

A large, abstract geometric graphic composed of overlapping translucent polygons in various shades of blue, ranging from light sky blue to deep navy blue, creating a sense of depth and movement.

Man AHL Diversified (Cayman) Ltd.

(A Cayman Islands exempted
company)

Report and Financial Statements for the year ended 30 June 2024

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The Directors hereby present their annual report and audited financial statements for the year ended 30 June 2024. A summary of the results for the year under review is shown on page 9. A review of the business during the year which has been prepared by the Investment Manager is outlined below.

Market summary

Q3 2023

Bonds sold off over the quarter with yields reaching multi-year highs around the world as central banks continued to err on the hawkish side of policy. The European Central Bank ('ECB') rose rates to an all-time high while the US Federal Reserve (the 'Fed'), despite pausing, signalled that rates would remain "higher-for-longer". The latter precipitated a marked steepening of the curve, as 30-year yields saw their biggest quarterly increase since the first quarter of 2009. The prospect of higher rates over the long term as well as weakening economic fundamentals put pressure on global stock markets with indices in the US, Europe and Japan all finishing the quarter in negative territory. To add further pressure, following a run of four consecutive quarterly declines, oil rose by the highest amount since Russia's invasion of Ukraine.

Q4 2023

The quarter was a tale of two parts. The prospect of "higher-for-longer" rates and the onset of the conflict between Israel and Hamas in October sent investors fleeing from risk assets, with the MSCI World declining for the third-consecutive month and the US10Y yield eclipsing the 5% mark. However, a combination of downside inflation surprises on both sides of the Atlantic, supported by an upward revision to US GDP, led central banks to adopt a more dovish stance. Markets subsequently moved to price in an accelerated pace of rate cuts for 2024, which saw global bonds embark on a 7% rally to end the year, bringing the Bloomberg Aggregate into positive territory for 2023. This shift in sentiment also catalysed a sharp rally in gold, which rose 11% in Q4, and in equities, as the S&P 500 achieved its fastest two-month advance since its rebound following the initial COVID sell-off in 2020.

Q1 2024

Economic news continued in the same vein of positivity throughout Q1 2024 as it left Q4 2023. There was no hard landing, inflation appeared tamed, and central banks around the globe were either contemplating cutting rates or, in the case of the Swiss National Bank, actually doing so. Risk assets benefitted from these effects with many indices, such as the S&P 500, hitting all-time highs, powered by continued strength in the 'Magnificent Seven'. In Japan, the Nikkei also surpassed its 1989 high and the country's central bank ended its negative rate policy and scrapped yield-curve control.

Q2 2024

Despite higher-than-expected CPI prints earlier in the quarter, Q2 saw the beginning of the highly anticipated rate cut cycle, with the ECB leading the charge with its first since the pandemic. The Fed was a notable omission here, as weaker economic data vindicated the US central bank's decision to pivot back to its higher-for-longer mantra. Despite this divergence across regions, sovereign bonds overall struggled as investors priced in fewer rate cuts over the year. On the positive side, equities continued their advance as the Magnificent 7 drove an albeit narrow rally, taking the S&P to new all-time highs. Geopolitical risks resurfaced in April with Middle East tensions, and French assets sold off after President Macron called a snap legislative election.

Performance review

Against this backdrop, Man AHL Diversified (Cayman) Ltd. (the "Fund") returned 6.78%¹ over the period.

Q3 2023

Fixed income was the top performing asset class with gains being predominately drawn from short positions in longer dated US treasuries as markets witnessed a bear steepening of the yield curve. Short Canadian swaps further added as the Bank of Canada indicated that rates may have further to go, having already hiked to a 22-year high. A mixed Italian bond position weighed on performance.

Commodities were positive overall as gains in energies and agriculturals outpaced losses in metals. Energies led gains, with long oil positions benefitting from the rebound in prices. Short natural gas detracted as markets moved higher in response to strike action at an Australian LNG plant. Agriculturals further added, with long sugar and short corn the notable performers. Metal positions struggled with mixed silver and copper positions driving losses.

Long credit risk (short CDS) positions were flat as gains from European high yield and investment grade CDS indices were offset by losses from US high yield and investment grade indices.

Currency trading was negative on the quarter with long Brazilian real detracting the most as the US dollar traded higher following a sharp rise in US real yields. Short Euro versus the Polish zloty added to the pain as the National Bank of Poland surprised markets with a 75 basis points rate cut. Short positions in the Swiss franc and South Korean won provided some relief.

Stocks were the largest detractor with long positions in the S&P 500 and Australian SPI 200 indices more than offsetting gains from short cash equity positions in North American pharma and utilities names.

¹ Performance data is shown net of fees with income reinvested, as at 30 June 2024, and does not take into account sales and redemption charges where such costs are applicable. Returns are calculated net of (up to) 2% management fees and 20% performance fees for Man AHL Diversified (Cayman) Ltd. A USD share class. Other share classes may charge higher fees. Please consult the Prospectus or Key Investor Information Document ('KIID') for more information.

Performance review (continued)

Q4 2023

Currencies inflicted the widest losses over the quarter, as long US dollar crosses led the detraction. Asian currency pairs traded against the greenback performed worst, led by short positions in the Japanese yen and the Korean won, as the former strengthened in-line with Bank of Japan governor Kazuo Ueda's reported willingness to pivot from the prevailing ultra-low monetary policy. However, short dollar crosses, particularly versus Latin American commodity currencies including the Mexican peso and Brazilian real, provided some offsetting gains.

Fixed income added to losses, as both bonds and rates finished the quarter in the red. US treasuries and SOFR shorts performed worst in the respective sub-sectors as yields accelerated downwards to accommodate the Fed's dot plot, which signalled 75 basis points of cuts in 2024. Short positions in Canadian bonds and swaps also added to losses, while a long position in SONIA was one of a handful of positions to finish the quarter in the black.

Trading in commodities was painful, as mild gains from agriculturals were insufficient to offset wider losses from metals and energies. Within agriculturals, a long position in cocoa topped the table, as bad weather in Africa propelled prices to a multi-decade high. However, energies faltered, with elevated crude oil inventory levels and demand-related concerns in 2024 exerting downward pressure on long positions. Metals struggled in Q4, cementing itself as the worst performing asset class in 2023. Precious metals were the primary culprits, with both gold and silver bearing losses. Long positions in iron ore provided some solace, however, as prices buoyed on expectations of Chinese stimulus to support the ailing property sector.

Despite mild losses early in the quarter, as short credit risk positions (long CDS) in European high yield and investment grade CDS indices weakened, the Fund clawed back gains trading in credit in November and December. Positioning flipped to long credit risk (short CDS) in-line with the improvement in global risk sentiment, spurring all but one market traded into positive territory in Q4.

Stocks were the standout performer over the quarter. Despite similar dynamics to credit, suffering losses from faster signals being whipsawed in early November, the Fund built into a net long towards the end of November and accrued gains thereon. Flagship US indices, including the S&P 500 and NASDAQ 100 index, attributed most positively, while Taiwanese indices, TAIEX and FTSE Taiwan index, were further additive. Cash equities were also beneficial, as long positions in US consumer discretionary and insurance profited.

Q1 2024

Unsurprisingly, given the headlines, Japanese indices topped the table in equities, although Taiwanese indices were not far behind with the AI boom continuing to provide a nice tailwind to the country's tech-heavy constituents. Conditions were not so favourable for the Fund elsewhere in Asia, however, with small losses originating from the Korean Kospi and Hong Kong's Hang Seng, for example. Long credit positions also generated positive returns, led by US investment grade and high yield names.

Profits in commodities centred on agricultural and energy markets. Within agriculturals, cocoa prices hit the headlines after poor growing conditions in key African producer countries made it more expensive than a ton of LME copper. The slump in the price of carbon emissions continued, benefitting the Fund's short. Shorts in various European natural gas markets also benefitted as prices fell to their lowest levels since the Russia/Ukraine conflict began, driven by the twin forces of low demand (mild weather) and high supply (ample storage). Metals trading detracted, led by copper whose price continued its recent range-bound behaviour.

Within currencies the diminishing prospects of near-term rate cuts sent the US dollar higher and generated profits for the majority of the Fund's long USD crosses. In this context, the top performer was against the Japanese yen which continued its multi-year downtrend against the greenback, even after the Bank of Japan ended its negative rates policy. One exception to this dollar strength story was the Mexican peso whose relative outperformance was attributed to a booming Mexican economy and high interest-rate differentials to the US. Smaller losses were experienced trading the South African rand and British pound against the greenback.

Fixed income was the only asset class whose trading finished in the red in Q1. Markets were broadly rangebound with no clear out- or under-performers, and flat aggregate net positions. A negative attribution was seen from varying positions in Italian and Korean bond futures, while a short position in SOFR generated a small gain.

Q2 2024

FX led gains as the Fund's net long dollar positioning benefitted from the Fed's hawkish stance. Short Japanese yen versus the greenback topped the table, as the yen fell to a near 38-year low amid the Bank of Japan's dovish stance. The Korean won followed suit, with gains generated from the Fund's short position versus the dollar. Profits were slightly curtailed by losses in the Mexican peso, with the Fund's long position against the dollar suffering after a landslide election victory perceived as non-market-friendly.

Fixed income started the quarter strong, seeing profits as the Fund's short positions initially benefitted from more stubborn inflation data. However, profits were eroded towards quarter-end as softer economic data raised concerns about global economic health. Losses in longer-duration instruments, particularly mixed positions in 10-year Japanese bonds, were offset by gains in short-term interest rates, with short positions across all markets yielding profits.

With the Fund entering Q2 long equities after a strong start to the year, the asset class faced broad losses on the back of April's stronger-than-expected inflation data. European political risk further compounded declines, with long positions in CAC 40 and Euro-STOXX among the worst performers. Long indices with a tech-heavy bias, such as FTSE Taiwan and Nasdaq, did help mediate losses as AI-optimism continued to flourish. Long credit (short CDS) positions slightly detracted, led by high yield and investment grade European names.

