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Man AHL Diversified Futures Ltd

Report and Financial Statements for the year ended 30 September 2020

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Board of Directors

Michael Collins
Dawn Griffiths
David Smith

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Company Secretary

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Custodian

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Registrar

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Bermuda

* Effective 1 December 2019, BNY Mellon Trust Company (Ireland) Limited, One Dockland Central, Guild Street, IFSC, Dublin 1, merged into The Bank of New York Mellon SA/NV (the "European Bank"). Since that date, custodian services were provided by the Dublin branch of the European Bank.

**REPORT FROM THE CUSTODIAN TO THE SHAREHOLDERS
DATED 11 DECEMBER 2020**

For the period from 1 October 2019 to 30 September 2020 (the “**Period**”)

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

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

Responsibilities of the Custodian

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

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

Basis of Custodian Opinion

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

Opinion

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

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

Denise Boylan

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

Man AHL Diversified Futures Ltd

Statement of financial position

As at 30 September 2020



	Notes	2020 US\$	2019 US\$
Current assets			
Cash and cash equivalents	3	24,100,506	29,273,513
Balances with brokers	3	29,605,768	35,859,043
Due from brokers		623,005	1,017,156
Financial assets at fair value through profit or loss	4	99,210,741	132,906,950
Dividend receivable		18,062	71,046
Other assets		4,002	5,269
Total current assets		153,562,084	199,132,977
Current liabilities			
Bank overdraft	3	-	(20)
Collateral balances due to brokers	3	(1,610,287)	(7,329,044)
Due to brokers		(487,710)	(78,373)
Subscriptions in advance		(14,926)	(25,420)
Redemptions payable		(503,891)	(298,803)
Financial liabilities at fair value through profit or loss	4	(27,657,381)	(32,549,941)
Capital gains tax payable	11	(401,685)	(584,867)
Dividend payable		(11,680)	(57,452)
Incentive fees payable	8,9	-	(1,455,865)
Management fees payable	8,9	(342,666)	(403,132)
Services management fees payable	8,9	(26,271)	(30,907)
Introducing broker fees payable	8,9	(114,222)	(134,377)
Hong Kong representative fees payable	8,9	(5,014)	(20,000)
Accrued expenses and other liabilities	8	(121,762)	(143,501)
Total current liabilities		(31,297,495)	(43,111,702)
Net assets attributable to Redeemable Participating Shareholders		122,264,589	156,021,275

Which are represented by:

Equity

2,935,074 (2019: 3,528,713) Redeemable Participating Shares with a Net Asset Value per Redeemable Participating Share of US\$41.65 (2019: US\$44.21)

10, 11 US\$122,264,589 US\$156,021,275

Approved and authorised for issue on behalf of the Board on 11 December 2020.

Michael Collins
Director

Dawn Griffiths
Director

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

Man AHL Diversified Futures Ltd

Statement of changes in equity

For the year ended 30 September 2020



	Note	2020 US\$	2019 US\$
Net assets attributable to Redeemable Participating Shareholders at the beginning of the year		156,021,275	156,081,264
Issue of 143,350 (2019: 140,764) Redeemable Participating Shares	10	6,258,894	5,516,892
Redemption of 736,989 (2019: 868,984) Redeemable Participating Shares	10	(31,692,318)	(34,603,918)
Net (loss)/gain for the year attributable to Redeemable Participating Shareholders		(8,323,262)	29,027,037
Net assets attributable to holders of Redeemable Participating Shares at the end of the year		122,264,589	156,021,275

