, officers, advisers and/or agents of other companies, including companies or legal structures in which the Fund may invest and/or which may invest into the Fund.

As at 30 September 2023, 0.001% of the Redeemable Participating Shares were owned by entities or individuals affiliated to Man Group plc (30 September 2022: 0.001%).

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2023



9. Related party transactions (continued)

The following transactions, which were entered into in the ordinary course of business and on normal commercial terms took place between the Fund and its related parties:

For the year ended 30 September 2023

| Related party | Type of fee | Total fees | Fees payable/(prepaid) |
|-------------------------------------|-------------------------------|------------|------------------------------|
| | | US\$ | at 30 September 2023 US\$ |
| Conyers Dill & Pearman Limited | Legal fees* | 29,146 | - |
| Directors | Directors' fees** | 12,000 | - |
| AHL Partners LLP | Introducing broker fees | 1,222,710 | 92,267 |
| Man Investments AG | Management fees | 3,668,129 | 276,801 |
| Man Investments AG | Incentive fees | 779 | - |
| Man Investments (Hong Kong) Limited | Hong Kong representative fees | 4,987 | 397 |
| Man Investments AG | Services management fees | 281,223 | 21,221 |
| Man Group Operations Limited | Recharges payable | - | 13,339 |

For the year ended 30 September 2022

| Related party | Type of fee | Total fees | Fees payable |
|-------------------------------------|-------------------------------|------------|------------------------------|
| | | US\$ | at 30 September 2022 US\$ |
| Conyers Dill & Pearman Limited | Legal fees* | 21,205 | - |
| Directors | Directors' fees | 12,000 | 4,367 |
| AHL Partners LLP | Introducing broker fees | 1,319,783 | 114,820 |
| Man Investments AG | Management fees | 3,959,351 | 344,461 |
| Man Investments AG | Incentive fees | 5,782,309 | 5,367,849 |
| Man Investments (Hong Kong) Limited | Hong Kong representative fees | 4,973 | 411 |
| Man Investments AG | Services management fees | 303,555 | 26,409 |
| Man Group Operations Limited | Recharges payable | - | 88,742 |

* Legal fees are included within legal and other professional fees in the statement of comprehensive income.

** Directors' fees are prepaid and are included within other assets on the statement of financial position.

The above amounts are payable on demand and do not bear interest.

10. Share capital

The Fund has an authorised share capital of US\$762,000 divided into 12,000 Management Shares of par value US\$1 each and 75,000,000 Redeemable Participating Shares of par value US\$0.01 each. The 75,000,000 Redeemable Participating Shares of par value US\$0.01 carry 100% of the voting rights. The Management Shares do not carry voting rights for as long as there are shares of any other class in issue.

Management Shares of the Fund

The Management Shares are beneficially owned by Master Multi-Product Holdings Ltd, which is itself owned by Conyers Trust Company (Bermuda) Limited as trustee of the Master Multi-Product Purpose Trust, a special purpose trust formed under the laws of Bermuda pursuant to a deed of trust made by Conyers Trust Company (Bermuda) Limited (therein named Codan Trust Company Limited). As at 30 September 2023, these shares remained uncalled and no amounts were paid or payable to the Fund.

The holders of Management Shares are not entitled to any dividend whatsoever in respect of their Management shares. In the event of a winding up or dissolution of the Fund, the holders of Management Shares are entitled to an amount equal to the par value. The Management Shares have been issued but not called. No amount is recognised until the Management Shares are called.

Redeemable Participating Shares of the Fund

The Redeemable Participating Shares of the Fund are divided into two tranches: Tranche A and Tranche B. The Fund is offering only Participating Tranche A Shares to investors at the Subscription Price from (and including) 4 September 2012. The Directors have resolved that all Redeemable Participating Shares issued by the Fund prior to 4 September 2012 shall be converted to Tranche B Shares on 4 September 2012. Redeemable Participating Shareholders wishing to purchase additional Redeemable Participating Shares from 4 September 2012 onwards must subscribe for Participating Tranche A Shares (the Directors may decide otherwise from time to time).

Redeemable Participating Shares are redeemable, and written notices to redeem Redeemable Participating Shares should be received by the Administrator or BNYM (Hong Kong) by fax or by any other form of electronic communication agreed in advance with the Administrator, at the contact address referred to in the 'Names and addresses' section of the Prospectus not later than 17:00 pm (Hong Kong time) one business day prior to the dealing day on which the redemption is to take place, except in the event that the calculation of the NAV per Redeemable Participating Share has been suspended.

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2023



10. Share capital (continued)

Redeemable Participating Shares of the Fund (continued)

Share transactions in Redeemable Participating Shares for the year ended 30 September 2023 and 30 September 2022 were as follows:

| | 2023 | 2022 |
|---|------------------|------------------|
| Opening Redeemable Participating Shares | 2,552,016 | 2,557,593 |
| Issued Redeemable Participating Shares | 189,768 | 310,303 |
| Redeemed Redeemable Participating Shares | (508,275) | (315,880) |
| Closing Redeemable Participating Shares | <u>2,233,509</u> | <u>2,552,016</u> |
| Net asset value per Redeemable Participating Share at the end of the year | US\$52.21 | US\$56.67 |

Redemption fees

In case Tranche B Redeemable Participating Shares are redeemed before they have been in issue for the periods shown below, the current NAV per Redeemable Participating Share redeemed will be paid by the Fund to the Redeemable Participating Shareholder after deduction of a fee for early redemption, which will, in turn be paid to the Introducing Broker primarily to compensate it for the costs of marketing the Redeemable Participating Shares, as follows:

Tranche B

Redeemable Participating Shares redeemed on a dealing day

before they have been in issue for:

2 years

4 years

6 year

Fee for early redemption:

4.0 % of redemption price per Redeemable Participating Share

2.5 % of redemption price per Redeemable Participating Share

1.0 % of redemption price per Redeemable Participating Share

There will be no redemption fee applied on Tranche B Redeemable Participating Shares which are redeemed after they have been in issue for six years. No redemption fees will be applied for redemptions of Tranche A Redeemable Participating Shares.

