

Man AHL Diversified (Cayman) Ltd.

(A Cayman Islands exempted
company)

Report and Financial Statements for the year ended 30 June 2025



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* Effective 3 June 2025, BNY Mellon Fund Services (Ireland) Designated Activity Company's registered office relocated from One Dockland Central, Guild Street, IFSC, Dublin 1, Ireland to The Shipping Office, 20-26 Sir John Rogerson's Quay, Dublin 2, D02 Y049, Ireland.

The Directors hereby present their annual report and audited financial statements for the year ended 30 June 2025. 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 2024

Headline market performance was overwhelmingly positive in Q3; equities continued to reach new highs and sovereign bonds rallied across the globe. However, beneath the surface, investors were faced with significant volatility, ignited by weaker US economic data and the unwind of the yen carry trade in early August. Despite the VIX index reaching its highest intra-day level since Covid, fears of a US slowdown were allayed by strong economic data prints and equities quickly recovered. This positivity around the US economy was flanked by softening inflation numbers, convincing the FOMC to begin their cutting cycle with a larger-than-expected 50bp cut in September. A surprisingly supportive Chinese economic stimulus package pushed risk assets further into the black late in the quarter.

Q4 2024

Equity markets continued their upward trajectory in Q4, albeit not without challenges. Trump's resounding US election victory in November gave markets a shot in the arm following a challenging October, sending equities and the greenback higher. Sovereign bonds, however, extended their struggles despite further rate cuts, as hawkish interpretations-particularly from the Fed's December meeting-kept yields elevated.

Q1 2025

The quarter was dominated by political headlines as Donald Trump took office with his tariff-based agenda. This was followed by a myriad of volatile announcements that, when combined with softer economic data, dented investor confidence in US risk assets. The volatility extended into energies, with gyrations materialising in European energy markets amid the emergence of a potential resolution to the Ukraine-Russian war. Elsewhere in the region, equities finished in the black, fuelled by a relaxation of borrowing constraints by the German government.

Q2 2025

Q2 was defined by two pivotal events: Trump's 'Liberation Day' tariff package in early April and June's 12-day Middle Eastern conflict. April's tariff announcement sparked a more significant market reaction, with equities and energy markets plunging before staging a remarkable recovery. By quarter-end, the S&P 500 index had rebounded to fresh all-time highs, while the dollar continued its downward trajectory, marking its worst start to a year since 1973. Bond yields fluctuated indecisively against this volatile backdrop. Within commodities, European energy prices initially rallied as Ukraine-Russia peace talks stalled while colder-than-expected weather and an unplanned Norwegian shutdown led to higher demand and tighter supply. By late June, as Middle Eastern tensions subsided and LNG supply concerns eased, the European gas market recorded its largest weekly decline in nearly two years.

Performance review

Against this backdrop, Man AHL Diversified (Cayman) Ltd. (the "Fund") returned -22.24%¹ over the period.

Q3 2024

Performance was negative over the quarter with losses driven by currencies and stocks.

Rather unsurprisingly, short exposure to the Japanese yen vs the greenback generated the biggest loss as the currency bounced off a 38 year low in mid-July. The move, partially fuelled by a weaker-than-expected US jobs report, ignited a wider dollar softening theme vs PanAm currencies. Short exposure to the Chinese renminbi and Korean won compounded declines there. Long sterling was a bright spot as rate differentials grew between the UK and US.

Stocks added to losses with long exposure to Asian indices the primary culprits. Japan was at the epicentre of declines as long positions suffered from the relatively sharp drawdowns to the Nikkei and TOPIX indices in early August. Long exposure to US and European indices generated less severe losses. Although markets quickly rebounded, the Fund's reduced exposure was unable to capture offsetting gains. Long credit risk (short CDS) finished flat as short HY indices offset declines from European IG.

Towards the latter stages of July, the Fund's fixed income exposure flipped from short to long as market pricing of rate cuts became more aggressive. This helped the Fund capture profits in September amid the Fed's dovish 50bp cut, but was insufficient to offset earlier declines, particularly from short exposure to short-term tenors.

Commodities finished in the red with oil trading across the energy complex the primary culprit. The Fund's long exposure suffered as energy prices continued to slide; exposure then flipped to net short, generating further declines as Hurricane Helene threatened energy output. Metals trading ended flat as long gold offset losses from aluminium, while agricultural profited as long coffee captured gains fuelled by cold weather in Brazil.

¹ Performance data is shown net of fees with income reinvested, as at 30 June 2025, and does not take into account sales and redemption charges where such costs are applicable. Returns are calculated 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 Fund's offering documents or Key Investor Information Document ('KIID') for more information.

Performance review (continued)

Q4 2024

Performance was negative over the quarter with FX trading gains offset by losses in bonds, commodities, and equities.

Currencies delivered gains, driven by a long dollar position that capitalized on the greenback's strength. Political turmoil in Korea, including the President's impeachment following his declaration of martial law, devalued the Won, benefitting the Fund's short position. Short Yen exposure also contributed amid uncertainty over the BoJ's rate path. On the downside, the British pound underperformed, falling against its G7 peers after Labour's first budget since returning to power was perceived as anti-business.

Fixed income fell to the largest losses as yields failed to find direction amid bouts of economic and geopolitical uncertainty. Having entered the quarter net long, the Fund was caught by out fading rate cut expectations with long Italian bonds and Euribor causing the greatest pain. US fixed income helped slightly offset as the Fund moved short, profiting from the Fed's hawkish rhetoric during the December FOMC meet.