Man AHL Diversified Futures Ltd

Statement of comprehensive income
For the year ended 30 September 2020



	Notes	2020 US\$	2019 US\$
Income			
Net loss on foreign currency	7	(131,040)	(294,904)
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss	7	(2,133,064)	36,821,609
Dividend income		79,269	284,455
Interest income		604,382	1,304,306
Other income		16,336	446,805
		<u>(1,564,117)</u>	<u>38,562,271</u>
Expenses			
Management fees	8,9	(4,172,850)	(4,631,748)
Introducing broker fees	8,9	(1,390,950)	(1,544,360)
Interest expense		(589,820)	(310,180)
Services management fees	8,9	(319,918)	(355,101)
Legal and other professional fees	9	(96,335)	(62,428)
Audit fees		(69,323)	(58,349)
Dividend expense		(64,132)	(186,838)
Custodian fees	8	(37,670)	(38,701)
Directors' fees	8,9	(12,034)	(12,067)
Hong Kong representative fees	8,9	(5,014)	(5,028)
Transaction and brokerage costs	8	(2,611)	(110,015)
Incentive fees	8,9	-	(1,455,865)
Capital gains tax	11	183,182	(584,867)
Other expenses	8	(184,255)	(176,104)
		<u>(6,761,730)</u>	<u>(9,531,651)</u>
Withholding tax		2,585	(3,583)
Net (loss)/gain for the year attributable to Redeemable Participating Shareholders		<u><u>(8,323,262)</u></u>	<u><u>29,027,037</u></u>

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

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

Man AHL Diversified Futures Ltd

Statement of cash flows

For the year ended 30 September 2020



	2020 US\$	2019 US\$
Cash flows from operating activities:		
Net (loss)/gain for the year attributable to Redeemable Participating Shareholders	(8,323,262)	29,027,037
<i>Adjustments to reconcile net (loss)/gain for the year attributable to Redeemable Participating Shareholders to net cash provided by operating activities:</i>		
Decrease/(increase) in financial assets at fair value through profit or loss	33,696,209	(11,585,210)
(Decrease)/increase in financial liabilities at fair value through profit or loss	(4,892,560)	12,407,708
Decrease in due from brokers	394,151	8,685,948
Increase/(decrease) in due to brokers	409,337	(9,527,865)
Decrease in balances with brokers - collateral	3,297,789	4,998,508
(Increase)/decrease in balances due to brokers - collateral	(5,718,757)	885,362
Decrease/(increase) in dividend receivable	52,984	(12,045)
Decrease in other assets	1,267	4,972
(Decrease)/increase in dividend payable	(45,772)	23,455
(Decrease)/increase in capital gains tax payable	(183,182)	584,867
(Decrease)/increase in incentive fees payable	(1,455,865)	1,452,277
(Decrease)/increase in management fees payable	(60,466)	34,316
(Decrease)/increase in services management fees payable	(4,636)	2,631
(Decrease)/increase in introducing broker fees payable	(20,155)	11,438
(Decrease)/increase in Hong Kong representative fees payable	(14,986)	5,027
(Decrease)/increase in accrued expenses and other liabilities	(21,739)	15,694
Net cash provided by operating activities	17,110,357	37,014,120
Cash flows from financing activities:		
Proceeds on issue of Redeemable Participating Shares	6,248,400	4,374,419
Payments on redemption of Redeemable Participating Shares	(31,487,230)	(34,305,115)
Net cash used in financing activities	(25,238,830)	(29,930,696)
Net change in cash and cash equivalents	(8,128,473)	7,083,424
Cash and cash equivalents at the beginning of the year	47,804,614	40,721,190
Cash and cash equivalents at the end of the year	39,676,141	47,804,614
Net change in cash and cash equivalents for the year consists of:		
Net change in cash and cash equivalents before the effect of exchange rate fluctuations	(7,997,433)	7,378,328
Effect of exchange rate fluctuations on cash and cash equivalents	(131,040)	(294,904)
Net change in cash and cash equivalents	(8,128,473)	7,083,424
Cash and cash equivalents consist of:		
Cash and cash equivalents	24,100,506	29,273,513
Bank overdraft	-	(20)
Balances with brokers - without collateral	15,575,635	18,531,121
Cash and cash equivalents at the end of the year	39,676,141	47,804,614
Supplemental disclosure of cash flow information:		
Interest received	604,382	1,304,306
Interest paid	(589,820)	(310,180)
Dividend received	132,253	272,410
Dividend paid	(109,904)	(163,383)

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

1. General

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

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

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

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

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

The most recent applicable prospectus of the Fund is dated 29 April 2020 (the “Prospectus”).