Total redemption/winding up

All of the Shares may be redeemed by the Fund if:

- the holders of not less than 75% in value of the issued Redeemable Participating Shares of the Fund carrying voting rights at general meetings of the Fund approve of the redemption at a general meeting; or
- at any time, the aggregate of the NAV per Share of all Redeemable Participating Shares in issue on each of three successive Valuation days is less than US\$3,000,000; or
- the Custodian has served notice of its intention to retire under the terms of the custodian agreement and no new custodian has been formally approved and appointed within six months of the date of service of such notice.

On a winding up of the Fund the assets available for distribution (after satisfaction of creditors) shall be distributed to the holders of the Redeemable Participating Shares pari passu to the extent of their nominal value and thereafter all surplus assets shall be distributed to the holders of the Redeemable Participating Shares in proportion to the number of Redeemable Participating Shares held.

Capital management

The Fund's objectives for managing capital are:

- investing the capital in investments meeting the description, risk exposure and expected return indicated by the Fund's investment objective;
- achieving consistent returns while safeguarding capital by participating in derivative and other advanced capital markets and by using various investment strategies and investment techniques;
- maintaining sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise; and
- maintaining sufficient size to make the operation of the Fund cost-efficient.

The Fund's overall strategy for managing capital remains unchanged from the year ended 30 September 2022.

Refer to Note 6, 'Financial risk management', for the policies and processes applied by the Fund in managing its capital.

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2023



10. Share capital (continued)

Performance Table

| | Total NAV | NAV per Redeemable | Highest Redeemable Participating | Lowest Redeemable Participating |
|------|-------------|---------------------|-----------------------------------|-----------------------------------|
| | US\$ | Participating Share | Share issue price during the year | Share issue price during the year |
| | US\$ | US\$ | US\$ | US\$ |
| 2023 | 116,620,984 | 52.21 | 57.15 | 47.09 |
| 2022 | 144,647,828 | 56.67 | 57.84 | 45.21 |
| 2021 | 124,723,440 | 48.76 | 52.29 | 40.24 |
| 2020 | 122,264,589 | 41.65 | 46.37 | 40.56 |
| 2019 | 156,021,275 | 44.21 | 47.20 | 34.72 |
| 2018 | 156,081,264 | 36.67 | 43.39 | 35.92 |
| 2017 | 190,901,456 | 37.02 | 40.37 | 35.65 |
| 2016 | 231,156,386 | 38.05 | 45.11 | 37.46 |
| 2015 | 294,877,951 | 42.54 | 45.33 | 36.89 |
| 2014 | 320,203,454 | 37.45 | 37.59 | 29.70 |
| 2013 | 459,002,971 | 30.07 | 37.72 | 30.07 |

11. Contingent liabilities and commitments

There were no contingent liabilities or commitments other than those already disclosed in these financial statements as at 30 September 2023 (2022: None).

12. Soft commission arrangements

There were no soft commission arrangements in place during the year (2022: None).

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2023



13. Cash collateral information

The table below provides the cash collateral balances as at 30 September 2023 and 30 September 2022 for the Fund. These collateral balances pertain to derivative instruments.

| Counterparty | Currency | As at 30 September 2023 | | As at 30 September 2022 | |
|-----------------------------------|----------|-------------------------|--------------------|-------------------------|---------------------|
| | | Cash Collateral | | Cash Collateral | |
| | | Paid | Received | Paid | Received |
| Barclays | USD | 2,209,044 | - | 509,381 | - |
| Barclays | JPY | 15,116 | - | - | - |
| Barclays | CZK | 8,923 | - | - | - |
| Barclays | NZD | - | (342,725) | - | - |
| Barclays | EUR | - | (84,506) | - | - |
| Citigroup Inc | USD | 515,230 | - | - | (560,000) |
| Credit Suisse AG | USD | - | (7) | 259 | - |
| Deutsche Bank | CHF | - | - | 95,772 | - |
| Deutsche Bank | CZK | - | - | 59,830 | - |
| Deutsche Bank | EUR | - | - | 43,513 | - |
| Deutsche Bank | GBP | - | - | - | (367) |
| Deutsche Bank | JPY | - | - | - | (117,593) |
| Deutsche Bank | NOK | - | - | 171,225 | - |
| Deutsche Bank | NZD | - | - | - | (412,244) |
| Deutsche Bank | PLN | - | - | 146,884 | - |
| Deutsche Bank | USD | 15,399 | - | 11,021 | (712,359) |
| Goldman Sachs | CHF | - | (51,798) | 156,955 | - |
| Goldman Sachs | EUR | - | (548,229) | 53,902 | (944,726) |
| Goldman Sachs | NOK | - | (691) | - | - |
| Goldman Sachs | GBP | - | - | 10,797 | - |
| Goldman Sachs | JPY | 392,496 | - | 372,427 | (2,572) |
| Goldman Sachs | MXN | - | - | - | (13,437) |
| Goldman Sachs | USD | 3,413,410 | (1,119,138) | 2,817,893 | (1,410,957) |
| HSBC Bank Plc | USD | 1,838,170 | - | - | (740,000) |
| JP Morgan Chase Bank N.A. | CAD | 650,394 | (1,200,340) | - | (1,225,233) |
| JP Morgan Chase Bank N.A. | CHF | 19 | - | - | - |
| JP Morgan Chase Bank N.A. | EUR | - | - | - | (183,219) |
| JP Morgan Chase Bank N.A. | GBP | - | - | - | (154,878) |
| JP Morgan Chase Bank N.A. | HKD | 75,612 | (147,642) | 21,468 | (409,977) |
| JP Morgan Chase Bank N.A. | ILS | 79,792 | (69,399) | 62,626 | (109,021) |
| JP Morgan Chase Bank N.A. | MXN | 96,865 | (187,189) | 66,755 | (61,901) |
| JP Morgan Chase Bank N.A. | SEK | 186,692 | (302,987) | 279,328 | (619,685) |
| JP Morgan Chase Bank N.A. | SGD | 172,285 | (93,788) | 317,350 | (368,317) |
| JP Morgan Chase Bank N.A. | TWD | - | (12,030) | - | - |
| JP Morgan Chase Bank N.A. | USD | 3,597,070 | (19,821) | 1,403,734 | (1,546,358) |
| JP Morgan Chase Bank N.A. | ZAR | - | - | - | (102,504) |
| JP Morgan Chase Bank N.A. | SAR | 117,278 | (10,691) | - | - |
| JP Morgan Chase Bank N.A. | PLN | 10,456 | (10,553) | - | - |
| Merrill Lynch & Co. Inc | CAD | - | - | - | (157,061) |
| Merrill Lynch & Co. Inc | EUR | - | - | - | (36,589) |
| Morgan Stanley | CHF | - | (1,097) | - | (112,672) |
| Morgan Stanley | DKK | - | (18,494) | - | (23,228) |
| Morgan Stanley | EUR | - | (102,122) | - | (166,729) |
| Morgan Stanley | NOK | - | (12,283) | - | (16,246) |
| Morgan Stanley | GBP | - | (42,413) | - | (100,724) |
| Morgan Stanley | SEK | - | (12,577) | - | - |
| Morgan Stanley | USD | - | - | - | (70,901) |
| NatWest Group plc | USD | 2,087,090 | - | 1,541,905 | - |
| The Bank of New York Mellon SA/NV | USD | 21,881 | - | 492 | - |
| The Bank of New York Mellon SA/NV | JPY | - | (25,331) | - | - |
| | | 15,503,222 | (4,415,851) | 8,143,517 | (10,379,498) |