Commodities detracted, with sharp losses in energy trading. A short position in US natural gas was caught out by colder-than-expected weather forecasts with the Fund moving long, only to then suffer again as milder forecasts in December reversed the price rally. Metals also struggled, as long precious metals were hurt by dollar strength, and a long copper position added to losses. However, agriculturals partially offset these declines, with long cocoa and coffee positions benefitting from supply disruptions, the latter reaching a 47-year high.

Equities ended in the red, with a strong November bookended by weaker October and December performance. October's flight-to-safety amid rising Middle East tensions hurt long equity exposure, while December's hawkish FOMC meeting triggered a broader risk-off move. Long Swedish OM and FTSE 100 positions were the largest detractors. Credit delivered modest profits as US high-yield and investment-grade spreads tightened, benefitting the Fund's long exposure (short CDS).

Q1 2025

Performance was negative over the quarter with losses driven by currencies, fixed income and commodities.

Currency trading proved challenging as the Fund's net long dollar position stumbled on concerns around US growth, reversing a dollar-strengthening trend that had been evident even prior to last November's US Presidential election. Shorts in the Chilean peso and Swedish krona were painful; however, it was the short Japanese yen position that was the primary culprit of losses, as the currency appreciated following stronger-than-expected inflation prints.

Trading across the fixed-income maturity spectrum generated losses, as gyrations in inflation and growth expectations were challenging to navigate. Initially, the Fund's short exposure to European and UK short-term rates generated declines amid easing inflationary concerns in the region. Focus then swiftly shifted across the Atlantic, as weak consumer data prints pointed to a slowdown in the US economy and pushed yields lower, moving against the Fund's short exposure across the curve. A bright spot was a short position in Japanese bonds, which helped offset declines from a short position in Euribor that was hit by Germany's removal of its 'debt brake.'

Commodities trading was bifurcated, with losses in energies and agriculturals offsetting gains from metals, particularly precious metals. Long positions across the European energy complex were caught out by news of a potential resolution to the Ukraine-Russia conflict. A long position in US natural gas offered a bright spot, as prices rose on a flurry of cold weather forecasts and supply news flow. Agriculturals ended slightly down, as profits from a bull run in coffee were offset by losses from a long position in sugar. Metals trading finished positive, driven by gold, which had its largest quarterly rise since 1986.

Risk assets finished slightly up, as a plethora of volatile geopolitical and economic news drove geographical dispersion not seen in years. Long European and Chinese equities generated gains, as indices in the region raced ahead of their US counterparts—driven by fiscal loosening in Europe and an AI breakthrough in China. A long position in the TOPIX index declined on inflationary concerns in Japan. Trading in US equities and credit also slightly checked gains as risk assets fell on growth worries, AI concerns, and potential knock-on impacts from tariffs.

Q2 2025

Performance was negative, with losses driven by equities, fixed income and commodities trading.

Switzerland's SMI and Hong Kong's Hang Seng experienced particularly sharp corrections, marking an abrupt reversal of the European and Asian momentum that had characterized Q1 and driven widespread longs across these regions. Market conditions gradually normalized through May and June, with several indices rebounding to record levels, most notably South Korea's Kospi, which reached all-time highs to help partially offset earlier declines.

Fixed income markets navigated a complex landscape as yields lacked clear direction throughout the quarter. Contrasting exposures across the maturity spectrum initially saw the asset class weather April relatively unscathed, with long European rate positions offsetting declines in longer-duration US and German trades. However, as positioning shifted predominantly long, Trump's unexpected delay of US-China tariffs dampened recession concerns and rate cut expectations, rapidly altering market dynamics. Previously profitable positions in SONIA and Euribor lost momentum, while exposures across Asia and Europe suffered more pronounced setbacks. Long-dated Japanese government bonds emerged as the quarter's worst performer amid the challenging environment.

Trading in energy markets pushed commodities into the red, with long US natural gas the primary culprit. Losses accumulated early in the quarter as prices declined to a 9-week low amid record output and softening demand forecasts, hurting long positioning. Metals finished flat as gains from long platinum and gold were offset by long silver and copper, which had their industrial credentials exposed during the tariff turmoil. Agriculturals recovered from April losses to finish the period in the black, with short exposure to sugar and wheat leading gains, the former's prices falling as abundant monsoon rains improved. A long position in coffee proved painful as better market prospects and increased certified inventories pushed prices lower.

Performance review (continued)

Q2 2025 (continued)

Currency trading presented a tale of two halves as the dollar softening story initially faltered, only to resume as the greenback recorded its worst H1 in over 50 years. Amidst April's chaos, short exposure to EM-dollar crosses generated declines as these currencies sold off due to their sensitivity to global growth. A broader 'dollar weakening' theme persisted, however, gaining momentum in mid-May as investors moved to hedge dollar-denominated assets. Long GBP, PLN and EUR led gains in developed market pairs, while long MXN also proved profitable.

Future outlook

Trend-following is an active strategy, a timing mechanism, which is informed by price moves and adjusts its positions accordingly. Going into Q3 2025, the Fund's main risk exposures in declining order are net short USD, long stocks, long fixed income, long metals, long energies, short agriculturals, 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 16 October 2025.