2. Significant accounting policies

(a) Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and where relevant, in accordance with the provisions of the Hong Kong Securities & Futures Commission Code on Unit Trusts and Mutual Funds pursuant to the Securities and Futures Ordinance (Cap 571) April 2003 (as amended effective 25 June 2010). The financial statements have been prepared on an historical cost basis except for financial assets and liabilities at fair value through profit or loss that have been measured based on fair value.

(b) Changes in accounting policy and disclosure

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Fund’s financial statements for the year ended 30 September 2019.

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

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

(c) Use of accounting judgements and estimates

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the amounts reported and disclosures made in these financial statements and accompanying notes, including certain valuation assumptions. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in the future. As at 30 September 2020 and 30 September 2019 there were no adjustments made.

(d) Going concern

Management has made an assessment of the Fund’s ability to continue as a going concern and is satisfied that it has resources to continue in business for a period of at least one year 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.

(e) Interest income

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

(f) Dividend income

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

2. Significant accounting policies (continued)

(g) Financial assets and liabilities

Financial assets and liabilities at fair value through profit or loss

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

At 30 September 2020 and 30 September 2019, there are no material differences between these valuation methods.

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

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

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

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

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

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

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

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

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

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

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

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

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

The investments in managed funds ("managed funds") are initially measured at fair value and then carried at their NAV per unit at the statement of financial position date. This measure approximately represents the fair value of such investments. If their stated NAV per unit is not available, managed funds are valued at the latest available stated NAV per unit.

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

2. Significant accounting policies (continued)

(h) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously. As at 30 September 2020 and 30 September 2019, no financial assets and liabilities are offset in the statement of financial position.

(i) Derivatives

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

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

– Forward contracts

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

– Futures contracts

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

– Warrants

Warrants are securities providing a return generated by a specified underlying equity swap. Warrants are valued at the last reported trade price of the underlying security as of close of business on the reporting date. The resulting realised gains and losses for the financial year is reflected as financial assets or financial liabilities at fair value through profit or loss in the statement of financial position and as net (loss)/gain on financial assets and liabilities at fair value through profit or loss in the statement of comprehensive income.

– Swap contracts

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

– Interest rate swaps

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

– Credit default swaps

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

2. Significant accounting policies (continued)

(i) Derivatives (continued)

– Credit default swaps (continued)

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

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

– Equity swaps

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

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

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

(k) Transaction costs

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

(l) Functional and presentation currency

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

(m) Foreign currency

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

(n) Expenses

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

(o) Redeemable Participating Shares

Redeemable Participating Shares are classified as equity instruments when:

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

2. Significant accounting policies (continued)

(o) Redeemable Participating Shares (continued)

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

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

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

The Fund has assessed that the Redeemable Participating Shares should be classified as equity for the years ended 30 September 2020 and 30 September 2019.

(p) Cash and cash equivalents

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

(q) Bank overdraft

Bank overdraft in the statement of financial position consists of negative cash balances on the bank accounts at the year end. Interest is charged on these bank overdraft balances.

(r) Balances with brokers and collateral balances due to brokers

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

(s) Due from and due to brokers

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

(t) Taxation

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

Management has analysed the Fund's tax positions, and has concluded that a liability for unrecognised tax benefits should be recorded related to uncertain tax positions as at 30 September 2020 of US\$401,685 (2019: US\$584,687).

Currently, the only other taxes recorded; if any, by the Fund on its income are withholding taxes applicable to certain income. For the years ended 30 September 2020 and 30 September 2019, no other income tax liability or expense has been recorded in the accompanying financial statements.

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

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

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2020



2. Significant accounting policies (continued)

(u) Subscriptions in advance and redemptions payable

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

(v) Comparative information

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

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

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

The portion of balances with brokers represented by collateral pledged as at 30 September 2020 was US\$14,030,133 (2019: US\$17,327,922) and the portion of collateral balances due to brokers represented by collateral held was US\$1,610,287 (2019: US\$7,329,044).

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

The following tables summarise financial assets and liabilities at fair value through profit or loss as at 30 September 2020 and 30 September 2019.