14. Subsequent events

There have been no subsequent events after the year end that impact the Fund and require disclosure in the financial statements.

Man AHL Diversified Futures Ltd

Unaudited condensed schedule of investments

As at 30 September 2023



Financial assets at fair value through profit or loss

| | Quantity | Cost US\$ | Fair Value US\$ | % of Net Assets |
|--|-------------------|-------------------|--------------------|--------------------|
| Government bonds | | | | |
| United States | | | | |
| United States Treasury Bill 0.00% 19/10/2023 | 20,000,000 | 19,563,511 | 19,950,163 | 17.11% |
| United States Treasury Bill 0.00% 02/11/2023 | 15,000,000 | 14,658,814 | 14,931,813 | 12.80% |
| United States Treasury Bill 0.00% 09/11/2023 | 22,000,000 | 21,469,609 | 21,877,212 | 18.76% |
| United States Treasury Bill 0.00% 16/11/2023 | 21,000,000 | 20,468,105 | 20,861,386 | 17.89% |
| Total United States | 78,000,000 | 76,160,039 | 77,620,574 | 66.56% |
| Total Government bonds | 78,000,000 | 76,160,039 | 77,620,574 | 66.56% |
| Swap agreements held Long | | | | |
| Argentina | | | | |
| Equity swaps | | | | |
| Technology | | | 2,332 | - |
| Total Argentina | | | 2,332 | - |
| Belgium | | | | |
| Equity swaps | | | | |
| Basic Materials | | | 433 | - |
| Consumer, Non-cyclical | | | 2,627 | - |
| Utilities | | | 917 | - |
| Total Belgium | | | 3,977 | - |
| Bermuda | | | | |
| Equity swaps | | | | |
| Consumer, Cyclical | | | 232 | - |
| Energy | | | 194 | - |
| Financial | | | 20,505 | 0.02% |
| Total Bermuda | | | 20,931 | 0.02% |
| Canada | | | | |
| Equity swaps | | | | |
| Basic Materials | | | 24,300 | 0.02% |
| Communications | | | 6,642 | 0.01% |
| Consumer, Cyclical | | | 524 | - |
| Consumer, Non-cyclical | | | 1,008 | - |
| Energy | | | 8,190 | 0.01% |
| Financial | | | 143 | - |
| Industrial | | | 1,870 | - |
| Technology | | | 6,389 | 0.01% |
| Utilities | | | 14,836 | 0.01% |
| Interest rate swaps | | | 1,482,669 | 1.27% |
| Total Canada | | | 1,546,571 | 1.33% |
| China | | | | |
| Interest rate swaps | | | 32,248 | 0.03% |
| Total China | | | 32,248 | 0.03% |
| Czech Republic | | | | |
| Interest rate swaps | | | 36,789 | 0.03% |
| Total Czech Republic | | | 36,789 | 0.03% |

Man AHL Diversified Futures Ltd
 Unaudited condensed schedule of investments (continued)
 As at 30 September 2023



Financial assets at fair value through profit or loss (continued)

| | Cost US\$ | Unrealised gain/(loss) US\$ | % of Net Assets |
|--|--------------|-----------------------------------|--------------------|
| Swap agreements held Long (continued) | | | |
| Denmark | | | |
| Equity swaps | | | |
| Basic Materials | | 3,878 | - |
| Communications | | 1,020 | - |
| Consumer, Non-cyclical | | 14,320 | 0.01% |
| Energy | | 1,505 | - |
| Financial | | 4,628 | - |
| Industrial | | 1,344 | - |
| Utilities | | 21,768 | 0.02% |
| Total Denmark | | 48,463 | 0.03% |
| European Union | | | |
| Credit default swaps | 695,318 | 650,964 | 0.56% |
| Interest rate swaps | | 121,374 | 0.10% |
| Total European Union | 695,318 | 772,338 | 0.66% |
| Finland | | | |
| Equity swaps | | | |
| Basic Materials | | 161 | - |
| Communications | | 1,745 | - |
| Consumer, Non-cyclical | | 1,993 | - |
| Industrial | | 5,825 | - |
| Technology | | 199 | - |
| Utilities | | 6,744 | 0.01% |
| Total Finland | | 16,667 | 0.01% |
| France | | | |
| Equity swaps | | | |
| Basic Materials | | 6,111 | 0.01% |
| Communications | | 102 | - |
| Consumer, Cyclical | | 9,205 | 0.01% |
| Consumer, Non-cyclical | | 12,747 | 0.01% |
| Energy | | 10,616 | 0.01% |
| Financial | | 23,892 | 0.02% |
| Industrial | | 11,584 | 0.01% |
| Technology | | 4,483 | - |
| Total France | | 78,740 | 0.07% |
| Germany | | | |
| Equity swaps | | | |
| Basic Materials | | 7,050 | 0.01% |
| Communications | | 19,447 | 0.01% |
| Consumer, Cyclical | | 42,467 | 0.04% |
| Consumer, Non-cyclical | | 10,263 | 0.01% |
| Energy | | 9,592 | 0.01% |
| Financial | | 1,879 | - |
| Industrial | | 2,268 | - |
| Technology | | 605 | - |
| Utilities | | 6,582 | 0.01% |
| Total Germany | | 100,153 | 0.09% |
| Greece | | | |
| Equity swaps | | | |
| Industrial | | 387 | - |
| Total Greece | | 387 | - |