Jennifer Collins
Director

Jennifer Thomson
Director

Man AHL Diversified (Cayman) Ltd.
Statement of assets and liabilities
As at 30 June 2025



| | Notes | 2025 US\$ | 2024 US\$ |
|--|-------|--------------------|--------------------|
| Assets | | | |
| Cash and cash equivalents - restricted | 3 | 21,983,143 | 22,906,887 |
| Investments in securities, at fair value (Cost: US\$229,868,925 (2024: US\$290,408,060)) | 4 | 209,241,510 | 313,971,206 |
| Derivatives, at fair value | 4,5 | 1,414,034 | 9,081 |
| Services management fees rebate receivable | 8,10 | 27,911 | 39,001 |
| Other assets | | - | 26,936 |
| Total assets | | 232,666,598 | 336,953,111 |
| Liabilities | | | |
| Collateral balances - due to brokers | 3 | - | 69 |
| Derivatives, at fair value | 4,5 | 233 | 2,505,257 |
| Management fees payable | 8,10 | 349,268 | 468,749 |
| Introducing broker fees payable | 8,10 | 198,240 | 269,516 |
| Services management fees payable | 8,10 | 54,768 | 70,747 |
| Directors' fees payable | 8,10 | 6,000 | 6,000 |
| Accrued expenses and other liabilities | | 35,619 | 40,436 |
| Total liabilities | | 644,128 | 3,360,774 |
| Net assets | | 232,022,470 | 333,592,337 |

Which are represented by:

| | | | |
|--|----|-------------------|-------------------|
| 9,377,341 (2024: 14,105,817) Class A USD Redeemable Participating Shares with a Net Asset Value per Redeemable Participating Share of US\$1.5462 (2024: US\$1.9883) | 11 | US\$14,499,065 | US\$28,046,649 |
| 145,769,858 (2024: 162,086,443) Class B JPY Redeemable Participating Shares with a Net Asset Value per Redeemable Participating Share of JPY126.0000 (2024: JPY169.4499) | 11 | JPY18,367,002,116 | JPY27,465,547,763 |
| 2,243,358 (2024: 2,410,181) Class C AUD Redeemable Participating Shares with a Net Asset Value per Redeemable Participating Share of AUD1.4484 (2024: AUD1.9114) | 11 | AUD3,249,238 | AUD4,606,973 |
| 133,860,498 (2024: 167,861,681) Class E JPY Redeemable Participating Shares with a Net Asset Value per Redeemable Participating Share of JPY94.5000 (2024: JPY126.2899) | 11 | JPY12,649,817,061 | JPY21,199,251,693 |

Approved and authorised for issue on behalf of the Board on 16 October 2025.

Jennifer Collins
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 2025



Long Securities and Derivatives at Fair Value

| | Redemption frequency | Redemption notice period | 2025 Quantity /Par Value | 2025 Fair Value US\$ | 2025 % of Net Assets | 2024 Quantity /Par Value | 2024 Fair Value US\$ | 2024 % of Assets |
|--|----------------------|--------------------------|--------------------------|----------------------|----------------------|--------------------------|----------------------|------------------|
| Long Securities at Fair Value | | | | | | | | |
| Government Bonds | | | | | | | | |
| United States | | | | | | | | |
| 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% |
| United States Treasury Bill 0% 21/08/25 | | | 30,000,000 | 29,816,875 | 12.85% | - | - | - |
| United States Treasury Bill 0% 04/09/25 | | | 40,000,000 | 39,693,082 | 17.11% | - | - | - |
| United States Treasury Bill 0% 23/10/25 | | | 15,000,000 | 14,801,557 | 6.38% | - | - | - |
| Total United States (Cost: US\$83,384,772 (2024: US\$136,922,949)) | | | | 84,311,514 | 36.34% | | 137,893,355 | 41.34% |
| Total Government Bonds (Cost: US\$83,384,772 (2024: US\$136,922,949)) | | | | 84,311,514 | 36.34% | | 137,893,355 | 41.34% |
| Managed Funds | | | | | | | | |
| Bermuda | | | | | | | | |
| AHL Evolution Ltd* | Daily | 1 Day | 4,336 | 41,793,816 | 18.01% | 4,687 | 58,278,005 | 17.47% |
| AHL Institutional Series 3 Ltd* | Daily | 1 Day | 650,146 | 83,136,180 | 35.83% | 483,429 | 117,799,846 | 35.31% |
| Total Bermuda (Cost: US\$146,484,153 (2024: US\$153,485,111)) | | | | 124,929,996 | 53.84% | | 176,077,851 | 52.78% |
| Total Managed Funds (Cost: US\$146,484,153 (2024: US\$153,485,111)) | | | | 124,929,996 | 53.84% | | 176,077,851 | 52.78% |
| Total Long Securities at Fair Value (Cost: US\$229,868,925 (2024: US\$290,408,060)) | | | | 209,241,510 | 90.18% | | 313,971,206 | 94.12% |
| Long Derivatives at Fair Value | | | | | | | | |
| Forward Currency Contracts | | | | | | | | |
| Various currencies | | | | (233) | - | | - | - |
| Total Forward Currency Contracts | | | | (233) | - | | - | - |
| Total Long Derivatives at Fair Value | | | | (233) | - | | - | - |
| Total Long Securities and Derivatives at Fair Value (Cost: US\$229,868,925 (2024: US\$290,408,060)) | | | | 209,241,277 | 90.18% | | 313,971,206 | 94.12% |
| Short Derivatives at Fair Value | | | | | | | | |
| Forward Currency Contracts | | | | | | | | |
| Various currencies | | | | 1,414,034 | 0.61% | | (2,496,176) | (0.75%) |
| Total Forward Currency Contracts | | | | 1,414,034 | 0.61% | | (2,496,176) | (0.75%) |
| Total Short Derivatives at Fair Value | | | | 1,414,034 | 0.61% | | (2,496,176) | (0.75%) |