	Cost/Notional US\$	2020 Fair Value US\$	% of Net Assets	Cost/Notional US\$	2019 Fair Value US\$	% of Net Assets
Financial assets at fair value through profit or loss						
<i>Held for trading</i>						
<u>Interest bearing securities</u>						
Government bonds	69,971,439	69,984,317	57.24%	87,357,337	87,460,376	56.06%
Total interest bearing securities		<u>69,984,317</u>	<u>57.24%</u>		<u>87,460,376</u>	<u>56.06%</u>
<u>Derivatives</u>						
Commodity futures	45,339,092	1,498,097	1.23%	42,010,742	2,835,738	1.82%
Currency futures	-	-	-	21,977,654	243,260	0.16%
Stock index futures	20,859,856	362,577	0.30%	95,965,256	556,194	0.36%
Interest rate futures	865,427,079	729,888	0.59%	574,443,480	632,568	0.40%
Forward currency contracts	315,324,463	2,654,480	2.17%	760,554,734	10,558,768	6.77%
Forward commodity contracts	-	-	-	1,790,626	21,137	0.01%
Equity swaps	20,846,105	1,681,781	1.38%	35,540,518	1,762,746	1.13%
Warrants	174	174	-	-	-	-
Credit default swaps	48,442,000	1,159,542	0.95%	20,899,500	7,365,095	4.72%
Interest rate swaps	574,344,285	21,139,885	17.29%	558,278,184	21,471,068	13.76%
Total derivatives		<u>29,226,424</u>	<u>23.91%</u>		<u>45,446,574</u>	<u>29.13%</u>
Total financial assets at fair value through profit or loss		<u>99,210,741</u>	<u>81.15%</u>		<u>132,906,950</u>	<u>85.19%</u>

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2020



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

	Cost/Notional US\$	2020 Fair Value US\$	% of Net Assets	Notional US\$	2019 Fair Value US\$	% of Net Assets
Financial liabilities at fair value through profit or loss						
<i>Held for trading</i>						
Derivatives						
Commodity futures	21,360,719	(1,179,914)	(0.97)%	90,535,972	(2,376,776)	(1.52)%
Currency futures	3,987,947	(50,914)	-	556,334	(1,699)	-
Stock index futures	22,532,736	(253,018)	(0.21)%	16,790,261	(586,825)	(0.38)%
Interest rate futures	12,566,956	(133,927)	(0.11)%	93,369,335	(881,485)	(0.56)%
Forward currency contracts	337,099,391	(4,347,790)	(3.56)%	581,099,126	(8,098,005)	(5.19)%
Forward commodity contracts	-	-	-	14,151,752	(432,064)	(0.28)%
Equity swaps	8,787,922	(821,514)	(0.66)%	13,863,042	(1,381,172)	(0.88)%
Credit default swaps	39,302,500	(1,405,564)	(1.15)%	213,095,500	(1,792,469)	(1.15)%
Interest rate swaps	425,522,379	(19,464,740)	(15.92)%	475,700,271	(16,999,446)	(10.90)%
Total derivatives		(27,657,381)	(22.58)%		(32,549,941)	(20.86)%
Total financial liabilities at fair value through profit or loss		(27,657,381)	(22.58)%		(32,549,941)	(20.86)%

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

The top five long and short positions held by the Fund on a gross basis as of 30 September 2020 and 30 September 2019 are as follows:

30 September 2020

Issuer	Fair value	% of Net Assets
Long positions		
United States Treasury Bill 0% 10/08/2020	19,999,803	16.36%
United States Treasury Bill 0% 11/12/2020	19,998,044	16.36%
United States Treasury Bill 0% 03/18/2021	14,993,590	12.26%
United States Treasury Bill 0% 25/03/2021	14,992,880	12.26%
SOYBEAN FUTURE Nov20	604,600	0.49%
Short positions		
IRSW: BRL - PAY 15.955% VS BRL CDI O/N 0BP : 15DEC15-04JAN21	(541,265)	(0.44)%
IRSW: BRL - PAY 15.85% VS BRL CDI O/N 0BP : 14OCT15-04JAN21	(538,785)	(0.44)%
IRSW: BRL - PAY 15.875% VS BRL CDI O/N 0BP : 14DEC15-04JAN21	(537,061)	(0.44)%
IRSW: BRL - PAY 15.525% VS BRL CDI O/N 0BP : 02DEC15-04JAN21	(518,598)	(0.42)%
IRSW: BRL - PAY 15.23% VS BRL CDI O/N 0BP : 02OCT15-04JAN21	(504,234)	(0.41)%