Commodities compounded declines, with energies the primary culprit despite gains from both metals and agriculturals. The biggest loser was short US natural gas, with prices rising on the back of output declines and increased demand from LNG plants, while long oil positions also detracted. Metals trading helped offset some declines with long copper and precious gaining amid improving demand forecasts. Short corn and long coffee helped agriculturals into the black; however, gains were slightly curtailed from short wheat and soyameal.

Future outlook

Trend-following is an active strategy, a timing mechanism, which is informed by price moves and adjusts its positions accordingly. This allows the Fund to perform irrespective of the prevailing macro-economic trends. Going into Q3 2024, the Fund's main risk exposures in declining order are net long US dollar, long equities, short fixed income, short agriculturals, long metals, long energies and long credit risk.

Details of the principal risks and investment or economic uncertainties that the Fund might face are outlined in Note 7 of the financial statements.

Signed on behalf of the Board of Directors on 7 November 2024.

Timothy Sweeting
Director

Jennifer Thomson
Director

Man AHL Diversified (Cayman) Ltd.

Statement of assets and liabilities

As at 30 June 2024



	Notes	2024 US\$	2023 US\$
Assets			
Cash and cash equivalents - unrestricted	3	-	872,278
Cash and cash equivalents - restricted	3	22,906,887	23,750,048
Investments in securities, at fair value (Cost: US\$290,408,060 (2023: US\$335,720,099))	4	313,971,206	344,121,647
Derivatives, at fair value	4,5	9,081	1,697
Services management fees rebate receivable	8,10	39,001	44,399
Other assets	8	26,936	30,047
Total assets		336,953,111	368,820,116
Liabilities			
Collateral balances - due to brokers	3	69	177,244
Derivatives, at fair value	4,5	2,505,257	1,321,388
Management fees payable	8,10	468,749	527,057
Introducing broker fees payable	8,10	269,516	302,484
Services management fees payable	8,10	70,747	79,105
Directors' fees payable	8,10	6,000	6,000
Redemptions payable		-	87,559
Accrued expenses and other liabilities		40,436	37,202
Total liabilities		3,360,774	2,538,039
Net assets attributable to Redeemable Participating Shareholders		333,592,337	366,282,077

Which are represented by:

14,105,817 (2023: 14,370,436) Class A USD Redeemable Participating Shares with a Net Asset Value per Redeemable Participating Share of US\$1.9883 (2023: US\$1.8621)	11	US\$28,046,649	US\$26,760,062
162,086,443 (2023: 166,882,536) Class B JPY Redeemable Participating Shares with a Net Asset Value per Redeemable Participating Share of JPY169.4499 (2023: JPY165.6899)	11	JPY27,465,547,763	JPY27,650,767,363
2,410,181 (2023: 2,410,181) Class C AUD Redeemable Participating Shares with a Net Asset Value per Redeemable Participating Share of AUD1.9114 (2023: AUD1.8199)	11	AUD4,606,973	AUD4,386,489
167,861,681 (2023: 170,519,997) Class E JPY Redeemable Participating Shares with a Net Asset Value per Redeemable Participating Share of JPY126.2899 (2023: JPY122.7400)	11	JPY21,199,251,693	JPY20,929,624,432

Approved and authorised for issue on behalf of the Board on 7 November 2024.

Timothy Sweeting
Director

Jennifer Thomson
Director

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

Man AHL Diversified (Cayman) Ltd.

Condensed schedule of investments

As at 30 June 2024



Long Securities and Derivatives at Fair Value

Long Securities at Fair Value	Redemption frequency	Redemption notice period	2024 Quantity /Par Value	2024 Fair Value US\$	2024 % of Net Assets	2023 Quantity /Par Value	2023 Fair Value US\$	2023 % of Net Assets
Government Bonds								
United States								
United States Treasury Bill 0% 20/07/23			-	-	-	45,000,000	44,893,512	12.26%
United States Treasury Bill 0% 10/08/23			-	-	-	50,000,000	49,729,641	13.58%
United States Treasury Bill 0% 17/08/23			-	-	-	16,000,000	15,897,013	4.34%
United States Treasury Bill 0% 02/11/23			-	-	-	36,000,000	35,367,553	9.65%
United States Treasury Bill 0% 12/09/24			50,000,000	49,470,237	14.83%	-	-	-
United States Treasury Bill 0% 26/09/24			40,000,000	39,495,621	11.84%	-	-	-
United States Treasury Bill 0% 29/11/24			50,000,000	48,927,497	14.67%	-	-	-
Total United States (Cost: US\$136,922,949 (2023: US\$144,061,888))				137,893,355	41.34%		145,887,719	39.83%
Total Government Bonds (Cost: US\$136,922,949 (2023: US\$144,061,888))								
				137,893,355	41.34%		145,887,719	39.83%
Managed Funds								
Bermuda								
AHL Evolution Ltd*	Daily	1 Day	4,687	58,278,005	17.47%	6,260	70,779,834	19.32%
AHL Institutional Series 3 Ltd*	Daily	1 Day	483,429	117,799,846	35.31%	595,485	127,454,094	34.80%
Total Bermuda (Cost: US\$153,485,111 (2023: US\$191,658,211))				176,077,851	52.78%		198,233,928	54.12%
Total Managed Funds (Cost: US\$153,485,111 (2023: US\$191,658,211))								
				176,077,851	52.78%		198,233,928	54.12%
Total Long Securities at Fair Value (Cost: US\$290,408,060 (2023: US\$335,720,099))								
				313,971,206	94.12%		344,121,647	93.95%
Long Derivatives at Fair Value								
Forward Currency Contracts								
Various currencies				-	-		(1,716)	-
Total Forward Currency Contracts				-	-		(1,716)	-
Total Long Derivatives at Fair Value								
				-	-		(1,716)	-
Total Long Securities and Derivatives at Fair Value (Cost: US\$290,408,060 (2023: US\$335,720,099))								
				313,971,206	94.12%		344,119,931	93.95%
Short Derivatives at Fair Value								
Forward Currency Contracts								
Various currencies				(2,496,176)	(0.75%)		(1,317,975)	(0.36%)
Total Forward Currency Contracts				(2,496,176)	(0.75%)		(1,317,975)	(0.36%)
Total Short Derivatives at Fair Value								
				(2,496,176)	(0.75%)		(1,317,975)	(0.36%)

* The managed funds are affiliated to the Fund as they share the same Investment Manager. There are no management fees or performance fees charged by the Investment Manager to the managed funds.

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

Man AHL Diversified (Cayman) Ltd.
Condensed schedule of investments (continued)
As at 30 June 2024



Reconciliation of long and short derivatives (Note 4)**

	Fair Value US\$ 2024	Fair Value US\$ 2023
Derivative Assets at Fair Value		
Total fair value of short derivative assets	9,081	1,697
Total Derivative Assets at Fair Value	9,081	1,697
Derivative Liabilities at Fair Value		
Total fair value of long derivative liabilities	-	(1,716)
Total fair value of short derivative liabilities	(2,505,257)	(1,319,672)
Total Derivative Liabilities at Fair Value	(2,505,257)	(1,321,388)

** The amounts included in the condensed schedule of investments are shown net of assets and liabilities and are based on quantity long/short.

The investment objective for investments exceeding 5% of the Fund's net assets as at 30 June 2024 and 30 June 2023 is shown below:

Investments held	Investment objective
AHL Evolution Ltd	Maximising long-term total returns
AHL Institutional Series 3 Ltd	Maximising long-term total returns

The proportionate share of the Fund in the individual investment positions of AHL Institutional Series 3 Ltd, by issuer, which exceeded (+/-) 5% of the Fund's NAV as at 30 June 2024 is shown below:

Government of the United States	Holdings	Fair Value US\$	% of Net Assets of the Fund
United States Treasury Bill 0% 10/10/24	8,235,000	8,115,249	2.43%
United States Treasury Bill 0% 17/10/24	8,235,000	8,106,572	2.43%
United States Treasury Bill 0% 24/10/24	8,235,000	8,098,815	2.43%
United States Treasury Bill 0% 07/11/24	8,235,000	8,082,863	2.42%
United States Treasury Bill 0% 21/11/24	8,235,000	8,067,329	2.42%
United States Treasury Bill 0% 29/11/24	8,235,000	8,058,359	2.42%
United States Treasury Bill 0% 12/12/24	8,235,000	8,043,380	2.41%
		56,572,567	16.96%

The proportionate share of the Fund in the individual investment positions of AHL Institutional Series 3 Ltd, by issuer, which exceeded (+/-) 5% of the Fund's NAV as at 30 June 2023 is shown below:

Government of the United States	Holdings	Fair Value US\$	% of Net Assets of the Fund
United States Treasury Bill 0% 03/08/23	6,532,000	6,503,333	1.77%
United States Treasury Bill 0% 10/08/23	8,165,000	8,120,850	2.22%
United States Treasury Bill 0% 24/08/23	4,899,000	4,862,331	1.33%
United States Treasury Bill 0% 07/09/23	8,165,000	8,088,228	2.21%
United States Treasury Bill 0% 24/11/23	4,082,500	3,998,057	1.09%
		31,572,799	8.62%

The proportionate share of the Fund in the individual investment positions of AHL Evolution Ltd, by issuer, did not exceed (+/-) 5% of the Fund's NAV as at 30 June 2024 and 30 June 2023.

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

Man AHL Diversified (Cayman) Ltd.