*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 2025



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

| | Fair Value US\$ 2025 | Fair Value US\$ 2024 |
|---|----------------------------|----------------------------|
| Derivative Assets at Fair Value | | |
| Total fair value of short derivative assets | 1,414,034 | 9,081 |
| Total Derivative Assets at Fair Value | 1,414,034 | 9,081 |
| Derivative Liabilities at Fair Value | | |
| Total fair value of long derivative liabilities | (233) | - |
| Total fair value of short derivative liabilities | - | (2,505,257) |
| Total Derivative Liabilities at Fair Value | (233) | (2,505,257) |

** 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 2025 and 30 June 2024 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 2025 is shown below:

| Government of the United States | Holdings | Fair Value US\$ | % of Net Assets of the Fund |
|---|-----------|--------------------|--------------------------------|
| United States Treasury Bill 0% 11/09/25 | 8,370,000 | 8,299,212 | 3.58% |
| United States Treasury Bill 0% 18/09/25 | 8,370,000 | 8,292,623 | 3.57% |
| United States Treasury Bill 0% 25/09/25 | 8,370,000 | 8,286,230 | 3.57% |
| United States Treasury Bill 0% 02/10/25 | 8,370,000 | 8,278,703 | 3.57% |
| United States Treasury Bill 0% 30/10/25 | 8,370,000 | 8,252,444 | 3.56% |
| | | 41,409,212 | 17.85% |

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 Evolution Ltd, by issuer, which exceeded (+/-) 5% of the Fund's NAV as at 30 June 2025 is shown below:

| Mortgage Backed Securities of the United States | Holdings | Fair Value US\$ | % of Net Assets of the Fund |
|---|-----------|--------------------|--------------------------------|
| FNCL 4.50% 14/07/40 | 305,000 | 291,766 | 0.13% |
| FNCL 5.00% 15/07/36 | 1,738,500 | 1,704,317 | 0.74% |
| FNCL 5.50% 14/07/40 | 4,392,000 | 4,392,173 | 1.89% |
| FNCL 6.00% 14/07/40 | 6,490,400 | 6,596,907 | 2.84% |
| G2SF TBA 5.50% 01/07/38 | 5,825,500 | 5,833,539 | 2.51% |
| G2SF TBA 6.00% 20/07/58 | 7,960,500 | 8,076,365 | 3.48% |
| | | 26,895,067 | 11.59% |

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.

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 2025



| | Notes | 2025 US\$ | 2024 US\$ |
|---|-------|---------------------|---------------------|
| Investment income | | | |
| Interest income | | 6,168,322 | 8,687,194 |
| Services management fees rebate | 8,10 | 400,596 | 493,935 |
| Total investment income | | 6,568,918 | 9,181,129 |
| Expenses | | | |
| Management fees | 8,10 | 4,923,912 | 6,016,181 |
| Introducing broker fees | 8,10 | 2,827,247 | 3,449,668 |
| Services management fees | 8,10 | 755,509 | 905,870 |
| Interest expense | | 35,371 | 3,721 |
| Directors' fees | 8,10 | 12,000 | 12,000 |
| Performance fees | 8,10 | - | 277,925 |
| Other expenses | 8 | 83,201 | 73,986 |
| Total expenses | | 8,637,240 | 10,739,351 |
| Net investment income/(loss) | | (2,068,322) | (1,558,222) |
| 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 | (10,356,887) | (38,036,411) |
| Net change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency | 5,9 | (40,271,722) | 14,837,564 |
| Net realised gain/(loss) and change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency | | (50,628,609) | (23,198,847) |
| Net increase/(decrease) in net assets resulting from operations | | (52,696,931) | (24,757,069) |

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 2025



| | Notes | 2025 US\$ | 2024 US\$ |
|---|-------|---------------------------|---------------------------|
| Net assets at the beginning of the year | | 333,592,337 | 366,282,077 |
| Change in net assets resulting from operations | | | |
| Net investment income/(loss) | | (2,068,322) | (1,558,222) |
| Net realised gain/(loss) on investments in securities, derivatives and foreign currency | 5,9 | (10,356,887) | (38,036,411) |
| Net change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency | 5,9 | (40,271,722) | 14,837,564 |
| Net increase/(decrease) in net assets resulting from operations | | <u>(52,696,931)</u> | <u>(24,757,069)</u> |
| Change in net assets resulting from capital transactions | | | |
| Issuance of Class A USD Redeemable Participating Shares | 11 | 1,000,000 | 3,000,000 |
| Redemption of Class A USD Redeemable Participating Shares | 11 | (9,779,962) | (3,417,357) |
| Issuance of Class B JPY Redeemable Participating Shares | 11 | 3,682,985 | 6,595,094 |
| Redemption of Class B JPY Redeemable Participating Shares | 11 | (19,360,532) | (11,468,756) |
| Redemption of Class C AUD Redeemable Participating Shares | 11 | (179,330) | - |
| Issuance of Class E JPY Redeemable Participating Shares | 11 | 45,794,126 | 13,516,625 |
| Redemption of Class E JPY Redeemable Participating Shares | 11 | (70,030,223) | (16,158,277) |
| Net increase/(decrease) in net assets resulting from capital transactions | | <u>(48,872,936)</u> | <u>(7,932,671)</u> |
| Net change in net assets | | (101,569,867) | (32,689,740) |
| Net assets at the end of the year | | <u>232,022,470</u> | <u>333,592,337</u> |