30 September 2019

Issuer	Fair value	% of Net Assets
Long positions		
United States Treasury Bill 0% 05/12/2019	34,888,175	22.36%
United States Treasury Bill 0% 19/03/2020	29,748,139	19.07%
United States Treasury Bill 0% 03/05/220	22,824,062	14.63%
CDS ITRAXX-XOVERS32V1-5Y 500(20-DEC-2024) CREDIT SUISSE	2,118,872	1.36%
CDS CDX-NAIGS33V1-5Y 100(20-DEC-2024) CREDIT SUISSE	1,687,077	1.08%
Short positions		
CDS ITRAXX-XOVERS32V1-5Y 500(20-DEC-2024) BARCLAYS CAPITAL	(706,291)	(0.45)%
IRSW: BRL - PAY 15.955% VS BRL CDI O/N 0BP : 15DEC15-04JAN21	(658,555)	(0.42)%
IRSW: BRL - PAY 15.85% VS BRL CDI O/N 0BP : 14OCT15-04JAN21	(655,320)	(0.42)%
IRSW: BRL - PAY 15.875% VS BRL CDI O/N 0BP : 14DEC15-04JAN21	(653,072)	(0.42)%
IRSW: BRL - PAY 15.525% VS BRL CDI O/N 0BP : 02DEC15-04JAN21	(628,998)	(0.40)%

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

Fair value of financial instruments

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

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

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

The fair value hierarchy has the following levels:

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

Valuation techniques

Listed or publicly traded investment in government bonds and derivatives

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

OTC derivatives

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

The following tables are a summary of the classification within the fair value hierarchy of the Fund's financial instruments carried at fair value as at 30 September 2020 and 30 September 2019:

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total Fair Value US\$
As at 30 September 2020				
Financial assets at fair value through profit or loss				
<u>Interest bearing securities</u>				
Government bonds	69,984,317	-	-	69,984,317
Total interest bearing securities	69,984,317	-	-	69,984,317
<u>Derivatives</u>				
Commodity futures	1,498,097	-	-	1,498,097
Stock index futures	362,577	-	-	362,577
Interest rate futures	729,888	-	-	729,888
Forward currency contracts	-	2,654,480	-	2,654,480
Equity swaps	-	1,681,781	-	1,681,781
Warrants	-	174	-	174
Credit default swaps	-	1,159,542	-	1,159,542
Interest rate swaps	-	21,139,885	-	21,139,885
Total derivatives	2,590,562	26,635,862	-	29,226,424
Total financial assets at fair value through profit or loss	72,574,879	26,635,862	-	99,210,741

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2020



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

Valuation techniques (continued)