Statement of operations

For the year ended 30 June 2024



	Notes	2024 US\$	2023 US\$
Investment income			
Interest income		8,687,194	6,435,473
Services management fees rebate	8,10	493,935	552,842
Total investment income		<u>9,181,129</u>	<u>6,988,315</u>
Expenses			
Management fees	8,10	6,016,181	6,688,924
Introducing broker fees	8,10	3,449,668	3,843,420
Services management fees	8,10	905,870	1,003,028
Performance fees	8,10	277,925	1,837,732
Directors' fees	8,10	12,000	12,000
Interest expense		3,721	42,002
Custodian fees	8	-	4,419
Other expenses	8	73,986	80,905
Total expenses		<u>10,739,351</u>	<u>13,512,430</u>
Net investment income/(loss)		<u>(1,558,222)</u>	<u>(6,524,115)</u>
Net realised gain/(loss) and change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency			
Net realised gain/(loss) on investments in securities, derivatives and foreign currency	5,9	(38,036,411)	9,319,846
Net change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency	5,9	14,837,564	(41,308,117)
Net realised gain/(loss) and change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency		<u>(23,198,847)</u>	<u>(31,988,271)</u>
Net increase/(decrease) in net assets resulting from operations		<u>(24,757,069)</u>	<u>(38,512,386)</u>

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

Man AHL Diversified (Cayman) Ltd.

Statement of changes in net assets

For the year ended 30 June 2024



	Notes	2024 US\$	2023 US\$
Net assets attributable to Redeemable Participating Shareholders at the beginning of the year		366,282,077	430,970,005
Change in net assets resulting from operations			
Net investment income/(loss)		(1,558,222)	(6,524,115)
Net realised gain/(loss) on investments in securities, derivatives and foreign currency	5,9	(38,036,411)	9,319,846
Net change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency	5,9	14,837,564	(41,308,117)
Net increase/(decrease) in net assets resulting from operations		<u>(24,757,069)</u>	<u>(38,512,386)</u>
Change in net assets resulting from capital transactions			
Issuance of Class A USD Redeemable Participating Shares	11	3,000,000	705,238
Redemption of Class A USD Redeemable Participating Shares ^(a)	11	(3,417,357)	(27,748,187)
Issuance of Class B JPY Redeemable Participating Shares ^(a)	11	6,595,094	38,959,637
Redemption of Class B JPY Redeemable Participating Shares	11	(11,468,756)	(8,828,593)
Redemption of Class C AUD Redeemable Participating Shares	11	-	(175,577)
Issuance of Class E JPY Redeemable Participating Shares	11	13,516,625	13,108,676
Redemption of Class E JPY Redeemable Participating Shares	11	(16,158,277)	(42,196,736)
Net increase/(decrease) in net assets resulting from capital transactions		<u>(7,932,671)</u>	<u>(26,175,542)</u>
Net change in net assets		(32,689,740)	(64,687,928)
Net assets attributable to Redeemable Participating Shareholders at the end of the year		<u>333,592,337</u>	<u>366,282,077</u>

^(a) Included within subscriptions for Class B JPY Redeemable Participating Shares are subscriptions of US\$26,278,099, the proceeds of which were simultaneously redeemed out of Class A USD Redeemable Participating Shares during the year ended 30 June 2023.

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

Man AHL Diversified (Cayman) Ltd.

Statement of cash flows

For the year ended 30 June 2024



	2024 US\$	2023 US\$
Cash flows from operating activities:		
Net increase/(decrease) in net assets resulting from operations	(24,757,069)	(38,512,386)
Adjustments to reconcile net increase/(decrease) in net assets resulting from operations to net cash provided by/(used in) operating activities:		
Purchases of investments in securities	(376,743,142)	(394,286,643)
Proceeds from disposal of investments in securities	435,758,013	455,044,162
Net realised (gain)/loss on investments in securities	(12,847,407)	(46,976,840)
Net change in unrealised (appreciation)/depreciation on investments in securities	(16,017,023)	41,806,594
Net change in unrealised (appreciation)/depreciation on derivatives	1,176,485	(515,006)
Net change in unrealised (appreciation)/depreciation on foreign currency	2,974	16,529
(Increase)/decrease in services management fees rebate receivable	5,398	9,762
(Increase)/decrease in other assets	3,111	12,118
Increase/(decrease) in collateral balances - due to brokers	(177,175)	177,244
Increase/(decrease) in management fees payable	(58,308)	(167,249)
Increase/(decrease) in introducing broker fees payable	(32,968)	(2,770)
Increase/(decrease) in services management fees payable	(8,358)	(16,168)
Increase/(decrease) in performance fees payable	-	(2,595,245)
Increase/(decrease) in accrued expenses and other liabilities	3,234	2,596
Net cash provided by/(used in) operating activities	6,307,765	13,996,698
Cash flows from financing activities:		
Proceeds on issuance of Redeemable Participating Shares ^(a)	23,111,719	52,773,551
Payments on redemption of Redeemable Participating Shares ^(a)	(31,131,949)	(78,929,373)
Net cash provided by/(used in) financing activities	(8,020,230)	(26,155,822)
Effects of exchange rate changes on cash (including restricted cash)	(2,974)	(16,529)
Net increase/(decrease) in cash and cash equivalents (including restricted cash)	(1,712,465)	(12,159,124)
Cash and cash equivalents (including restricted cash) at the beginning of the year	24,622,326	36,797,979
Cash and cash equivalents (including restricted cash) at the end of the year	22,906,887	24,622,326
Cash and cash equivalents (including restricted cash) consists of:		
Cash and cash equivalents - unrestricted	-	872,278
Cash and cash equivalents - restricted	22,906,887	23,750,048
Cash and cash equivalents (including restricted cash) at the end of the year	22,906,887	24,622,326
Supplemental disclosure of cash flow information		
Interest paid	(3,721)	(42,002)

^(a) Includes cash transfers totalling US\$26,278,099 reflecting a conversion from Class A USD Redeemable Participating Shares to Class B JPY Redeemable Participating Shares during the year ended 30 June 2023. Refer to Note 10 for further details.

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

Man AHL Diversified (Cayman) Ltd.

Notes to the financial statements
For the year ended 30 June 2024



1. General

Man AHL Diversified (Cayman) Ltd. (the “Fund”) was incorporated on 12 March 2012 as an exempted company with limited liability under the Companies Act (as amended) of the Cayman Islands. The Fund is an open-ended mutual fund registered with the Cayman Islands Monetary Authority (“CIMA”) under the Mutual Funds Act (as amended) of the Cayman Islands. The Fund commenced trading on 30 April 2012.

The Fund has issued four share classes – Class A USD Redeemable Participating Shares, Class B JPY Redeemable Participating Shares, Class C AUD Redeemable Participating Shares and Class E JPY Redeemable Participating Shares (the “Share Classes”). In 2016, the Fund launched Class D EUR Redeemable Participating Shares. No investors had subscribed into Class D EUR Redeemable Participating Shares as at 30 June 2024.

Class A USD Redeemable Participating Shares, Class B JPY Redeemable Participating Shares and Class C AUD Redeemable Participating Shares have been listed on The International Stock Exchange since 8 May 2012.

The Fund’s objective is to achieve medium-term capital growth. The proceeds from the issue of the Redeemable Participating Shares will be applied to the AHL Diversified Programme through investment in various instruments and equity or debt securities, including but not limited to investment in regulated or unregulated collective investment schemes or other pooled vehicle(s) managed by AHL Partners LLP (the “Investment Manager”) or its affiliates which form part of the AHL Diversified Programme. The AHL Diversified Programme 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.

Man Asset Management (Cayman) Limited (the “Manager”) has been appointed as the Manager to the Fund. The Manager sub-delegates investment management services to 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.

The most recent applicable offering memorandum of the Fund is dated 1 March 2017 (the “Offering Memorandum”) and the most recent addenda are dated 3 January 2018, 25 May 2018, 4 March 2019, 10 March 2021, 1 January 2022, 1 April 2022 and 9 March 2023.

2. Significant accounting policies

The financial statements have been prepared in conformity with United States Generally Accepted Accounting Principles (“US GAAP”) and are presented in U.S. Dollars (“US\$”).

Management has determined that the Fund is an investment company in conformity with US GAAP and follows the accounting and reporting guidance for investment companies in the Financial Accounting Standards Board (“FASB”), Accounting Standards Codification (“ASC”) 946, *Financial Services - Investment Companies* (“ASC 946”).

(a) Use of accounting judgements and estimates

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes, including certain valuation assumptions. Actual results could differ from such estimates.

(b) Recent accounting pronouncements

There were no recent accounting pronouncements applicable to the Fund in the current year.

(c) Going concern

Management has made an assessment of the Fund’s ability to continue as a going concern and is satisfied that the Fund 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.

(d) Investment transactions and related investment income and expenses

Security transactions are recorded on a trade date basis. Realised gains and losses are computed using the first-in, first-out (“FIFO”) method.

(e) Fair value of financial instruments

Definition and hierarchy

Investments in securities are carried at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investments measured and reported at fair value, other than those valued using the Net Asset Value (“NAV”) practical expedient, are classified and disclosed in a fair value hierarchy that prioritises the inputs to valuation techniques used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are described below:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 - Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly;
- Level 3 - Prices or valuation that requires inputs that are both significant to the fair value measurement and unobservable.

2. Significant accounting policies (continued)

(e) Fair value of financial instruments (continued)

Definition and hierarchy (continued)

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.

Valuation

The Fund accounts for its investments in managed funds in accordance with relevant authoritative guidance, which defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. Relevant authoritative guidance permits the Fund, as a practical expedient, to measure the fair value of its investments in managed funds on the basis of the NAV per share (or the equivalent) of such investments if the NAV per share of such investments is calculated in a manner consistent with the measurement principles of applicable authoritative guidance as at the Fund's statement of assets and liabilities date. The fair value of the Fund's investments in managed funds is based on the information provided by such managed funds' management, which reflects the Fund's share of the fair value of the net assets of such managed funds (i.e. the practical expedient is used).

Investments in managed funds are valued at fair value, as determined by each managed fund's independent administrator or investment manager. In determining fair value, the administrator utilises the valuations of the managed funds to determine the fair value of its managed fund interests. The managed funds in which the Fund is invested, value securities and other financial investments on a mark-to-market or fair value basis of accounting. The estimated fair values of certain of the investments of the managed funds may include private placements and other securities for which prices are not readily available.

These estimated fair values are determined by the administrator or investment manager of the respective managed funds and may not reflect amounts that could be realised upon immediate sale, or amounts that ultimately may be realised. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments and the difference could be material.