Man AHL Diversified Futures Ltd
 Unaudited condensed schedule of investments (continued)
 As at 30 September 2023



Financial assets at fair value through profit or loss (continued)

| | Unrealised gain/(loss) US\$ | % of Net Assets |
|--|-----------------------------------|--------------------|
| Swap agreements held Long (continued) | | |
| Hong Kong | | |
| Interest rate swaps | 192,923 | 0.17% |
| Total Hong Kong | <u>192,923</u> | <u>0.17%</u> |
| Hungary | | |
| Equity swaps | | |
| Industrial | 1,641 | - |
| Total Hungary | <u>1,641</u> | <u>-</u> |
| Ireland | | |
| Equity swaps | | |
| Consumer, Cyclical | 2,158 | - |
| Consumer, Non-cyclical | 22,530 | 0.02% |
| Total Ireland | <u>24,688</u> | <u>0.02%</u> |
| Israel | | |
| Equity swaps | | |
| Consumer, Non-cyclical | 270 | - |
| Industrial | 97 | - |
| Technology | 334 | - |
| Interest rate swaps | 87,487 | 0.08% |
| Total Israel | <u>88,188</u> | <u>0.08%</u> |
| Italy | | |
| Equity swaps | | |
| Consumer, Cyclical | 4,287 | - |
| Energy | 26,730 | 0.02% |
| Financial | 78,299 | 0.07% |
| Industrial | 4,662 | 0.01% |
| Utilities | 4,009 | - |
| Total Italy | <u>117,987</u> | <u>0.10%</u> |
| Japan | | |
| Equity swaps | | |
| Basic Materials | 22,466 | 0.02% |
| Communications | 22,593 | 0.02% |
| Consumer, Cyclical | 156,943 | 0.13% |
| Consumer, Non-cyclical | 87,633 | 0.08% |
| Energy | 3,245 | - |
| Financial | 63,247 | 0.05% |
| Industrial | 77,977 | 0.07% |
| Technology | 13,662 | 0.01% |
| Utilities | 8,264 | 0.01% |
| Interest rate swaps | 458,477 | 0.39% |
| Total Japan | <u>914,507</u> | <u>0.78%</u> |
| Jersey | | |
| Equity swaps | | |
| Basic Materials | 2,304 | - |
| Consumer, Non-cyclical | 1,824 | - |
| Total Jersey | <u>4,128</u> | <u>-</u> |
| Luxembourg | | |
| Equity swaps | | |
| Basic Materials | 20 | - |
| Consumer, Non-cyclical | 525 | - |
| Total Luxembourg | <u>545</u> | <u>-</u> |

Man AHL Diversified Futures Ltd
 Unaudited condensed schedule of investments (continued)
 As at 30 September 2023



Financial assets at fair value through profit or loss (continued)

| | Unrealised gain/(loss) US\$ | % of Net Assets |
|--|-----------------------------------|--------------------|
| Swap agreements held Long (continued) | | |
| Malta | | |
| Equity swaps | | |
| Consumer, Cyclical | 114 | - |
| Total Malta | <u>114</u> | <u>-</u> |
| Mexico | | |
| Equity swaps | | |
| Basic Materials | 2,033 | - |
| Interest rate swaps | 400,133 | 0.34% |
| Total Mexico | <u>402,166</u> | <u>0.34%</u> |
| Monaco | | |
| Equity swaps | | |
| Industrial | 4,085 | - |
| Total Monaco | <u>4,085</u> | <u>-</u> |
| Netherlands | | |
| Equity swaps | | |
| Communications | 740 | - |
| Consumer, Non-cyclical | 20,432 | 0.02% |
| Financial | 822 | - |
| Industrial | 5,592 | - |
| Technology | 24,638 | 0.02% |
| Total Netherlands | <u>52,224</u> | <u>0.04%</u> |
| New Zealand | | |
| Interest rate swaps | 490,448 | 0.42% |
| Total New Zealand | <u>490,448</u> | <u>0.42%</u> |
| Norway | | |
| Equity swaps | | |
| Consumer, Cyclical | 142 | - |
| Energy | 9,859 | 0.01% |
| Financial | 5,853 | 0.01% |
| Industrial | 8,207 | 0.01% |
| Technology | 1,925 | - |
| Interest rate swaps | 86,189 | 0.07% |
| Total Norway | <u>112,175</u> | <u>0.10%</u> |
| Poland | | |
| Interest rate swaps | 20,401 | 0.02% |
| Total Poland | <u>20,401</u> | <u>0.02%</u> |
| Portugal | | |
| Equity swaps | | |
| Consumer, Non-cyclical | 666 | - |
| Energy | 3,165 | - |
| Total Portugal | <u>3,831</u> | <u>-</u> |
| Singapore | | |
| Interest rate swaps | 78,369 | 0.07% |
| Total Singapore | <u>78,369</u> | <u>0.07%</u> |
| South Africa | | |
| Interest rate swaps | 18,343 | 0.02% |
| Total South Africa | <u>18,343</u> | <u>0.02%</u> |

Man AHL Diversified Futures Ltd
 Unaudited condensed schedule of investments (continued)
 As at 30 September 2023