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 2025



| | 2025 US\$ | 2024 US\$ |
|---|---------------------|--------------------|
| Cash flows from operating activities: | | |
| Net increase/(decrease) in net assets resulting from operations | (52,696,931) | (24,757,069) |
| 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 | (275,515,814) | (376,743,142) |
| Proceeds from disposal of investments in securities | 311,825,902 | 435,758,013 |
| Net realised (gain)/loss on investments in securities | 24,253,115 | (12,847,407) |
| Net change in unrealised (appreciation)/depreciation on investments in securities | 44,166,493 | (16,017,023) |
| Net change in unrealised (appreciation)/depreciation on derivatives | (3,909,977) | 1,176,485 |
| Net change in unrealised (appreciation)/depreciation on foreign currency | 15,206 | 2,974 |
| (Increase)/decrease in services management fees rebate receivable | 11,090 | 5,398 |
| (Increase)/decrease in other assets | 26,936 | 3,111 |
| Increase/(decrease) in collateral balances - due to brokers | (69) | (177,175) |
| Increase/(decrease) in management fees payable | (119,481) | (58,308) |
| Increase/(decrease) in introducing broker fees payable | (71,276) | (32,968) |
| Increase/(decrease) in services management fees payable | (15,979) | (8,358) |
| Increase/(decrease) in accrued expenses and other liabilities | (4,817) | 3,234 |
| Net cash provided by/(used in) operating activities | 47,964,398 | 6,307,765 |
| Cash flows from financing activities: | | |
| Proceeds on issuance of Redeemable Participating Shares | 50,477,111 | 23,111,719 |
| Payments on redemption of Redeemable Participating Shares | (99,350,047) | (31,131,949) |
| Net cash provided by/(used in) financing activities | (48,872,936) | (8,020,230) |
| Effects of exchange rate changes on cash (including restricted cash) | (15,206) | (2,974) |
| Net increase/(decrease) in cash and cash equivalents (including restricted cash) | (908,538) | (1,712,465) |
| Cash and cash equivalents (including restricted cash) at the beginning of the year | 22,906,887 | 24,622,326 |
| Cash and cash equivalents (including restricted cash) at the end of the year | 21,983,143 | 22,906,887 |
| Cash and cash equivalents (including restricted cash) consists of: | | |
| Cash and cash equivalents - restricted | 21,983,143 | 22,906,887 |
| Cash and cash equivalents (including restricted cash) at the end of the year | 21,983,143 | 22,906,887 |
| Supplemental disclosure of cash flow information | | |
| Interest paid | (35,371) | (3,721) |

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 2025



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 2025.

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”) is the authorised Alternative Investment Fund Manager (“AIFM”) 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.

During the reporting period, no supplements were issued to the Fund’s offering documents.

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 comprises 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 ("AUD") and Japanese Yen ("JPY"), its capital-raising currencies. The liquidity of the Fund is managed on a day-to-day basis in US\$, AUD and JPY, 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 the 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 the 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 - 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.

(j) 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 2025 and 30 June 2024, the Fund did not incur any interest or penalties.

(k) Interest income and expense

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

(l) Expenses

All expenses are recognised on an accruals basis.

(m) 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 2025, which under the terms of *ASC 480-10* are mandatorily redeemable financial instruments and consequently a liability of the Fund and not part of equity. Redemptions payable as at 30 June 2025 is US\$Nil (2024: US\$Nil).

(n) 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.

(o) 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.

Man AHL Diversified (Cayman) Ltd.

Notes to the financial statements (continued)

For the year ended 30 June 2025



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

At the year end amounts disclosed as 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 cash and cash equivalents - restricted at 30 June 2025 is cash in foreign currencies with a fair value of US\$46,281 (cost: US\$46,278) (2024: (US\$69) (cost: (US\$69))).

4. Fair value measurements

Details of the Fund's investments at 30 June 2025 and 30 June 2024 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 2025 and 30 June 2024, 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 2025 and 30 June 2024, 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 2025 and 30 June 2024, 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 2025 and 30 June 2024:

| <u>As at 30 June 2025</u> | <u>Level 1</u> <u>US\$</u> | <u>Level 2</u> <u>US\$</u> | <u>Level 3</u> <u>US\$</u> | <u>Total</u> <u>US\$</u> |
|---|-------------------------------|-------------------------------|-------------------------------|-----------------------------|
| Long securities and derivative assets, at fair value | | | | |
| <u>Investments in government bonds</u> | | | | |
| Government bonds | 84,311,514 | - | - | 84,311,514 |
| Total investments in government bonds | 84,311,514 | - | - | 84,311,514 |
| <u>Derivatives</u> | | | | |
| Forward currency contracts | - | 1,414,034 | - | 1,414,034 |
| Total derivatives | - | 1,414,034 | - | 1,414,034 |
| Total long securities and derivative assets, at fair value | 84,311,514 | 1,414,034 | - | 85,725,548 |
| Derivative liabilities, at fair value | | | | |
| <u>Derivatives</u> | | | | |
| Forward currency contracts | - | 233 | - | 233 |
| Total derivatives | - | 233 | - | 233 |
| Total derivative liabilities, at fair value | - | 233 | - | 233 |
| Investments measured at NAV | | | | 124,929,996 |
| Net investments at fair value | | | | 210,655,311 |

Man AHL Diversified (Cayman) Ltd.