The investments in government bonds are valued at fair value.

Derivative instruments can be exchange-traded or privately negotiated over-the-counter ("OTC").

OTC derivatives are valued by the Fund using observable inputs, such as quotations received from the counterparty, dealers or brokers, vendors and pricing services, whenever available and considered reliable. In instances where models are used, the value of an OTC derivative depends upon the contractual terms of, and specific risks inherent in, the instrument as well as the availability and reliability of observable inputs.

These OTC derivatives that have less liquidity or for which inputs are unobservable are classified within Level 3. While the valuations of these less liquid OTC derivatives may utilise some Level 1 and/or Level 2 inputs, they also include other unobservable inputs which are considered significant to the fair value determination. At each measurement date, the Investment Manager updates the Level 1 and Level 2 inputs to reflect observable inputs, though the resulting gains and losses are reflected within Level 3 due to the significance of the unobservable inputs.

Forward currency 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 agreement or contracted quantity. The realised gain or loss or change in unrealised appreciation/(depreciation) is equal to the difference between the value of the contract at the onset and the value of the contract at settlement date/year end date and is included in the statement of operations.

(f) Realised gains and losses and unrealised appreciation and depreciation

All realised gains and losses and changes in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency are included in net realised gain/(loss) and change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency in the statement of operations. Unrealised appreciation and depreciation comprise changes in the fair value of financial instruments for the year and from the reversal of the prior year's unrealised appreciation and depreciation for financial instruments which were realised in the financial 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). The cost of securities sold is accounted for on a FIFO basis. Transaction costs or incremental costs directly attributable to the acquisition, issue or disposal of a financial asset or financial liability are included in net realised gain/(loss) and change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency in the statement of operations.

(g) Functional and reporting currency

The Fund seeks to generate returns in US\$, Australian Dollars and Japanese Yen, its capital-raising currencies. The liquidity of the Fund is managed on a day-to-day basis in US\$, Australian Dollars and Japanese Yen, in order to handle the issue and redemption of the Fund's Redeemable Participating Shares. The Fund's performance is evaluated in US\$. Items included in the Fund's financial statements are measured using the currency of the primary economic environment in which it operates (the "Functional Currency"). The functional and reporting/presentation currency is the US\$.

(h) Foreign currency

Transactions during the year denominated in foreign currencies have been remeasured to US\$ at the rates of exchange ruling at the dates of transactions. For foreign currency transactions and foreign currency investments held at the year end, the resulting gains or losses are included in the net realised gain/(loss) and change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency in statement of operations. Foreign currency assets and liabilities held at the year end were remeasured to US\$ at year end exchange rates.

The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included in net change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency in the statement of operations.

2. Significant accounting policies (continued)

(i) Cash and cash equivalents - unrestricted

Cash and cash equivalents - unrestricted in the statement of assets and liabilities comprises cash on hand, demand deposits, short-term deposits in banks, short-term highly liquid investments and cash equivalents 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. Cash and cash equivalents includes unrestricted cash balances held with the bank and the broker.

(j) Cash and cash equivalents – restricted and collateral balances – due to brokers

Cash and cash equivalents – restricted and collateral balances – due to brokers includes 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 securities are purchased on margin, the margin debt may be secured on the related securities.

(k) Taxation

The Cayman Islands currently has no income, corporation or capital gains tax, no taxes by way of withholding and no estate duty, inheritance tax or gift tax. In addition, the Fund has applied for and received from the Governor-in-Cabinet of the Cayman Islands pursuant to The Tax Concessions Act (as amended) of the Cayman Islands, an undertaking, that, for a period of twenty years from the date of the undertaking, no law which is thereafter enacted in the Cayman Islands imposing any tax on profits, income, gains or appreciations shall apply to the Fund or its operations. In addition no tax on profits, income, gains or appreciation which is in the nature of estate duty or inheritance tax shall be payable on or in respect of the Redeemable Participating Shares, debentures or other obligations of the Fund.

ASC 740-10, *Accounting for Uncertainty in Income Taxes* - an interpretation of ASC 740 clarifies the accounting for uncertainty in income taxes recognised in the Fund's financial statements in conformity with ASC 740 *Income Taxes*. ASC 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken on a tax return.

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 "more-likely-than-not" to be sustained on examination. This evaluation includes the position that further withholding taxes will not be levied on income already received by the Fund. Tax positions that meet the more-likely-than-not recognition threshold are initially recorded and subsequently measured at the largest amount of tax benefit that is more than 50 percent likely of being realised on ultimate settlement, using the facts, circumstances and information at the reporting date.

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 open tax years. The Fund recognises interest and penalties, if any, related to unrecognised tax benefits as income tax expense in the statement of operations. During the years ended 30 June 2024 and 30 June 2023, the Fund did not incur any interest or penalties.

(l) Interest income and expense

Interest income and expense are recognised using the effective interest method.

(m) Expenses

All expenses are recognised on an accruals basis.

(n) Redemptions payable

In accordance with the authoritative guidance on Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity under US GAAP (*ASC 480-10 Classification and measurement of redeemable securities*) ("*ASC 480-10*"), mandatorily redeemable financial instruments are classified as liabilities. Financial instruments are deemed to be mandatorily redeemable when a redemption request has been received and the redemption amount has been determined.

Redemption notices received for which the amount and number of shares are not fixed remain in capital until the NAV used to determine the redemption and share amounts are determined. All of this amount, if any, relates to redemptions due to be paid on the first dealing day of July 2024, which under the terms of *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity* are mandatorily redeemable financial instruments and consequently a liability of the Fund and not part of equity. Redemptions payable as at 30 June 2024 is US\$Nil (2023: US\$87,559).

(o) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of assets and liabilities when the Fund has a legally enforceable right to offset and the transactions are intended to be settled on a net basis or simultaneously. At the year end no financial instruments of the Fund are being presented net within the statement of assets and liabilities.

(p) Allocation of income or expense

Income, expenses, and realised gain/(loss) and change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency are allocated pro-rata to each Redeemable Participating Share class based on their respective NAV. In the case that there are share classes designated in a currency other than the Functional Currency, the Investment Manager may use efficient portfolio management techniques to mitigate risks arising from exchange rate fluctuation. Any cost, related liabilities and/or benefits of such share class specific investment will be for the account of that share class only. Management and performance fees are charged on a share by share basis and will be charged only to the affected class of Redeemable Participating Shares in line with the fee rate specified in Note 8.

(q) Comparative information

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

Man AHL Diversified (Cayman) Ltd.

Notes to the financial statements (continued)

For the year ended 30 June 2024



3. Cash and cash equivalents – unrestricted, cash and cash equivalents – restricted and collateral balances - due to brokers

At the year end amounts disclosed as cash and cash equivalents – unrestricted, cash and cash equivalents – restricted and collateral balances – due to brokers were held at The Bank of New York Mellon SA/NV (the “Bank” and the “Broker”). Cash and cash equivalents - restricted represents the margin and collateral account balances with the broker and collateral balances - due to brokers represents an amount payable to broker as a result of margin or collateral amount payable at the year end. These include amounts transferred as collateral (which is subject to a security interest) against open derivatives, short positions or securities purchased on margin.

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 the securities are purchased on margin, the margin debt may be secured on the related securities.

Included in collateral balances - due to brokers at 30 June 2024 is cash in foreign currencies with a fair value of (US\$69) (cost: (US\$69)) (2023: (US\$177,152) (cost: (US\$177,152))).

4. Fair value measurements

Details of the Fund's investments at 30 June 2024 and 30 June 2023 are disclosed in the condensed schedule of investments.

The Investment Manager generally uses the capital balance or NAV reported by the managed fund's administrator or investment manager as the primary input to its valuation; however adjustments to the reported capital balance or NAV may be made based on various factors, including, but not limited to, the attributes of the interest held, including the rights and obligations, and any restrictions or illiquidity on such interests, and the fair value of such managed fund's investment portfolio or other assets and liabilities. As at 30 June 2024 and 30 June 2023, no such adjustments were made.

Managed funds are generally open-ended funds as they typically offer subscription and redemption options to investors. The frequency of such subscriptions or redemptions is dictated by each managed fund's governing documents. The amount of liquidity provided to investors in a particular fund is generally consistent with the liquidity and risk associated with the underlying portfolio (i.e. the more liquid the investments in the portfolio, the greater the liquidity provided to the investors). Liquidity of individual managed funds vary based on various factors and may include “gates”, “holdbacks” and “side pockets” imposed by the investment manager of the managed fund, as well as redemption fees which may also apply. As at 30 June 2024 and 30 June 2023, liquidity terms for the managed funds exceeding 5% of the Fund's net assets are set out in the condensed schedule of investments.

At 30 June 2024 and 30 June 2023, all of the Fund's investments in managed funds were valued using the NAV reported by the managed fund's management, as such they have not been categorised in the fair value hierarchy.

The Fund's assets and liabilities carried at fair value not using the practical expedient have been categorised based upon the fair value hierarchy based on the valuation policy described in Note 2(e). The following is a summary of the Fund's financial instruments carried at fair value not using the practical expedient as at 30 June 2024 and 30 June 2023:

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
As at 30 June 2024				
Long securities and derivative assets, at fair value				
<u>Investments in government bonds</u>				
Government bonds	137,893,355	-	-	137,893,355
Total investments in government bonds	137,893,355	-	-	137,893,355
<u>Derivatives</u>				
Forward currency contracts	-	9,081	-	9,081
Total derivatives	-	9,081	-	9,081
Total long securities and derivative assets, at fair value	137,893,355	9,081	-	137,902,436
Derivative liabilities, at fair value				
<u>Derivatives</u>				
Forward currency contracts	-	(2,505,257)	-	(2,505,257)
Total derivatives	-	(2,505,257)	-	(2,505,257)
Total derivative liabilities, at fair value	-	(2,505,257)	-	(2,505,257)
Investments measured at NAV				176,077,851
Net investments at fair value				311,475,030

Man AHL Diversified (Cayman) Ltd.