Financial assets at fair value through profit or loss (continued)

| | Unrealised gain/(loss) US\$ | % of Net Assets |
|--|-----------------------------------|--------------------|
| Swap agreements held Long (continued) | | |
| South Korea | | |
| Interest rate swaps | 147,949 | 0.13% |
| Total South Korea | <u>147,949</u> | <u>0.13%</u> |
| Spain | | |
| Equity swaps | | |
| Consumer, Cyclical | 968 | - |
| Consumer, Non-cyclical | 187 | - |
| Energy | 24,064 | 0.02% |
| Financial | 25,211 | 0.02% |
| Industrial | 3,104 | 0.01% |
| Utilities | 2,751 | - |
| Total Spain | <u>56,285</u> | <u>0.05%</u> |
| Sweden | | |
| Equity swaps | | |
| Basic Materials | 4,415 | - |
| Communications | 6,063 | 0.01% |
| Consumer, Cyclical | 5,608 | - |
| Consumer, Non-cyclical | 1,414 | - |
| Financial | 18,038 | 0.02% |
| Industrial | 42 | - |
| Technology | 10,251 | 0.01% |
| Interest rate swaps | 218,923 | 0.19% |
| Total Sweden | <u>264,754</u> | <u>0.23%</u> |
| Switzerland | | |
| Equity swaps | | |
| Basic Materials | 2,547 | - |
| Communications | 468 | - |
| Consumer, Cyclical | 53,677 | 0.05% |
| Consumer, Non-cyclical | 3,844 | - |
| Financial | 20,461 | 0.02% |
| Industrial | 9,340 | 0.01% |
| Total Switzerland | <u>90,337</u> | <u>0.08%</u> |
| Taiwan | | |
| Interest rate swaps | 46,830 | 0.04% |
| Total Taiwan | <u>46,830</u> | <u>0.04%</u> |
| Thailand | | |
| Equity swaps | | |
| Industrial | 6,844 | 0.01% |
| Total Thailand | <u>6,844</u> | <u>0.01%</u> |
| United Kingdom | | |
| Equity swaps | | |
| Basic Materials | 3,534 | - |
| Communications | 1,708 | - |
| Consumer, Cyclical | 45,142 | 0.04% |
| Consumer, Non-cyclical | 5,876 | 0.01% |
| Diversified | 10,166 | 0.01% |
| Energy | 31,489 | 0.03% |
| Financial | 23,131 | 0.02% |
| Industrial | 5,097 | - |
| Utilities | 1,386 | - |
| Total United Kingdom | <u>127,529</u> | <u>0.11%</u> |

Man AHL Diversified Futures Ltd
 Unaudited condensed schedule of investments (continued)
 As at 30 September 2023



Financial assets at fair value through profit or loss (continued)

| | Cost US\$ | Unrealised gain/(loss) US\$ | % of Net Assets |
|--|------------------|-----------------------------------|--------------------|
| Swap agreements held Long (continued) | | | |
| United States | | | |
| Equity swaps | | | |
| Basic Materials | | 20,070 | 0.02% |
| Communications | | 96,624 | 0.08% |
| Consumer, Cyclical | | 162,987 | 0.14% |
| Consumer, Non-cyclical | | 659,476 | 0.57% |
| Diversified | | 12,319 | 0.01% |
| Energy | | 114,638 | 0.10% |
| Financial | | 119,909 | 0.10% |
| Industrial | | 236,492 | 0.22% |
| Technology | | 91,763 | 0.08% |
| Utilities | | 92,495 | 0.08% |
| Credit default swaps | 481,027 | 431,511 | 0.37% |
| Total United States | 481,027 | 2,038,284 | 1.77% |
| Uruguay | | | |
| Equity swaps | | | |
| Consumer, Non-cyclical | | 13,342 | 0.01% |
| Total Uruguay | | 13,342 | 0.01% |
| Total swap agreements held Long | 1,176,345 | 7,978,513 | 6.86% |
| Investment in futures contracts | | | |
| Australia | | | |
| Interest rate futures | | 185,055 | 0.15% |
| Total Australia | | 185,055 | 0.15% |
| Canada | | | |
| Interest rate futures | | 197,739 | 0.17% |
| Stock index futures | | 8,689 | 0.01% |
| Total Canada | | 206,428 | 0.18% |
| France | | | |
| Commodity futures | | 24,122 | 0.02% |
| Total France | | 24,122 | 0.02% |
| Germany | | | |
| Interest rate futures | | 995,222 | 0.85% |
| Stock index futures | | 2,538 | - |
| Total Germany | | 997,760 | 0.85% |
| Japan | | | |
| Interest rate futures | | 76,115 | 0.06% |
| Total Japan | | 76,115 | 0.06% |
| Mexico | | | |
| Stock index futures | | 1,669 | - |
| Total Mexico | | 1,669 | - |
| Netherlands | | | |
| Commodity futures | | 17,849 | 0.01% |
| Total Netherlands | | 17,849 | 0.01% |
| Singapore | | | |
| Commodity futures | | 4,420 | - |
| Stock index futures | | 4,373 | - |
| Total Singapore | | 8,793 | - |

Man AHL Diversified Futures Ltd
 Unaudited condensed schedule of investments (continued)
 As at 30 September 2023



Financial assets at fair value through profit or loss (continued)

| | Cost US\$ | Unrealised gain/(loss) US\$ | % of Net Assets |
|--|--------------------------|-----------------------------------|----------------------|
| Investment in futures contracts (continued) | | | |
| South Africa | | | |
| Stock index futures | | 32,757 | 0.03% |
| Total South Africa | | <u>32,757</u> | <u>0.03%</u> |
| South Korea | | | |
| Interest rate futures | | 50,185 | 0.04% |
| Stock index futures | | 11,237 | 0.01% |
| Total South Korea | | <u>61,422</u> | <u>0.05%</u> |
| Thailand | | | |
| Stock index futures | | 9,697 | 0.01% |
| Total Thailand | | <u>9,697</u> | <u>0.01%</u> |
| United Kingdom | | | |
| Commodity futures | | 650,912 | 0.55% |
| Interest rate futures | | 84,245 | 0.07% |
| Total United Kingdom | | <u>735,157</u> | <u>0.62%</u> |
| United States | | | |
| Commodity futures | | 1,528,962 | 1.30% |
| Currency futures | | 55,365 | 0.05% |
| Interest rate futures | | 1,323,686 | 1.13% |
| Stock index futures | | 104,220 | 0.09% |
| Total United States | | <u>3,012,233</u> | <u>2.57%</u> |
| Total investment in futures contracts | | <u>5,369,057</u> | <u>4.55%</u> |
| Forward Currency Contracts | | | |
| Various currencies | | 11,309,563 | 9.70% |
| Total forward currency contracts | | <u>11,309,563</u> | <u>9.70%</u> |
| Total financial assets at fair value through profit or loss | <u>77,336,384</u> | <u>102,277,707</u> | <u>87.67%</u> |

