

Man AHL Diversified Futures Ltd (the “Fund”)

Quarterly Report – the First Quarter of 2025

Date of report: 31 March 2025

(a) Performance Review

The quarter was dominated by political headlines as Donald Trump took office as America’s 47th president. This pre-staged a flurry of tariff threats and impositions that dented investor confidence in US equities and reversed the dollar-strengthening trend that had characterised Q4. Divergence emerged across the Atlantic and beyond, as European and Chinese equity markets raced ahead of their US counterparts, spurred on by fiscal loosening in Europe and an AI breakthrough in China. Gold continued to hit all-time highs, while energy markets softened in Europe amid positive sentiment around the Ukraine-Russia war. Against this backdrop, the Fund declined -8.2%, 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 declined on inflationary concerns in Japan. Trading in US equities also slightly checked gains as risk assets fell on growth worries, AI concerns, and potential knock-on impacts from tariffs.

(b) Market Outlook

Trend-following is an active strategy that adjusts positions based on price movements. This enables the Fund to perform irrespective of macroeconomic trends. Going into Q2, the Fund’s main risk exposures in declining order are long stocks, net long dollar, short energies, marginally short agriculturals, short fixed income, long metals and long credit risk (short CDS).

(c) Changes in key investment personnel

There are no changes in key investment personnel during the reporting period.

(d) Lawsuits

There are no lawsuits that may have a financial impact on the Fund during the reporting period.

(e) Fund size and net asset value per unit/share

Total net asset value as of 31 March 2025 is USD 82,981,938

Net asset value per share as of 31 March 2025 is USD 45.69

Change of net asset value per share during the reporting period is -2.47%

(f) Cash borrowings and other sources of leverage

As of 31 March 2025, leverage in terms of net derivatives exposure of Man AHL Diversified Futures Ltd is 685.22% of its NAV.

The fund did not make use of cash borrowings during the reporting period.

(g) Performance and risk measures

Actual Monthly Returns in the Last Three Calendar Years (net of all fees and charges) ¹

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Actual
2021	-1.96%	5.41%	1.83%	4.12%	3.18%	-1.75%	0.44%	-0.65%	-3.12%	4.31%	-8.43%	0.86%	3.44%
2022	-0.70%	3.02%	8.14%	5.48%	-1.46%	1.20%	-4.63%	2.30%	6.26%	-2.52%	-6.43%	-0.21%	9.81%
2023	0.95%	0.77%	-9.41%	3.35%	2.06%	3.61%	-2.64%	-3.20%	6.66%	0.77%	-8.50%	1.56%	-5.22%
2024	-2.27%	8.85%	7.67%	6.39%	-2.70%	-2.79%	-5.36%	-7.52%	3.45%	-7.80%	2.17%	3.54%	1.78%
2025	-2.01%	-4.29%	-2.10%										

¹ Investment involves risk, please see the Prospectus of the Fund for further details. Past performance figures shown are not indicative of future performance. Returns may increase or decrease as a result of currency fluctuations. Unless otherwise indicated, the performance data in this report is based on the A&B USD share class of the Fund. Performance data is shown net of the ongoing charge figure, performance fees and transaction costs and gross of taxes with gross dividend income reinvested, and does not take into account sales and redemption charges where such costs are applicable. Other share classes may charge different fees.

Summary Data

	2025	2024	2023	2022	2021	Since launch (13 May 1998)	Launch to 3 Sep 2012	4 Sep 2012 to date
Performance Statistics²								
Annual Return	-8.18%*	1.78%	-5.22%	9.81%	3.44%	5.81% ³	9.04% ³	2.24% ³
Annualised Standard Deviation	N/A**	18.77%	16.11%	15.79%	13.94%	14.50%	15.36%	14.65%
Sharpe ratio (zero risk free rate)	N/A**	0.09	-0.32	0.62	0.25	0.40	0.59	0.15
	*Part year returns are not annualised **Annualised Standard Deviation and Sharpe Ratio for the 2024 calendar year is not available until the Fourth Quarter 2024 reporting onwards (namely, once data for the full 2024 calendar year is available). Annualised data extrapolated year-to-date from the Fund would be subject to variance based on the remaining period of the year and therefore is not made available.							
Fund Statistics								
Highest NAV per unit/share	50.69	59.81	54.03	57.84	52.29	59.81		
Lowest NAV per unit/share	45.69	46.76	47.09	45.21	44.52	10		
Maximum drawdown	-9.27%	-22.04%	-12.84%	-12.53%	-10.94%	-30.27%		

Fund Risk

The 1 day Value at Risk (99%) of the Fund as at 31 March 2025 is 1.57%.