Notes to the financial statements (continued)

For the year ended 30 June 2024



4. Fair value measurements (continued)

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
As at 30 June 2023				
Long securities and derivative assets, at fair value				
<u>Investments in government bonds</u>				
Government bonds	145,887,719	-	-	145,887,719
Total investments in government bonds	145,887,719	-	-	145,887,719
Total long securities, at fair value	145,887,719	-	-	145,887,719
<u>Derivatives</u>				
Forward currency contracts	-	1,697	-	1,697
Total derivatives	-	1,697	-	1,697
Total long securities and derivative assets, at fair value	145,887,719	1,697	-	145,889,416
Derivative liabilities, at fair value				
<u>Derivatives</u>				
Forward currency contracts	-	(1,321,388)	-	(1,321,388)
Total derivatives	-	(1,321,388)	-	(1,321,388)
Total derivative liabilities, at fair value	-	(1,321,388)	-	(1,321,388)
Investments measured at NAV				198,233,928
Net investments at fair value				342,801,956

For the year ended 30 June 2024, the total net realised gain/(loss) and change in unrealised appreciation/(depreciation) from the Fund's investment in AHL Evolution Ltd amounted to US\$5,770,649 (2023: (US\$6,077,226)) and AHL Institutional Series 3 Ltd amounted to US\$23,093,781 (2023: US\$11,247,472). These amounts are recognised in net realised gain/(loss) and net change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency in the statement of operations.

None of the financial instruments were used as collateral during the years ended 30 June 2024 and 30 June 2023.

The Fund did not hold any Level 3 investments during the years ended 30 June 2024 and 30 June 2023.

5. Derivatives

Typically, derivative contracts serve as components of the Fund's investment strategy and are utilised primarily to structure and hedge investments to enhance performance and reduce risk to the Fund. The derivative contracts that the Fund is party to are forward currency contracts. As at 30 June 2024 and 30 June 2023, the derivative contracts were included in the Fund's statement of assets and liabilities at fair value.

The Fund records its derivative activities on a mark-to-market basis. Fair values are determined in accordance with the valuation principles set out in Note 2(e).

For all OTC contracts, the Fund enters into master netting agreements with its counterparties, which may allow in certain circumstances netting of assets and liabilities.

As at 30 June 2024 and 30 June 2023, all derivatives were OTC contracts. As at 30 June 2024 and 30 June 2023, master netting arrangements relate to forward currency contracts held by the Fund.

The Fund has not designated any derivative instruments as hedging instruments under ASC 815, *Derivatives and Hedging*. The condensed schedule of investments details information regarding derivative types and their fair value at 30 June 2024 and 30 June 2023.

5. Derivatives (continued)

As at 30 June 2024 and 30 June 2023, open derivative instruments are included in the statement of assets and liabilities under the following headings:

	2024 US\$	2023 US\$
Derivatives at fair value		
Assets		
Forward currency contracts	9,081	1,697
Total derivatives	9,081	1,697
Liabilities		
Forward currency contracts	(2,505,257)	(1,321,388)
Total derivatives	(2,505,257)	(1,321,388)

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 appreciation or depreciation, rather than notional amounts of the derivatives are included in the statement of assets and liabilities.

As at 30 June 2024, the notional value of derivative instrument activity which is representative of the derivative trading during the year was as follows:

	Notional value As at 30 June 2024	
Primary Underlying Risk	Long US\$	Short US\$
Foreign exchange risk		
Forward currency contracts	-	309,381,593

The quarterly average notional value of derivative instrument activity which is representative of the derivative trading during the year ended 30 June 2023 was as follows:

	Notional value As at 30 June 2023	
Primary Underlying Risk	Long US\$	Short US\$
Foreign exchange risk		
Forward currency contracts	4,026,517	342,721,883

Forward currency contracts are disclosed by the payable and receivable legs entered into by the Fund.

For non-exchange traded derivatives, under standard derivatives agreements, the Fund may be required to post collateral on derivatives if the Fund is in a net liability position with the counterparty exceeding certain amounts.

Man AHL Diversified (Cayman) Ltd.

Notes to the financial statements (continued)

For the year ended 30 June 2024



5. Derivatives (continued)

The effect of transactions in derivative instruments in the statement of operations for the years ended 30 June 2024 and 30 June 2023 was as follows:

		Amount of gain/(loss) recognised in the statement of operations	
Derivative Type	Location of gain/(loss) in the statement of operations	2024 US\$	2023 US\$
Net realised gain/(loss) on investments in securities, derivatives and foreign currency			
Forward currency contracts	Net realised gain/(loss) on investments in securities, derivatives and foreign currency	(51,056,974)	(37,809,685)
Other non-derivative items included in net realised gain/(loss) on investments in securities, derivatives and foreign currency			
Investments in securities	Net realised gain/(loss) on investments in securities, derivatives and foreign currency	12,847,407	46,976,840
Foreign currency	Net realised gain/(loss) on investments in securities, derivatives and foreign currency	173,156	152,691
Net realised gain/(loss) on investments in securities, derivatives and foreign currency		(38,036,411)	9,319,846
Net change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency			
Forward currency contracts	Net change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency	(1,176,485)	515,006
Other non-derivative items included in net change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency			
Investments in securities	Net change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency	16,017,023	(41,806,594)
Foreign currency	Net change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency	(2,974)	(16,529)
Net change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency		14,837,564	(41,308,117)

The primary difference in the risk associated with OTC contracts and exchange-traded contracts is credit risk. The Fund has credit risk from OTC contracts when two conditions are present (i) the OTC contracts have unrealised gains, net of any collateral and (ii) the counterparty of the contract defaults. The credit risk related to exchange-traded contracts is minimal because the exchange seeks to ensure that their contracts are always honoured. As at 30 June 2024 and 30 June 2023, all forward currency contracts were OTC contracts.

- Forward currency contracts

The Fund enters into various forward currency contracts in the normal course of pursuing its investment objectives. The Fund may use forward currency contracts to gain exposure to, or hedge against, changes in the fair value of foreign currencies. Forward currency contracts obligate the Fund to either buy or sell an asset at a specified future date and price. Risks associated with forward currency contracts are the inability of counterparties to perform as specified in their contracts and movements in fair value. The realised or unrealised gain or loss is equal to the difference between the value of the contract at the onset and the value of the contract at settlement date/year end date and is included in the statement of operations.

The Fund's OTC derivative master netting agreements contain provisions ("credit risk-related contingent features") that require the Fund to maintain a certain level of net assets. If the Fund's net assets were to fall below the level set in the master netting agreements, the Fund would be in violation of those provisions and the counterparties to the OTC derivative contracts could request immediate payment or demand immediate and ongoing full overnight collateralisation on OTC derivative contracts in net liability positions. The aggregate fair value of all OTC derivative contracts with credit risk-related contingent features that are in a liability position as at 30 June 2024 is approximately US\$2,505,257 (2023: US\$1,321,388) for which the Fund has posted cash as collateral in the normal course of business. If the credit risk-related contingent features underlying these instruments had been triggered as at 30 June 2024 and 30 June 2023 and the Fund had to settle these instruments immediately, the Fund would not have been required to make an additional payment to the counterparties in light of the levels of collateral already in place with such counterparties.

6. Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of assets and liabilities when the Fund has a legally enforceable right to offset and the transactions are intended to be settled on a net basis or simultaneously.

As at 30 June 2024 and 30 June 2023, no financial instruments of the Fund are being presented net within the statement of assets and liabilities.

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.

Man AHL Diversified (Cayman) Ltd.

Notes to the financial statements (continued)

For the year ended 30 June 2024



6. Offsetting financial assets and financial liabilities (continued)

The following table summarises the net financial assets per counterparty as at 30 June 2024:

Derivative Assets and Collateral held by counterparty

	(i)	(ii)		(iii)=(i)+(ii)
		Impact of master netting arrangement not offset in the statement of assets and liabilities		
		Gross assets not offset in the statement of assets and liabilities		
Counterparty	Gross amounts of assets in the statement of assets and liabilities US\$	Financial instruments US\$	Cash collateral held* US\$	Net amount US\$
The Bank of New York Mellon SA/NV	9,081	(9,081)	-	-
Total	9,081	(9,081)	-	-

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

The following table summarises the net financial liabilities per counterparty as at 30 June 2024:

Derivative Liabilities and Collateral pledged by counterparty

	(i)	(ii)		(iii)=(i)+(ii)
		Impact of master netting arrangement not offset in the statement of assets and liabilities		
		Gross liabilities not offset in the statement of assets and liabilities		
Counterparty	Gross amounts of liabilities in the statement of assets and liabilities US\$	Financial instruments US\$	Cash collateral pledged* US\$	Net amount US\$
The Bank of New York Mellon SA/NV	2,505,257	(9,081)	(2,496,176)	-
Total	2,505,257	(9,081)	(2,496,176)	-

*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 June 2023:

Derivative Assets and Collateral held by counterparty

	(i)	(ii)		(iii)=(i)+(ii)
		Impact of master netting arrangement not offset in the statement of assets and liabilities		
		Gross assets not offset in the statement of assets and liabilities		
Counterparty	Gross amounts of assets in the statement of assets and liabilities US\$	Financial instruments US\$	Cash collateral held* US\$	Net amount US\$
The Bank of New York Mellon SA/NV	1,697	(1,697)	-	-
Total	1,697	(1,697)	-	-

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

Man AHL Diversified (Cayman) Ltd.

Notes to the financial statements (continued)

For the year ended 30 June 2024



7. Offsetting financial assets and financial liabilities (continued)

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

Derivative Liabilities and Collateral pledged by counterparty				
	(i)	(ii)		(iii)=(i)+(ii)
		Impact of master netting arrangement not offset in the statement of assets and liabilities		
		Gross liabilities not offset in the statement of assets and liabilities		
	Gross amounts of liabilities in the statement of assets and liabilities	Financial instruments	Cash collateral pledged*	Net amount
Counterparty	US\$	US\$	US\$	US\$
The Bank of New York Mellon SA/NV	1,321,388	(1,697)	(1,319,691)	-
Total	1,321,388	(1,697)	(1,319,691)	-

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

As at 30 June 2024, the amount of collateral cash pledged is US\$22,906,887 (2023: US\$23,750,048) and the amount of cash collateral held is US\$69 (2023: US\$177,244).