Notes to the financial statements (continued)

For the year ended 30 June 2025



4. Fair value measurements (continued)

| <u>As at 30 June 2024</u> | Level 1 US\$ | Level 2 US\$ | Level 3 US\$ | Total US\$ |
|---|--------------------|------------------|-----------------|--------------------|
| Long securities and derivative assets, at fair value | | | | |
| <i>Investments in government bonds</i> | | | | |
| Government bonds | 137,893,355 | - | - | 137,893,355 |
| Total investments in government bonds | 137,893,355 | - | - | 137,893,355 |
| <i>Derivatives</i> | | | | |
| 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 | | | | |
| <i>Derivatives</i> | | | | |
| 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 |

For the year ended 30 June 2025, the total net realised gain/(loss) and change in unrealised appreciation/(depreciation) from the Fund's investment in AHL Evolution Ltd amounted to (US\$13,198,691) (2024: US\$5,770,649) and AHL Institutional Series 3 Ltd amounted to (US\$55,216,986) (2024: US\$23,093,781). 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 2025 and 30 June 2024.

The Fund did not hold any Level 3 investments during the years ended 30 June 2025 and 30 June 2024.

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 2025 and 30 June 2024, 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 2025 and 30 June 2024, all derivatives were OTC contracts. As at 30 June 2025 and 30 June 2024, 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 2025 and 30 June 2024.

Man AHL Diversified (Cayman) Ltd.

Notes to the financial statements (continued)

For the year ended 30 June 2025



5. Derivatives (continued)

As at 30 June 2025 and 30 June 2024, open derivative instruments are included in the statement of assets and liabilities under the following headings:

| Primary Underlying Risk | Derivative assets, at fair value | 2025 | 2024 |
|-------------------------|---|------------------|--------------|
| | | US\$ | US\$ |
| Foreign exchange risk | Forward currency contracts | 1,414,034 | 9,081 |
| | Total derivative assets, at fair value | 1,414,034 | 9,081 |

| Primary Underlying Risk | Derivative liabilities, at fair value | 2025 | 2024 |
|-------------------------|--|------------|------------------|
| | | US\$ | US\$ |
| Foreign exchange risk | Forward currency contracts | 233 | 2,505,257 |
| | Total derivative liabilities, at fair value | 233 | 2,505,257 |

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 2025 and 30 June 2024, the notional value of derivative instrument activity which is representative of the derivative trading during the year was as follows:

| Primary Underlying Risk | Notional value As at 30 June 2025 | | Notional value As at 30 June 2024 | |
|----------------------------|--------------------------------------|-------------|--------------------------------------|-------------|
| | Long US\$ | Short US\$ | Long US\$ | Short US\$ |
| Foreign exchange risk | | | | |
| Forward currency contracts | 38,006 | 215,548,920 | - | 309,381,593 |

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.

The effect of transactions in derivative instruments in the statement of operations for the years ended 30 June 2025 and 30 June 2024 was as follows:

| Primary Underlying Risk | Derivative Type | Amount of gain/(loss) recognised in the statement of operations | |
|---|--|--|---------------------|
| | | 2025 US\$ | 2024 US\$ |
| <i>Location of gain/(loss) in the statement of operations:</i> | | | |
| Net realised gain/(loss) on investments in securities, derivatives and foreign currency | | | |
| Foreign exchange risk | Forward currency contracts | 13,821,091 | (51,056,974) |
| <i>Other non-derivative items included in net realised gain/(loss) on investments in securities, derivatives and foreign currency</i> | | | |
| Equity risk | Investments in securities | (24,253,115) | 12,847,407 |
| Foreign exchange risk | Foreign currency | 75,137 | 173,156 |
| | Net realised gain/(loss) on investments in securities, derivatives and foreign currency | (10,356,887) | (38,036,411) |
| Net change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency | | | |
| Foreign exchange risk | Forward currency contracts | 3,909,977 | (1,176,485) |
| <i>Other non-derivative items included in net change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency</i> | | | |
| Equity risk | Investments in securities | (44,166,493) | 16,017,023 |
| Foreign exchange risk | Foreign currency | (15,206) | (2,974) |
| | Net change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency | (40,271,722) | 14,837,564 |

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 2025 and 30 June 2024, all forward currency contracts were OTC contracts.

Man AHL Diversified (Cayman) Ltd.

Notes to the financial statements (continued)

For the year ended 30 June 2025



5. Derivatives (continued)

- 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 2025 is approximately US\$233 (2024: US\$2,505,257) 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 2025 and 30 June 2024 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 2025 and 30 June 2024, 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.