² The Fund changed from weekly dealing to daily dealing on 4 September 2012. Since the Fund is currently daily dealing, the Annualised Standard Deviation and Sharpe ratio in the latest three years are calculated using daily returns. The Annualised Standard Deviation and Sharpe ratio “Since Launch” are calculated using monthly returns. For consistency purposes, the “Since Launch” period has been further separated into two, showing the periods when the Fund was weekly dealing and daily dealing respectively. The corresponding Annualised Standard Deviation and Sharpe ratio are calculated based on the relevant dealing frequency.

³ This denotes an annualised total return which is an average amount of money earned by an investment each year over a given time period. It is calculated to show what an investor would earn over a period of time if the annual return was compounded.

(h) Amount of seed money

There is no seed money in the Fund.

(i) Illiquid holdings

There are no illiquid holdings in the Fund.

(j) Concentrated exposures (as at 31 March 2025)⁴

Sector exposure

	Short	Long	Net	Gross
Bonds and Rates	-80.72%	66.18%	-14.54%	146.90%
Commodities	-36.75%	53.71%	16.96%	90.47%
Credit	0.00%	46.28%	46.28%	46.28%
Currencies	-123.57%	123.57%	0.00%	247.14%
Stocks	-21.71%	66.64%	44.93%	88.34%
Total	-262.76%	356.38%	93.63%	619.14%

Cash and cash equivalents⁶

Cash and cash equivalents	98.33%
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⁴ Exposure values represent the delta notional value of positions expressed as a percentage of the NAV of the Fund. Where applicable, fixed income exposures are adjusted to a 10-year bond equivalent. Currency exposure within this table only reflects that of the Currency sector traded by Man AHL and does not include FX hedging or cash management. For credit default swaps, a short position represents buying protection and a long position represents selling protection.

⁵ Total gross exposure (commonly referred to as Leverage) displayed here is calculated using the sum of gross exposure from each sector traded by the AHL Programme and therefore does not include leverage from FX hedging or cash management and in no way reflects regulatory leverage calculations shown in section (f). Exposure calculations used are netted at the underlying security level.

⁶ The cash and cash equivalent amounts do not represent unencumbered cash in the Fund. A significant amount of such cash and cash equivalent is maintained within margin accounts given the strategy of the Fund is to invest primarily in futures and options.

Commodities Net Exposure

Agriculturals	-2.75%
Metals	26.17%
Energies	-6.46%

Sovereign Bond Net Exposure

G10	-54.14%
Non G10	-2.13%

Top 5 Currency Exposure

TWD	-18.06%
KRW	-18.23%
CAD	-18.58%
USD	21.55%
GBP	36.44%

Glossary

Annualised standard deviation

This is defined as the square root of the squared deviations of the actual returns from the simple average return based on the dealing days of the scheme, divided by the number of observations, shown on an annualised basis. Please also refer to Footnote 2.

Exposure

This refers to the part of a portfolio that is subject to the price movements of a specific security, sector, market or economic variable. It is typically expressed as a percentage of the total portfolio, e.g. the portfolio has 10% exposure to the mining sector.

Illiquid holdings

They are defined as assets for which there are no readily available market values to be transacted between knowledgeable and willing parties in an arm's length

transaction, or with no registered turnover in the last 30 days prior to and including the reporting date.

Maximum drawdown	This is the maximum amount of loss from an equity high until a new equity high, expressed as a percentage of the previous equity high. The Fund historically had a weekly dealing frequency before converting to daily dealing. Therefore, weekly price frequency has been used in the Maximum Drawdown calculation for the period prior to the conversion to daily dealing.
NAV	This is the total net asset value of the Fund (the value of the fund's assets less its liabilities).
Sharpe ratio	This is defined as annual return divided by the annualised standard deviation. For the sake of simplicity, a zero-risk free rate is adopted in the calculation for "Sharpe Ratio". Where an investment has a negative return, the Sharpe ratio will be negative. Because the Sharpe ratio is an absolute measure of risk-adjusted return, negative Sharpe can be misleading and are therefore shown as N/A. Please also refer to Footnote 2.

Important information

The directors of the Fund accept responsibility for the information contained in this report as being accurate as at the date of publication.

The value of an investment and any income derived from it can go down as well as up and investors may not get back their original amount invested. Alternative investments can involve significant additional risks.

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