7. Financial instruments and associated risk

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 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 date of the statement of assets and liabilities and the risk management policies employed by the Fund are discussed below.

The Manager employs a risk management process in respect of the Fund by which it attempts to accurately measure, monitor and manage the various risks associated with the use of financial instruments by the Fund, including controls on their use and processes for assessing compliance with these controls. The Manager may delegate certain risk management functions to the Investment Manager.

Overall risk management

AHL Diversified Programme

The Investment Manager manages the AHL Diversified Programme which employs sophisticated computerised processes to identify trends in markets around the world. Trading signals are generated and executed via a finely tuned trading and implementation infrastructure. This process is quantitative and primarily directional in nature and is underpinned by rigorous risk control, ongoing research, diversification and the constant quest for efficiency.

The cornerstone of the investment philosophy is that the financial markets exhibit persistent trends and other 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.

Trading takes place around-the-clock and real time price information is used to respond to price moves across a diverse range of global markets. The AHL Diversified Programme invests in a diversified portfolio of instruments which may include, but is not limited to futures, options, forward contracts, equity swaps, swaps and other financial derivatives both on and off exchange. These markets may be accessed directly or indirectly and include, without limitation, stocks, debt, bonds, currencies, short-term interest rates, energies, metals, credit and agricultural. These markets may be accessed directly or indirectly and include, without limitation, stocks, debt, bonds, currencies, short-term interest rates, energies, metals, credit and agricultural.

As well as emphasising sector and markets diversification, the AHL Diversified Programme has been constructed to achieve diversification by allocating to multiple trading systems. Most of these systems work by sampling prices in real time and measuring price momentum and breakouts, aiming to capture price trends and close out positions when there is a high probability of a different trend developing. Signals are generated across different time frames, ranging from a few days to several months. In aggregate, the systems currently run around 2,000 price samples each day spread across the 350 or so markets traded. The AHL Diversified Programme also includes other technical systems, as well as quantitative models based on a variety of fundamental inputs, such as interest rate and equity valuation data.

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. A systematic process for adjusting market risk exposure in real time to reflect changes in the volatility of individual markets is also in place.

7. Financial instruments and associated risk (continued)

Overall risk management (continued)

AHL Diversified Programme (continued)

Through the Investment Manager's ongoing investment in research and technology, the number and diversity of markets and strategies traded directly or indirectly by the AHL Diversified Programme may change over the life of the investment, but always subject to any restrictions set out in the Offering Memorandum. It should also be noted that the AHL Diversified Programme traded by the Fund may differ from the AHL Diversified Programme traded by other investment products managed by entities within the Man Group. These differences generally include, among other things, differences in the types of financial instruments, markets and asset classes traded which arise out of legal structuring, applicable law and other restrictions and/or considerations with respect to such investment products.

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 or security prices.

If the markets should move against one or more positions in certain of the financial instruments the Fund holds, the Fund could incur losses greater than the amounts reflected in the statement of assets and liabilities. The Fund's exposure to market risk may be due to many factors, including movements in interest rates, foreign exchange rates, indices, market volatility, and commodity and security values underlying these instruments. The Investment Manager measures and controls the Fund's market risk through the use of various risk management techniques and various analytical monitoring techniques.

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 from the beginning of the year to the end of the year.

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 from inception. 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 June 2024, the annualised volatility of the Fund for Class A USD was 15.03% (2023: 16.20%), for Class B JPY was 15.11% (2023: 16.04%), for Class C AUD was 15.10% (2023: 16.13%) and for Class E JPY was 15.11% (2023: 16.04%).

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 is 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.

The Fund's exposure to interest rate risk is on cash and cash equivalents – unrestricted, cash and cash equivalents – restricted, collateral balances – due to brokers and government bonds held at 30 June 2024 and 30 June 2023.

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 and the non-US\$ denominated share classes of the Fund are exposed to currency risk through their investments in US\$ denominated investments. The Investment Manager has an active procedure to monitor foreign exchange exposures and manages this risk through entering into offsetting forward currency contracts.

Some monetary assets and liabilities are denominated in foreign currencies. They represent the Fund's pre-hedged exposure and do not take account of the significantly reduced sensitivity to foreign currency risk that results from currency hedging techniques used.

The Fund is also indirectly exposed to foreign exchange risk through the underlying strategies of the managed funds held, where foreign exchange risk trading forms part of the mandated investment strategy.

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 these investments, no direct relationship between any market factors and the expected prices of the investments can be reliably established.

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

7. Financial instruments and associated risk (continued)

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 at 30 June 2024 and 30 June 2023 in relation to each class of recognised financial assets, other than derivatives, is the carrying amount of those assets in the statement of assets and liabilities.

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.

As at 30 June 2024 and 30 June 2023, the Fund holds government bonds in the United States. Refer to the condensed schedule of investments for further details.

The significant exposures are to the Bank and the Broker.

The table below analyses the Fund's exposure of cash and cash equivalents - unrestricted, cash and cash equivalents – restricted, investments in securities at fair value and derivatives at fair value by rating agency category at 30 June 2024 and 30 June 2023:

Counterparty	Moody's Rating	2024 US\$	2024 %
The Bank of New York Mellon SA/NV	A1	160,809,323	100.00%
		160,809,323	100.00%

Counterparty	Moody's Rating	2023 US\$	2023 %
The Bank of New York Mellon SA/NV	A1	170,511,742	100.00%
		170,511,742	100.00%

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

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with liabilities. 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 11. 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.

Generally, the Fund takes on minimal liquidity risk as it invests in managed funds with a redemption notice period equal to or less than that of the Fund. This policy aims to ensure that liquidity is always maintained.

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 the 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 appreciation or depreciation, rather than notional amounts, or the exchange-traded derivatives are included in the statement of assets and liabilities.

8. Fees and expenses

Management and performance fees

A management fee is calculated and charged in respect of the Class A USD Redeemable Participating Shares, Class B JPY Redeemable Participating Shares and Class C AUD Redeemable Participating Shares at each valuation day and paid monthly at a rate of up to 2.00% per annum of the NAV of the Redeemable Participating Shares. In respect of Class E JPY Redeemable Participating Shares, a management fee is calculated and charged as at each valuation day and paid monthly at a rate of up to 1.35% per annum of the NAV of the Redeemable Participating Shares.

A performance fee is calculated and charged in respect of all the Redeemable Participating Share classes at each valuation day and paid monthly at a rate of up to 20.00% of any net new appreciation per Redeemable Participating Share (prior to the calculation and deduction of the performance fee).

Management and performance fees are payable to the Manager.

Services management fees

In consideration for the services provided by the Services Manager, the Fund pays the Services Manager a services management fee calculated and charged as at each valuation day at the rate of 0.25% per annum of the NAV of all the Redeemable Participating Share classes subject to a minimum of US\$50,000 for each Redeemable Participating Share class. The fee shall be accrued on each valuation day and payable monthly in arrears.

The Services Manager will rebate to the Fund the amount of the services management fees paid by AHL Institutional Series 3 Ltd and AHL Evolution Ltd that is attributable to the Fund's holding in AHL Institutional Series 3 Ltd and AHL Evolution Ltd. The rebated amount shall be payable monthly in US\$ by the Services Manager to the Fund.

The Services Manager pays fees to BNY Mellon Fund Services (Ireland) Designated Activity Company (the "Administrator") for all administration services provided out of the services management fee.

Introducing broker fees

In respect of all the Redeemable Participating Share classes, an introducing broker fee at a rate of up to 1.00% per annum of the NAV of each Redeemable Participating Share class is calculated and charged as at each valuation day and paid monthly.

Custodian fees

The Fund pays the fees of The Bank of New York Mellon SA/NV (the "Custodian") as Custodian. The fees will not exceed normal commercial rates together with value added tax, if any, applicable to such fees. The Fund will also reimburse the Custodian out of the assets of the Fund for out-of-pocket expenses incurred by the Custodian respectively and for fees (which will not exceed commercial rates) and reasonable out-of-pocket expenses of any sub-custodian appointed by the Custodian.

Directors' fees

The Fund pays the fees of 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.

Man AHL Diversified (Cayman) Ltd.

Notes to the financial statements (continued)

For the year ended 30 June 2024



9. Realised gain/(loss) and change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency

	2024 US\$	2023 US\$
Realised gain on investments in securities, derivatives and foreign currency		
Realised gain on investments in securities	12,847,407	46,976,840
Realised gain on foreign currency	173,156	153,288
Total realised gain on investments in securities, derivatives and foreign currency	13,020,563	47,130,128
Realised loss on investments in securities, derivatives and foreign currency		
Realised loss on derivatives	(51,056,974)	(37,809,684)
Realised loss on foreign currency	-	(598)
Total realised loss on investments in securities, derivatives and foreign currency	(51,056,974)	(37,810,282)
Total net realised gain/(loss) on investments in securities, derivatives and foreign currency	(38,036,411)	9,319,846
Change in unrealised appreciation on investments in securities, derivatives and foreign currency		
Change in unrealised appreciation on investments in securities	16,017,023	-
Change in unrealised appreciation on derivatives	18,584	515,005
Total change in unrealised appreciation on investments in securities, derivatives and foreign currency	16,035,607	515,005
Change in unrealised depreciation on investments in securities, derivatives and foreign currency		
Change in unrealised depreciation on investments in securities	-	(41,806,594)
Change in unrealised depreciation on derivatives	(1,195,069)	-
Change in unrealised depreciation on foreign currency	(2,974)	(16,528)
Total change in unrealised depreciation on investments in securities, derivatives and foreign currency	(1,198,043)	(41,823,122)
Total net change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency	14,837,564	(41,308,117)

10. Related party transactions

Master Multi-Product Holdings Ltd, a Bermuda incorporated company, is a related party through its 100% holding of the 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 AG - the Services Manager and Marketing Adviser of the Fund and Man Asset Management (Cayman) Limited - the Manager of the Fund are indirect wholly-owned subsidiaries of Man Group plc and all subsidiaries of Man Group plc are related parties.