The following table summarises the net financial assets per counterparty as at 30 June 2025:

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 | 1,414,034 | (233) | - |
| Total | 1,414,034 | (233) | - |

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

The following table summarises the net financial liabilities per counterparty as at 30 June 2025:

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 | 233 | (233) | - |
| Total | 233 | (233) | - |

* Excess collateral pledged by a 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 2025



6. Offsetting financial assets and financial liabilities (continued)

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

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

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

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

| <u>Derivative Liabilities and Collateral pledged by counterparty</u> | | | | |
|--|---|-----------------------|--------------------------|----------------|
| | (i) | (ii) | | (iii)=(i)+(ii) |
| | <u>Impact of master netting arrangement not offset in the statement of assets and liabilities</u> | | | |
| | <u>Gross liabilities not offset in the statement of assets and liabilities</u> | | | |
| | Gross amounts of liabilities in the statement of assets and liabilities | Financial instruments | Cash collateral pledged* | Net amount |
| <u>Counterparty</u> | <u>US\$</u> | <u>US\$</u> | <u>US\$</u> | <u>US\$</u> |
| 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 collateral pledged by a counterparty is not shown for financial reporting purposes.

As at 30 June 2025, the amount of collateral cash pledged is US\$21,983,143 (2024: US\$22,906,887) and the amount of cash collateral held is US\$Nil (2024: US\$69).

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.

7. Financial instruments and associated risk (continued)

Overall risk management (continued)

AHL Diversified Programme (continued)

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.

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.

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 2025, the annualised volatility of the Fund for Class A USD was 15.48% (2024: 15.03%), for Class B JPY was 15.39% (2024: 15.11%), for Class C AUD was 15.53% (2024: 15.10%) and for Class E JPY was 15.39% (2024: 15.11%).

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 – restricted, collateral balances - due to brokers and government bonds held at 30 June 2025 and 30 June 2024.

Man AHL Diversified (Cayman) Ltd.

Notes to the financial statements (continued)

For the year ended 30 June 2025



7. Financial instruments and associated risk (continued)

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.

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 2025 and 30 June 2024 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 2025 and 30 June 2024, 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 – restricted, investments in securities at fair value and derivatives at fair value by rating agency category at 30 June 2025 and 30 June 2024:

| Counterparty | Moody's Rating | 2025 | 2025 |
|-----------------------------------|----------------|--------------------|----------------|
| | | US\$ | % |
| The Bank of New York Mellon SA/NV | Aa3 | 107,708,691 | 100.00% |
| | | 107,708,691 | 100.00% |

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

Man AHL Diversified (Cayman) Ltd.

Notes to the financial statements (continued)

For the year ended 30 June 2025



7. Financial instruments and associated risk (continued)

Concentration risk

The Fund's investment in AHL Evolution Ltd represents 18.01% (2024: 17.47%), AHL Institutional Series 3 Ltd represents 35.83% (2024: 35.31%) and United States Treasury Bills represents 36.34% (2024: 41.34%) of the NAV of the Fund. As a result, the Fund is exposed to concentration risk on these investments. A significant change in the value of these investments will result in a significant change in the value of the Fund.

The following table summarises the geographical breakdown of the Fund's portfolio as a percentage of total investments as at 30 June 2025 and 30 June 2024:

| <u>Geographical breakdown</u> | <u>% of total</u> | <u>% of total</u> |
|-------------------------------|--------------------|--------------------|
| | <u>investments</u> | <u>investments</u> |
| | <u>2025</u> | <u>2024</u> |
| Bermuda | 59.31% | 56.53% |
| United States | 40.69% | 43.47% |
| | <u>100.00%</u> | <u>100.00%</u> |

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 a 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 that 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.

Man AHL Diversified (Cayman) Ltd.

Notes to the financial statements (continued)

For the year ended 30 June 2025



8. Fees and expenses (continued)

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.

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

| | 2025 US\$ | 2024 US\$ |
|--|----------------------------|----------------------------|
| Realised gain on investments in securities, derivatives and foreign currency | | |
| Realised gain on investments in securities | 15,665 | 12,847,407 |
| Realised gain on derivatives | 13,910,192 | - |
| Realised gain on foreign currency | 75,137 | 173,156 |
| Total realised gain on investments in securities, derivatives and foreign currency | <u>14,000,994</u> | <u>13,020,563</u> |
| Realised loss on investments in securities, derivatives and foreign currency | | |
| Realised loss on investments in securities | (24,268,780) | - |
| Realised loss on derivatives | (89,101) | (51,056,974) |
| Total realised loss on investments in securities, derivatives and foreign currency | <u>(24,357,881)</u> | <u>(51,056,974)</u> |
| Total net realised gain/(loss) on investments in securities, derivatives and foreign currency | <u>(10,356,887)</u> | <u>(38,036,411)</u> |
| Change in unrealised appreciation on investments in securities, derivatives and foreign currency | | |
| Change in unrealised appreciation on investments in securities | 950,811 | 16,017,023 |
| Change in unrealised appreciation on derivatives | 3,909,977 | 18,584 |
| Total change in unrealised appreciation on investments in securities, derivatives and foreign currency | <u>4,860,788</u> | <u>16,035,607</u> |
| Change in unrealised depreciation on investments in securities, derivatives and foreign currency | | |
| Change in unrealised depreciation on investments in securities | (45,117,304) | - |
| Change in unrealised depreciation on derivatives | - | (1,195,069) |
| Change in unrealised depreciation on foreign currency | (15,206) | (2,974) |
| Total change in unrealised depreciation on investments in securities, derivatives and foreign currency | <u>(45,132,510)</u> | <u>(1,198,043)</u> |
| Total net change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency | <u>(40,271,722)</u> | <u>14,837,564</u> |

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 and AIFM of the Fund are indirect wholly-owned subsidiaries of Man Group plc and all subsidiaries of Man Group plc are related parties.