Financial liabilities at fair value through profit or loss

Swap agreements held Short

| | | | |
|-----------------|--|-----------------|----------------|
| Argentina | | | |
| Equity swaps | | | |
| Communications | | (558) | - |
| Total Argentina | | <u>(558)</u> | <u>-</u> |
| Australia | | | |
| Equity swaps | | | |
| Communications | | (352) | - |
| Total Australia | | <u>(352)</u> | <u>-</u> |
| Austria | | | |
| Equity swaps | | | |
| Energy | | (444) | - |
| Financial | | (6,718) | (0.01%) |
| Industrial | | (2,103) | - |
| Technology | | (2,498) | - |
| Utilities | | (166) | - |
| Total Austria | | <u>(11,929)</u> | <u>(0.01%)</u> |

Man AHL Diversified Futures Ltd
 Unaudited condensed schedule of investments (continued)
 As at 30 September 2023



Financial liabilities at fair value through profit or loss (continued)

| | (Proceeds) US\$ | Unrealised gain/(loss) US\$ | % of Net Assets |
|---|--------------------|-----------------------------------|--------------------|
| Swap agreements held Short (continued) | | | |
| Belgium | | | |
| Equity swaps | | | |
| Basic Materials | | (137) | - |
| Communications | | (898) | - |
| Consumer, Cyclical | | (96) | - |
| Consumer, Non-cyclical | | (3,052) | - |
| Diversified | | (3) | - |
| Financial | | (6,558) | (0.01%) |
| Industrial | | (233) | - |
| Total Belgium | | <u>(10,977)</u> | <u>(0.01%)</u> |
| Bermuda | | | |
| Equity swaps | | | |
| Energy | | (371) | - |
| Financial | | (1,382) | - |
| Industrial | | (9) | - |
| Technology | | (1,269) | - |
| Total Bermuda | | <u>(3,031)</u> | <u>-</u> |
| Brazil | | | |
| Equity swaps | | | |
| Financial | | (19,710) | (0.02%) |
| Total Brazil | | <u>(19,710)</u> | <u>(0.02%)</u> |
| Canada | | | |
| Equity swaps | | | |
| Basic Materials | | (306) | - |
| Consumer, Cyclical | | (63) | - |
| Consumer, Non-cyclical | | (972) | - |
| Energy | | (10,311) | (0.01%) |
| Financial | | (5,349) | (0.01%) |
| Industrial | | (1,383) | - |
| Technology | | (1,364) | - |
| Interest rate swaps | | (377,165) | (0.32%) |
| Total Canada | | <u>(396,913)</u> | <u>(0.34%)</u> |
| China | | | |
| Interest rate swaps | | (13,386) | (0.01%) |
| Total China | | <u>(13,386)</u> | <u>(0.01%)</u> |
| Czech Republic | | | |
| Interest rate swaps | | (47,689) | (0.04%) |
| Total Czech Republic | | <u>(47,689)</u> | <u>(0.04%)</u> |
| Denmark | | | |
| Equity swaps | | | |
| Consumer, Non-cyclical | | (4,621) | - |
| Financial | | (1,984) | - |
| Industrial | | (8,639) | (0.01%) |
| Total Denmark | | <u>(15,244)</u> | <u>(0.01%)</u> |
| European Union | | | |
| Credit default swaps | (102,093) | (103,071) | (0.09%) |
| Interest rate swaps | | (55,492) | (0.05%) |
| Total European Union | <u>(102,093)</u> | <u>(158,563)</u> | <u>(0.14%)</u> |

Man AHL Diversified Futures Ltd
 Unaudited condensed schedule of investments (continued)
 As at 30 September 2023



Financial liabilities at fair value through profit or loss (continued)

| | Unrealised gain/(loss) US\$ | % of Net Assets |
|---|-----------------------------------|--------------------|
| Swap agreements held Short (continued) | | |
| Finland | | |
| Equity swaps | | |
| Basic Materials | (815) | - |
| Communications | (15) | - |
| Energy | (323) | - |
| Financial | (239) | - |
| Total Finland | <u>(1,392)</u> | <u>-</u> |
| France | | |
| Equity swaps | | |
| Basic Materials | (57) | - |
| Communications | (555) | - |
| Consumer, Cyclical | (5,688) | - |
| Consumer, Non-cyclical | (7,725) | (0.01%) |
| Financial | (14,521) | (0.01%) |
| Industrial | (5,288) | (0.01%) |
| Technology | (1,552) | - |
| Utilities | (1,516) | - |
| Total France | <u>(36,902)</u> | <u>(0.03%)</u> |
| Germany | | |
| Equity swaps | | |
| Basic Materials | (6,225) | (0.01%) |
| Communications | (16,696) | (0.01%) |
| Consumer, Cyclical | (14,924) | (0.01%) |
| Consumer, Non-cyclical | (35,335) | (0.03%) |
| Energy | (6,314) | (0.01%) |
| Financial | (30,969) | (0.03%) |
| Industrial | (22,685) | (0.02%) |
| Technology | (18,616) | (0.02%) |
| Utilities | (172) | - |
| Total Germany | <u>(151,936)</u> | <u>(0.14%)</u> |
| Hong Kong | | |
| Interest rate swaps | <u>(77,456)</u> | <u>(0.07%)</u> |
| Total Hong Kong | <u>(77,456)</u> | <u>(0.07%)</u> |
| Ireland | | |
| Equity swaps | | |
| Industrial | (2,019) | - |
| Technology | (2,274) | - |
| Total Ireland | <u>(4,293)</u> | <u>-</u> |
| Israel | | |
| Equity swaps | | |
| Communications | (41) | - |
| Technology | (18,242) | (0.02%) |
| Interest rate swaps | <u>(25,308)</u> | <u>(0.02%)</u> |
| Total Israel | <u>(43,591)</u> | <u>(0.04%)</u> |
| Italy | | |
| Equity swaps | | |
| Consumer, Cyclical | (3,623) | - |
| Consumer, Non-cyclical | (73) | - |
| Energy | (755) | - |
| Financial | (1,798) | - |
| Industrial | (737) | - |
| Utilities | (8,228) | (0.01%) |
| Total Italy | <u>(15,214)</u> | <u>(0.01%)</u> |