Included within subscriptions for Class B JPY Redeemable Participating Shares are subscriptions of US\$26,278,099, the proceeds of which were simultaneously redeemed out of Class A USD Redeemable Participating Shares during the year ended 30 June 2023.

Under the rebate agreement signed between the Services Manager and the Fund, the Services Manager will rebate a proportionate amount of the service management fee it earns from the related managed funds to the Fund. The rebate amount is calculated and payable monthly in US\$ by the Services Manager to the Fund at a rate of 0.15% of the value of the Fund's holdings in AHL Institutional Series 3 Ltd and AHL Evolution Ltd. The rebate asset of US\$39,001 (2023: US\$44,399) and income of US\$493,935 (2023: US\$552,842) is included in the statement of assets and liabilities and statement of operations, respectively.

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, 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.

Please refer to Note 4 for details of the realised gain/(loss) and change in unrealised appreciation/(depreciation) on transactions between the Fund and the related managed funds during the year, which are included in the statement of operations. There were purchases of US\$147,978,872 (2023: US\$145,795,197) and sales of US\$198,999,379 (2023: US\$178,005,229) during the year which are included in the statement of cash flows.

Man Group plc companies are also involved, in varying capacities, in the management of the managed funds in which the Fund has invested as set out in Note 4.

Man AHL Diversified (Cayman) Ltd.

Notes to the financial statements (continued)

For the year ended 30 June 2024



10. Related party transactions (continued)

As at 30 June 2024 and 30 June 2023, none of the Fund's Redeemable Participating Shares are owned by entities or individuals affiliated to Man Group plc.

The following transactions took place between the Fund and its related parties:

For the year ended 30 June 2024

Related party	Type of fee	Total fees/(income) US\$	Fees payable/(receivable) at 30 June 2024 US\$
Man Investments AG	Services management fees	905,870	70,747
Man Investments AG	Services management fees rebate	(493,935)	(39,001)
Man Asset Management (Cayman) Limited	Management fees	6,016,181	468,749
Man Asset Management (Cayman) Limited	Performance fees	277,925	-
Man Investments AG	Introducing broker fees	3,449,668	269,516
Directors	Directors' fees	12,000	6,000

For the year ended 30 June 2023

Related party	Type of fee	Total fees/(income) US\$	Fees payable/(receivable) at 30 June 2023 US\$
Man Investments AG	Services management fees	1,003,028	79,105
Man Investments AG	Services management fees rebate	(552,842)	(44,399)
Man Asset Management (Cayman) Limited	Management fees	6,688,924	527,057
Man Asset Management (Cayman) Limited	Performance fees	1,837,732	-
Man Investments AG	Introducing broker fees	3,843,420	302,484
Directors	Directors' fees	12,000	6,000

11. Share capital

The Fund has an authorised share capital of US\$50,000 divided into 1,000 Management Shares of par value US\$1.00 each which carry 100% of the voting rights, regardless of whether they are called, and 490,000,000 Redeemable Participating Shares of par value US\$0.0001 each; AUD50,000 divided into 500,000,000 Redeemable Participating Shares of par value AUD0.0001 each, JPY5,000,000 divided into 500,000,000 Redeemable Participating Shares of par value JPY0.01 each and EUR50,000 divided into 500,000,000 Redeemable Participating Shares of par value EUR0.0001 each (collectively "Redeemable Participating Shares").

Management Shares of the Fund

The Management Shares are held by Master Multi-Product Holdings Ltd which is wholly-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) dated 14 December 2005. As at 30 June 2024 and 30 June 2023, these shares were fully issued and no amounts were paid or payable to the Fund.

Redeemable Participating Shares of the Fund

Class A USD Redeemable Participating Shares, Class B JPY Redeemable Participating Shares and Class C AUD Redeemable Participating Shares were offered for sale by the Fund on 9 April 2012 at US\$1 per Share, JPY100 per Share and AUD1 per Share and thereafter have been offered at the prevailing net asset value on each business day, and any other such days as the Directors shall determine, upon receipt of an application no later than 21:00 (Japan standard time) on the business day before the relevant subscription day.

Class E JPY Redeemable Participating Shares were made available at the invitation of the Directors and were subscribed for on 23 February 2016 at JPY100 per Share and thereafter have been offered at the prevailing net asset value on each business day, and any other such days as the Directors shall determine, upon receipt of an application no later than 21:00 (Japan standard time) on the business day before the relevant subscription day.

Redeemable Participating Shares Shareholders may, upon written notice no later than 21:00 (Japan standard time) one business day before the relevant redemption day on which the redemption is required to be effected, normally redeem their Redeemable Participating Shares on any business day at a redemption price calculated by reference to the NAV per Redeemable Participating Share on the valuation day immediately preceding the redemption day on which the redemption is to be effected.

The rights of each Redeemable Participating Shareholder are limited to the assets attributable to the relevant Class of Redeemable Participating Shares. The obligations of the Fund in respect of each Class of Redeemable Participating Shares will only be payable from the respective value or assets which are attributable to each such Class of Redeemable Participating Shares. In the event that the assets attributable to the relevant Class of Redeemable Participating Shares are insufficient to meet the obligations of the Fund to pay monies to Redeemable Participating Shareholders of such Class of Redeemable Participating Shares, such Redeemable Participating Shareholders will be limited to proceeding against the relevant Class of Redeemable Participating Shares relating to their investments only and shall not be entitled to exercise any rights or have further recourse to the assets attributable to any other Class of Redeemable Participating Shares or any other assets of the Fund.

Man AHL Diversified (Cayman) Ltd.

Notes to the financial statements (continued)

For the year ended 30 June 2024



11. Share capital (continued)

Share transactions in the Redeemable Participating Shares for the years ended 30 June 2024 and 30 June 2023 were as follows:

	Class A USD No. of Shares	Class B JPY No. of Shares	Class C AUD No. of Shares	Class E JPY No. of Shares
30 June 2024				
Balance at the beginning of the year	14,370,436	166,882,536	2,410,181	170,519,997
Issue of Redeemable Participating Shares for the year	1,608,423	6,041,840	-	17,213,140
Redemption of Redeemable Participating Shares for the year	(1,873,042)	(10,837,933)	-	(19,871,456)
Balance at the end of the year	14,105,817	162,086,443	2,410,181	167,861,681
30 June 2023				
Balance at the beginning of the year	30,082,771	140,903,141	2,559,054	201,528,627
Issue of Redeemable Participating Shares for the year	384,620	33,481,518	-	15,218,875
Redemption of Redeemable Participating Shares for the year	(16,096,955)	(7,502,123)	(148,873)	(46,227,505)
Balance at the end of the year	14,370,436	166,882,536	2,410,181	170,519,997

In the event of a winding-up or dissolution of the Fund or upon the distribution of capital, the holders of the Redeemable Participating Shares shall be entitled, following a payment to the holders of Management Shares of the par value thereof, to the return of the assets of the Fund held in respect of that class and, thereafter, to share pro rata in the assets, if any, of the Fund which are not held in respect of any class of shares.

Capital management

The Fund's objectives for managing capital may include:

- 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 investing in diversified portfolios, by participating in derivative and other advanced capital markets and by using various investment strategies and hedging 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 June 2023.

Refer to Note 7, 'Financial instruments and associated risk', for the policies and processes applied by the Fund in managing its capital.

12. Financial highlights

The financial highlights disclosed below are for the year ended 30 June 2024:

	Class A USD	Class B JPY	Class C AUD	Class E JPY
Per Share operating performance:				
Net asset value per share at the beginning of the year	1.8621	165.6899	1.8199	122.7400
Change in net asset value per share resulting from operations				
Net investment income/(loss)	(0.0311)	(0.9987)	(0.0426)	0.0370
Net realised gain/(loss) and change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency	0.1573	4.7587	0.1341	3.5129
Net increase/(decrease) in net asset value per share resulting from operations	0.1262	3.7600	0.0915	3.5499
Net asset value per share at the end of the year	1.9883	169.4499	1.9114	126.2899
Total return:				
Total return before performance fees	7.82%	2.27%	5.28%	2.89%
Performance fees	(1.04%)	-	(0.25%)	-
Total return after performance fees	6.78%	2.27%	5.03%	2.89%
Ratios to average net assets (i):				
Net investment income/(loss) before performance fees	(0.62%)	(0.61%)	(2.10%)	0.03%
Performance fees	(1.04%)	-	(0.25%)	-
Net investment income/(loss) after performance fees	(1.66%)	(0.61%)	(2.35%)	0.03%
Total expenses before performance fees	(3.27%)	(3.26%)	(4.75%)	(2.62%)
Performance fees	(1.04%)	-	(0.25%)	-
Total expenses after performance fees	(4.31%)	(3.26%)	(5.00%)	(2.62%)
Non-trade expenses (ii)	(3.31%)	(2.27%)	(4.00%)	(1.62%)

Man AHL Diversified (Cayman) Ltd.