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\$27,911 (2024:US\$39,001) and income of US\$400,596 (2024: US\$493,935) 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.

Man AHL Diversified (Cayman) Ltd.

Notes to the financial statements (continued)

For the year ended 30 June 2025



10. Related party transactions (continued)

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\$162,730,850 (2024: US\$147,978,872) and sales of US\$145,463,028 (2024: US\$198,999,379) 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.

As at 30 June 2025 and 30 June 2024, 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 2025 | | Total fees/(income) | Fees payable/(receivable) |
|---------------------------------------|---------------------------------|---------------------|---------------------------|
| Related party | Type of fee | US\$ | at 30 June 2025 |
| | | | US\$ |
| Man Investments AG | Services management fees | 755,509 | 54,768 |
| Man Investments AG | Services management fees rebate | (400,596) | (27,911) |
| Man Asset Management (Cayman) Limited | Management fees | 4,923,912 | 349,268 |
| Man Investments AG | Introducing broker fees | 2,827,247 | 198,240 |
| Directors | Directors' fees | 12,000 | 6,000 |

| For the year ended 30 June 2024 | | Total fees/(income) | Fees payable/(receivable) |
|---------------------------------------|---------------------------------|---------------------|---------------------------|
| Related party | Type of fee | US\$ | 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 |

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 2025 and 30 June 2024, 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 NAV 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 NAV 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.

11. Share capital (continued)

Redeemable Participating Shares of the Fund (continued)

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.

Share transactions in the Redeemable Participating Shares for the years ended 30 June 2025 and 30 June 2024 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 2025 | | | | |
| Balance at the beginning of the year | 14,105,817 | 162,086,443 | 2,410,181 | 167,861,681 |
| Issue of Redeemable Participating Shares for the year | 560,915 | 3,470,176 | - | 66,623,105 |
| Redemption of Redeemable Participating Shares for the year | (5,289,391) | (19,786,761) | (166,823) | (100,624,288) |
| Balance at the end of the year | 9,377,341 | 145,769,858 | 2,243,358 | 133,860,498 |
| 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 |

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 2024.

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

Man AHL Diversified (Cayman) Ltd.

Notes to the financial statements (continued)

For the year ended 30 June 2025



12. Financial highlights

The financial highlights disclosed below are for the year ended 30 June 2025:

| | 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 | 1.9883 | 169.4499 | 1.9114 | 126.2899 |
| Change in net asset value per share resulting from operations | | | | |
| Net investment income/(loss) | (0.0173) | (1.4016) | (0.0453) | (0.3466) |
| Net realised gain/(loss) and change in unrealised appreciation/(depreciation) on investments in securities, derivatives and foreign currency | (0.4248) | (42.0483) | (0.4177) | (31.4433) |
| Net increase/(decrease) in net asset value per share resulting from operations | (0.4421) | (43.4499) | (0.4630) | (31.7899) |
| Net asset value per share at the end of the year | 1.5462 | 126.0000 | 1.4484 | 94.5000 |
| Total return: | | | | |
| Total return | (22.24%) | (25.64%) | (24.22%) | (25.17%) |
| Ratios to average net assets (i): | | | | |
| Net investment income/(loss) | (1.00%) | (0.98%) | (2.78%) | (0.32%) |
| Total expenses | (3.34%) | (3.31%) | (5.12%) | (2.66%) |
| Non-trade expenses (ii) | (2.32%) | (2.29%) | (4.10%) | (1.64%) |

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%) |

- 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 and performance fee arrangements.
- ii. The ratio details the total expenses less trading costs (including interest costs and introducing broker fees) 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 2025, Redeemable Participating Shareholders subscribed for Redeemable Participating Shares having an aggregate net asset value of US\$Nil and redeemed Redeemable Participating Shares having an aggregate net asset value of US\$32,160,021.

In connection with the preparation of the financial statements as at 30 June 2025, management has evaluated the impact of all subsequent events on the Fund through 16 October 2025, 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.

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 at 30 June 2025, 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 at 30 June 2025, 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 \$209m make up 90% of total net assets of \$232m. 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 as 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 Fair Value Measurement (“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 \$84m, and investments in fund of funds measured at net asset value valued at \$125m. 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 a higher 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 Depository 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. |
|---|---|

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 annual report. 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, in accordance with the Mutual Funds Act of the Cayman Islands. 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 opinion we have formed.

Deloitte & Touche LLP

17 October 2025
Odette Samson
Partner

Man AHL Diversified (Cayman) Ltd.

Unaudited reporting requirement in respect of the
AIFM Directive

For the year ended 30 June 2025



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 2024 identified staff of the Manager and its affiliates were cumulatively paid US\$12,163,827 in relation to the Manager’s AIFs. This is split into US\$1,801,452 fixed compensation and US\$10,362,375 variable compensation payable to 14 beneficiaries. For year end 31 December 2024, US\$1,237,518 fixed compensation and US\$4,529,448 variable compensation was paid to senior management in relation to the Manager’s AIFs.

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 2024, Man Group plc paid compensation of US\$706,000,000 across 1,802* staff. Of this, US\$442,000,000 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 2024.

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 2025, 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.

Man AHL Diversified (Cayman) Ltd.

Unaudited reporting requirement in respect of the
AIFM Directive (continued)

For the year ended 30 June 2025



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 | 90% | 91% |

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.