Man AHL Diversified Futures Ltd
 Unaudited condensed schedule of investments (continued)
 As at 30 September 2023



Financial liabilities at fair value through profit or loss (continued)

| | Unrealised gain/(loss) US\$ | % of Net Assets |
|---|-----------------------------------|--------------------|
| Swap agreements held Short (continued) | | |
| Japan | | |
| Equity swaps | | |
| Basic Materials | (5,403) | - |
| Communications | (9,092) | (0.01%) |
| Consumer, Cyclical | (29,156) | (0.03%) |
| Consumer, Non-cyclical | (30,649) | (0.03%) |
| Energy | (2,474) | - |
| Financial | (12,832) | (0.01%) |
| Industrial | (20,040) | (0.02%) |
| Technology | (25,496) | (0.02%) |
| Utilities | (4,465) | - |
| Interest rate swaps | (456,967) | (0.39%) |
| Total Japan | <u>(596,574)</u> | <u>(0.51%)</u> |
| Luxembourg | | |
| Equity swaps | | |
| Basic Materials | (68) | - |
| Communications | (1,401) | - |
| Industrial | (835) | - |
| Total Luxembourg | <u>(2,304)</u> | <u>-</u> |
| Matla | | |
| Equity swaps | | |
| Consumer, Cyclical | (268) | - |
| Total Matla | <u>(268)</u> | <u>-</u> |
| Mexico | | |
| Interest rate swaps | (226,347) | (0.19%) |
| Total Mexico | <u>(226,347)</u> | <u>(0.19%)</u> |
| Netherlands | | |
| Equity swaps | | |
| Basic Materials | (3,837) | (0.01%) |
| Communications | (494) | - |
| Consumer, Cyclical | (14,818) | (0.01%) |
| Consumer, Non-cyclical | (42,975) | (0.04%) |
| Energy | (618) | - |
| Financial | (26,588) | (0.02%) |
| Technology | (1,096) | - |
| Total Netherlands | <u>(90,426)</u> | <u>(0.08%)</u> |
| New Zealand | | |
| Interest rate swaps | (100,391) | (0.09%) |
| Total New Zealand | <u>(100,391)</u> | <u>(0.09%)</u> |
| Norway | | |
| Equity swaps | | |
| Basic Materials | (989) | - |
| Communications | (8,782) | (0.01%) |
| Consumer, Non-cyclical | (285) | - |
| Energy | (3,303) | - |
| Financial | (1,126) | - |
| Industrial | (15) | - |
| Total Norway | <u>(14,500)</u> | <u>(0.01%)</u> |
| Panama | | |
| Equity swaps | | |
| Consumer, Cyclical | (334) | - |
| Total Panama | <u>(334)</u> | <u>-</u> |

Man AHL Diversified Futures Ltd
 Unaudited condensed schedule of investments (continued)
 As at 30 September 2023



Financial liabilities at fair value through profit or loss (continued)

| | Unrealised gain/(loss) US\$ | % of Net Assets |
|---|-----------------------------------|--------------------|
| Swap agreements held Short (continued) | | |
| Poland | | |
| Equity swaps | | |
| Industrial | (10,414) | (0.01%) |
| Interest rate swaps | (33,506) | (0.03%) |
| Total Poland | (43,920) | (0.04%) |
| Portugal | | |
| Equity swaps | | |
| Utilities | (2,369) | - |
| Total Portugal | (2,369) | - |
| Singapore | | |
| Interest rate swaps | (3,483) | - |
| Total Singapore | (3,483) | - |
| South Africa | | |
| Interest rate swaps | (134,547) | (0.12%) |
| Total South Africa | (134,547) | (0.12%) |
| South Korea | | |
| Equity swaps | | |
| Communications | (666) | - |
| Interest rate swaps | (73,010) | (0.06%) |
| Total South Korea | (73,676) | (0.06%) |
| Spain | | |
| Equity swaps | | |
| Basic Materials | (652) | - |
| Communications | (2,215) | - |
| Consumer, Non-cyclical | (1,334) | - |
| Financial | (2,069) | - |
| Industrial | (1,064) | - |
| Technology | (2,683) | - |
| Utilities | (346) | - |
| Total Spain | (10,363) | - |
| Sweden | | |
| Equity swaps | | |
| Basic Materials | (1,657) | - |
| Consumer, Cyclical | (18,959) | (0.02%) |
| Consumer, Non-cyclical | (5,259) | (0.01%) |
| Financial | (4,672) | - |
| Industrial | (973) | - |
| Interest rate swaps | (5,436) | - |
| Total Sweden | (36,956) | (0.03%) |
| Switzerland | | |
| Equity swaps | | |
| Basic Materials | (510) | - |
| Consumer, Cyclical | (4,187) | - |
| Consumer, Non-cyclical | (14,402) | (0.01%) |
| Energy | (4,786) | (0.01%) |
| Financial | (35,688) | (0.03%) |
| Industrial | (8,143) | (0.01%) |
| Technology | (101) | - |
| Utilities | (618) | - |
| Total Switzerland | (68,435) | (0.06%) |
| Taiwan | | |
| Interest rate swaps | (218) | - |
| Total Taiwan | (218) | - |

Man AHL Diversified Futures Ltd
 Unaudited condensed schedule of investments (continued)
 As at 30 September 2023