Notes to the financial statements (continued)

For the year ended 30 June 2024



12. Financial highlights (continued)

The financial highlights disclosed below are for the year ended 30 June 2023:

	Class A USD	Class B JPY	Class C AUD	Class E JPY
Per Share operating performance:				
Net asset value per share at the beginning of the year	1.8950	173.8000	1.8810	128.1300
Change in net asset value per share resulting from operations				
Net investment income/(loss)	(0.0385)	(3.0151)	(0.0596)	(1.6232)
Net realised gain/(loss) and change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency	0.0056	(5.0950)	(0.0015)	(3.7668)
Net increase/(decrease) in net asset value per share resulting from operations	(0.0329)	(8.1101)	(0.0611)	(5.3900)
Net asset value per share at the end of the year	1.8621	165.6899	1.8199	122.7400
Total return:				
Total return before performance fees	(1.15%)	(4.25%)	(2.76%)	(3.65%)
Performance fees	(0.59%)	(0.42%)	(0.49%)	(0.56%)
Total return after performance fees	(1.74%)	(4.67%)	(3.25%)	(4.21%)
Ratios to average net assets (i):				
Net investment income/(loss) before performance fees	(1.49%)	(1.39%)	(2.78%)	(0.75%)
Performance fees	(0.59%)	(0.42%)	(0.49%)	(0.56%)
Net investment income/(loss) after performance fees	(2.08%)	(1.81%)	(3.27%)	(1.31%)
Total expenses before performance fees	(3.28%)	(3.29%)	(4.63%)	(2.64%)
Performance fees	(0.59%)	(0.42%)	(0.49%)	(0.56%)
Total expenses after performance fees	(3.87%)	(3.71%)	(5.12%)	(3.20%)
Non-trade expenses (ii)	(2.86%)	(2.70%)	(4.11%)	(2.19%)

- i. The financial highlights are calculated for the shares taken as a whole based upon a representative investor for each primary class. An individual investor's financial highlights may vary from the above based on the timing of capital transactions and individual management fee arrangements.
- ii. The ratio details the total expenses less trading costs (including interest costs) incurred by the Fund in the course of normal trading, to the average net assets described above.

13. Indemnifications

In the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, management expects the risk of loss to be remote.

14. Subsequent events

Subsequent to 30 June 2024, Redeemable Participating Shareholders subscribed for Redeemable Participating Shares having an aggregate net asset value of US\$4,682,985 and redeemed Redeemable Participating Shares having an aggregate net asset value of US\$19,962,359.

In connection with the preparation of the financial statements as at 30 June 2024, management has evaluated the impact of all subsequent events on the Fund through 7 November 2024, the date the financial statements were available to be issued, and has determined that there were no additional subsequent events requiring recognition or disclosure in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF MAN AHL DIVERSIFIED (CAYMAN) LTD.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Man AHL Diversified (Cayman) Ltd. (the 'Fund'), which comprise the statement of assets and liabilities, including the condensed schedule of investments, as of 30 June 2024, and the related statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of 30 June 2024, and the results of its operations, changes in its net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter Description	How the scope of our audit responded to the key audit matter
<p>Valuation and net change in unrealized appreciation/(depreciation) of investments</p> <p>For the financial year ended, the investments of the Fund in the amount of \$311m make up 93% of total net assets of \$334m. The valuation of investments and related net change in unrealized appreciation/(depreciation) are considered a key audit matter as the investments represent a significant balance on the Statement of Assets and Liabilities. This is also the main driver of the Fund's performance and has been identified a significant risk of material misstatement.</p> <p>There is a risk that investments traded on an exchange or a secondary market may not be valued correctly in accordance with Accounting Standards Codification 820 ("ASC 820").</p> <p>Refer also to note 2 and note 4 in the financial statements.</p>	<ul style="list-style-type: none"> • We obtained Bank of New York Mellon's service auditor's report, SOC 1 Report, and identified the key controls in place over the valuation process and reviewed those key controls for any exceptions. • We considered if the Fund's valuation policy for investments is in line with ASC 820. • We agreed the prices of all investments in the investment portfolio at year-end to closing prices published by independent pricing sources. For the fund of fund positions, we obtained independent price confirmation from the underlying administrators. Additionally, net asset value per share was agreed to co-terminous audited financial statements of underlying funds (where available).

<p>Existence of investments</p> <p>The investment portfolio at the year-end principally comprised Long Securities – US Treasury Bills valued at \$138m, and investments in funds measured at net asset value valued at \$176m. The existence of investments is considered a key audit matter as the investments represent a significant balance on the Statement of Assets and Liabilities. This is also the main driver of the Fund’s performance and has been identified as the most significant risk of material misstatement.</p> <p>The existence of and good title to the Fund’s investments is crucial to ensuring the financial statements are free from material misstatement. There is a risk that the investments may not exist at year end.</p> <p>Refer also to note 2 and note 4 in the financial statements.</p>	<ul style="list-style-type: none"> • We obtained Bank of New York Mellon services auditor’s report, SOC 1 Report, and identified the key controls in place over the existence process and reviewed those key controls for any exceptions. • We have tested the cut-off of trades to ensure that they had been recorded in the correct period, where material. • We obtained independent confirmations from the Depositary and Brokers at the financial year end and agreed the amounts held to the investment portfolio. • For the fund of fund investments, we obtained independent confirmations from the Transfer Agent of the underlying funds of the number of shares held as at the financial year end and agreed the amounts held to the investment portfolio.
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Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund’s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Management is responsible for the other information included in the Report and Financial Statements. The other information comprises the information included in the annual report 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 we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Use of our report

This report is made solely to the Fund's directors, as a body. Our audit work has been undertaken so that we might state to the Fund's directors 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 directors as a body, for our audit work, for this report, or for the opinions we have formed.



8 November 2024
Odette Samson
Partner

Man AHL Diversified (Cayman) Ltd.

Unaudited reporting requirements in respect of the
AIFM Directive

For the year ended 30 June 2024



The following disclosures have been made to meet the additional reporting requirement of the Alternative Investment Fund Managers Directive ("AIFMD") not already fulfilled in the audited section of the financial statements.

Risk management

The risk management policy and process for the Fund is designed to satisfy the requirements of the AIFM Directive; associated European Securities and Markets Authority ("ESMA") regulatory technical standards and guidelines; and local regulations.

An investment manager's report has been included in the audited financial statements of the Fund.

Material changes

There have been no material changes as defined by Article 23 of the AIFM Directive.

AIFM Remuneration

Non-EU Alternative Investment Fund Managers ("AIFMs") are required to comply with the Alternative Investment Fund Managers Directive remuneration disclosure requirements for alternative investment funds ("AIFs") which are marketed to EU investors. Man Asset Management (Cayman) Limited (the "Manager") is a member of Man Group plc, which is listed on the London Stock Exchange and is a constituent of the FTSE 250 Index.

For many roles the Manager utilises resource from across the Man Group. For the year ended 31 December 2023 identified staff of the Manager and its affiliates were cumulatively paid US\$16,437,776 in relation to the Manager's AIFs. This is split into US\$2,301,925 fixed compensation and US\$14,135,852 variable compensation payable to 24 beneficiaries. For year end 31 December 2023, US\$1,102,874 fixed compensation and US\$5,729,075 variable compensation was paid to senior management.

The identified beneficiaries are employees and partners of other Man Group entities but who have been identified through their roles within the group as being in a role in which they can make decisions or take actions that have a material impact on the risk profile of the Manager acting as AIFM.

In the year ended 31 December 2023, Man Group plc paid compensation of US\$595,000,000 across 1,716* staff. Of this, US\$356,000,000 was variable compensation. Further details are available in the Man Group plc annual report and available at www.man.com.

Man Group plc's Remuneration Committee has defined Man's remuneration objectives in the Man Statement of Remuneration Principles which is available at: <https://www.man.com/GB/remuneration-committee>. Man Group plc's Pillar 3 Disclosures are available at: <https://www.man.com/GB/pillar-3-disclosures>.

* Man Group plc headcount at 31 December 2023.

Periodic disclosure to investors

Special arrangements

The AIFM Directive requires the Manager to disclose the percentage of the Fund's assets or liabilities which are subject to special arrangements arising from their illiquid nature (e.g. side pockets, gates), including an overview of any special arrangements in place whether they relate to side pockets, gates or other similar arrangements, the valuation methodology applied to assets or liabilities which are subject to such arrangements and how management and performance fees apply to these assets or liabilities.

For the year ended 30 June 2024, none of the assets or liabilities held by the Fund were subject to special arrangements.

Risk controls and limits

The framework for risk controls and limits for the Fund is documented within the AIFM's Risk Management Policy and Process document which outlines for each main risk category above the controls and risk measures in place. This risk framework includes setting of limits and monitoring against those limits.

There have been no breaches of risk limits set for the Fund in the financial year and there are no such breaches anticipated.

Regular disclosure to investors

Leverage risk

Leverage is considered in terms of the Fund's overall "exposure" and includes any method by which the exposure of the Fund is increased whether through borrowings of cash or securities, or leverage embedded in derivative positions or by any other means. The Manager as the AIFM is required to calculate and monitor the level of leverage by the Fund, expressed as a ratio between the total exposure of the Fund and its net value with exposure values being calculated by both the gross method and commitment method.

Exposure values under the gross method basis are calculated as the absolute value of all positions of the Fund; this includes all eligible assets and liabilities, relevant borrowings, derivatives (converted into their equivalent underlying positions) and all other positions even those held purely for risk reduction purposes, such as forward currency contracts held for currency hedging.

Regular disclosure to investors (continued)

Leverage risk (continued)

The gross method of exposure of the Fund requires the calculation to:

- include the sums of all non-derivative assets held at market value, plus the absolute value of all such liabilities;
- exclude cash and cash equivalents which are highly liquid investments held in the base currency of the Fund that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three month high quality bond;
- convert derivative instruments into the equivalent position in their underlying assets;
- exclude cash borrowings that remain in cash or cash equivalents and where the amounts payable are known;
- include exposures resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of cash borrowed; and
- include positions within repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements.

Exposure values under the commitment method basis are calculated on a similar basis to the above, but may take into account the effect of netting off instruments to reflect eligible netting and hedging arrangements on eligible assets and different treatment of certain cash and cash equivalents items in line with regulatory requirements.

The table below sets out the current maximum level and actual level of leverage for the Fund for the year:

	Leverage level as a percentage of net asset value	
	Gross method	Commitment method
Maximum level allowed	35,000%	4,300%
Actual level at year end	93%	93%

There have been no breaches of the maximum level during the year and no changes to the maximum level of leverage employed by the Fund.