Financial liabilities at fair value through profit or loss (continued)

| | (Proceeds) US\$ | Unrealised gain/(loss) US\$ | % of Net Assets |
|---|-------------------------|-----------------------------------|-----------------------|
| Swap agreements held Short (continued) | | | |
| United Kingdom | | | |
| Equity swaps | | | |
| Basic Materials | | (1,765) | - |
| Communications | | (17,390) | (0.01%) |
| Consumer, Cyclical | | (17,810) | (0.02%) |
| Consumer, Non-cyclical | | (22,745) | (0.02%) |
| Energy | | (2,410) | - |
| Financial | | (29,564) | (0.03%) |
| Industrial | | (2,223) | - |
| Technology | | (8,375) | (0.01%) |
| Utilities | | (767) | - |
| Total United Kingdom | | <u>(103,049)</u> | <u>(0.09%)</u> |
| United States | | | |
| Equity swaps | | | |
| Basic Materials | | (25,861) | (0.02%) |
| Communications | | (47,683) | (0.04%) |
| Consumer, Cyclical | | (165,929) | (0.14%) |
| Consumer, Non-cyclical | | (209,310) | (0.18%) |
| Energy | | (29,735) | (0.03%) |
| Financial | | (82,789) | (0.07%) |
| Industrial | | (157,717) | (0.14%) |
| Technology | | (128,215) | (0.11%) |
| Utilities | | (8,489) | (0.01%) |
| Credit default swaps | (393,761) | (391,865) | (0.34%) |
| Total United States | <u>(393,761)</u> | <u>(1,247,593)</u> | <u>(1.08%)</u> |
| Total swap agreements held Short | <u>(495,854)</u> | <u>(3,764,889)</u> | <u>(3.23%)</u> |
| Investment in futures contracts | | | |
| Australia | | | |
| Interest rate futures | | (1,645) | - |
| Stock index futures | | (6,885) | (0.01%) |
| Total Australia | | <u>(8,530)</u> | <u>(0.01%)</u> |
| Canada | | | |
| Commodity futures | | (9,639) | (0.01%) |
| Total Canada | | <u>(9,639)</u> | <u>(0.01%)</u> |
| France | | | |
| Stock index futures | | (2,210) | - |
| Total France | | <u>(2,210)</u> | <u>-</u> |
| Germany | | | |
| Stock index futures | | (10,112) | (0.01%) |
| Total Germany | | <u>(10,112)</u> | <u>(0.01%)</u> |
| Hong Kong | | | |
| Stock index futures | | (44,679) | (0.04%) |
| Total Hong Kong | | <u>(44,679)</u> | <u>(0.04%)</u> |
| India | | | |
| Stock index futures | | (467) | - |
| Total India | | <u>(467)</u> | <u>-</u> |
| Italy | | | |
| Stock index futures | | (15,031) | (0.01%) |
| Total Italy | | <u>(15,031)</u> | <u>(0.01%)</u> |

Man AHL Diversified Futures Ltd
 Unaudited condensed schedule of investments (continued)
 As at 30 September 2023



Financial liabilities at fair value through profit or loss (continued)

| | (Proceeds) US\$ | Unrealised gain/(loss) US\$ | % of Net Assets |
|---|-------------------------|-----------------------------------|------------------------|
| Investment in futures contracts (continued) | | | |
| Japan | | | |
| Commodity futures | | (1,078) | - |
| Stock index futures | | (47,726) | (0.04%) |
| Total Japan | | <u>(48,804)</u> | <u>(0.04%)</u> |
| Malaysia | | | |
| Commodity futures | | (990) | - |
| Stock index futures | | (4,206) | - |
| Total Malaysia | | <u>(5,196)</u> | <u>-</u> |
| Netherlands | | | |
| Stock index futures | | (5,372) | (0.01%) |
| Total Netherlands | | <u>(5,372)</u> | <u>(0.01%)</u> |
| Singapore | | | |
| Commodity futures | | (480) | - |
| Stock index futures | | (97,107) | (0.08%) |
| Total Singapore | | <u>(97,587)</u> | <u>(0.08%)</u> |
| Sweden | | | |
| Stock index futures | | (5,104) | - |
| Total Sweden | | <u>(5,104)</u> | <u>-</u> |
| Taiwan | | | |
| Stock index futures | | (19,151) | (0.02%) |
| Total Taiwan | | <u>(19,151)</u> | <u>(0.02%)</u> |
| United Kingdom | | | |
| Commodity futures | | (863,717) | (0.74%) |
| Interest rate futures | | (66,344) | (0.06%) |
| Stock index futures | | (12,870) | (0.01%) |
| Total United Kingdom | | <u>(942,931)</u> | <u>(0.81%)</u> |
| United States | | | |
| Commodity futures | | (478,082) | (0.41%) |
| Stock index futures | | (201,267) | (0.17%) |
| Total United States | | <u>(679,349)</u> | <u>(0.58%)</u> |
| Total investment in futures contracts | | <u>(1,894,162)</u> | <u>(1.62%)</u> |
| Forward Currency Contracts | | | |
| Various currencies | | (9,908,277) | (8.50%) |
| Total forward currency contracts | | <u>(9,908,277)</u> | <u>(8.50%)</u> |
| Total financial liabilities at fair value through profit or loss | <u>(495,854)</u> | <u>(15,567,328)</u> | <u>(13.35%)</u> |

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAN AHL DIVERSIFIED FUTURES LTD

Report on the audit of the financial statements

Opinion on the financial statements of Man AHL Diversified Futures Ltd (the 'Fund')

In our opinion the Fund's financial statements present fairly, in all material respects, the financial position of the Fund as at 30 September 2023 and the results of its operations and its cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

The financial statements we have audited comprise:

- the Statement of financial position;
- the Statement of changes in equity;
- the Statement of comprehensive incomes;
- the Statement of cash flows; and
- the related notes 1 to 14, including a summary of significant accounting policies as set out in note 2.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report.

We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The members are responsible for the other information. The other information comprises the information included in the Fund's directory, Report of the Custodian and Unaudited condensed schedule of investments but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the members of the Fund

The members are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Continued on next page/

/Continued from previous page

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAN AHL DIVERSIFIED FUTURES LTD

The members are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the International Auditing and Assurance Standards Board's website at: <https://www.iaasb.org/publications/2020-handbook-international-quality-control-auditing-review-other-assurance-and-related-services>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Fund's members, as a body. Our audit work has been undertaken so that we might state to the Fund's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jim Meegan
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

14 December 2023