As at 30 September 2020	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total Fair Value US\$
Financial liabilities at fair value through profit or loss				
<u>Derivatives</u>				
Commodity futures	(1,179,914)	-	-	(1,179,914)
Currency futures	(50,914)	-	-	(50,914)
Stock index futures	(253,018)	-	-	(253,018)
Interest rate futures	(133,927)	-	-	(133,927)
Forward currency contracts	-	(4,347,790)	-	(4,347,790)
Equity swaps	-	(820,982)	(532)	(821,514)
Credit default swaps	-	(1,405,564)	-	(1,405,564)
Interest rate swaps	-	(19,464,740)	-	(19,464,740)
Total derivatives	(1,617,773)	(26,039,076)	(532)	(27,657,381)
Total financial liabilities at fair value through profit or loss	(1,617,773)	(26,039,076)	(532)	(27,657,381)
As at 30 September 2019	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total Fair Value US\$
Financial assets at fair value through profit or loss				
<u>Interest bearing securities</u>				
Government bonds	87,460,376	-	-	87,460,376
Total interest bearing securities	87,460,376	-	-	87,460,376
<u>Derivatives</u>				
Commodity futures	2,835,738	-	-	2,835,738
Currency futures	243,260	-	-	243,260
Stock index futures	556,194	-	-	556,194
Interest rate futures	632,568	-	-	632,568
Forward currency contracts	-	10,558,768	-	10,558,768
Forward commodity contracts	-	21,137	-	21,137
Equity swaps	-	1,762,746	-	1,762,746
Credit default swaps	-	7,365,095	-	7,365,095
Interest rate swaps	-	21,471,068	-	21,471,068
Total derivatives	4,267,760	41,178,814	-	45,446,574
Total financial assets at fair value through profit or loss	91,728,136	41,178,814	-	132,906,950
Financial liabilities at fair value through profit or loss				
<u>Derivatives</u>				
Commodity futures	(2,376,776)	-	-	(2,376,776)
Currency futures	(1,699)	-	-	(1,699)
Stock index futures	(586,825)	-	-	(586,825)
Interest rate futures	(881,485)	-	-	(881,485)
Forward currency contracts	-	(8,098,005)	-	(8,098,005)
Forward commodity contracts	-	(432,064)	-	(432,064)
Equity swaps	-	(1,381,172)	-	(1,381,172)
Credit default swaps	-	(1,792,469)	-	(1,792,469)
Interest rate swaps	-	(16,999,446)	-	(16,999,446)
Total derivatives	(3,846,785)	(28,703,156)	-	(32,549,941)
Total financial liabilities at fair value through profit or loss	(3,846,785)	(28,703,156)	-	(32,549,941)

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

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

Valuation techniques (continued)

Investments are reviewed at each year end to ensure that they are correctly classified between Level 1, 2 and 3 in accordance with the fair value hierarchy outlined above. Where an investment's characteristics change during the year and investments no longer meet the criteria of a given level, they are transferred into a more appropriate level at the end of the relevant financial reporting year. For the year ended 30 September 2020 and 30 September 2019, there were no transfers between Level 1 and Level 2.

The following table includes a reconciliation of amounts for the years ended 30 September 2020 and 30 September 2019 for financial instruments classified within Level 3:

	Derivatives 2020 US\$	Total 2020 US\$	Derivatives 2019 US\$	Total 2019 US\$
Financial assets and liabilities at fair value through profit or loss				
Opening balance	-	-	(138)	(138)
Total gains and losses				
Realised	-	-	(778)	(778)
Unrealised	-	-	138	138
Purchases	-	-	778	778
Sales	-	-	-	-
Transfers into Level 3	(532)	(532)	-	-
Closing Balance	(532)	(532)	-	-

All net realised and unrealised gains/(losses) in the tables above are reflected in the accompanying statement of comprehensive income. Net realised and unrealised loss amounts on Level 3 securities held as at 30 September 2020 and 30 September 2019 was US\$Nil (2019: US\$640).

The following table presents additional information about valuation techniques and inputs used for investments that are measured at fair value and are categorised within Level 3 at 30 September 2020 and 30 September 2019:

Asset Description	Fair Value as at 2020 US\$	Valuation Technique	Unobservable input	Range
Equity swaps	(532)	Last trade price	N/A	N/A

Asset Description	Fair Value as at 2019 US\$	Valuation Technique	Unobservable input	Range
Equity swaps*	-	Last trade price	N/A	N/A

*There is one Level 3 holding as at 30 September 2019 with a US\$Nil fair value.

Forward contracts

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

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

Futures contracts

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

Equity swaps

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

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

Interest rate swaps

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

Credit default swaps

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

Derivative financial instruments

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

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

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

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

	Opening US\$	Net Additions/Realisations US\$	Closing US\$
Financial assets at fair value through profit or loss			
Commodity futures	42,010,742	3,328,350	45,339,092
Currency futures	21,977,654	(21,977,654)	-
Stock index futures	95,965,256	(75,105,400)	20,859,856
Interest rate futures	574,443,480	290,983,599	865,427,079
Forward currency contracts	760,554,734	(445,230,271)	315,324,463
Forward commodity contracts	1,790,626	(1,790,626)	-
Equity swaps	35,540,518	(14,694,413)	20,846,105
Warrants	-	174	174
Credit default swaps	20,899,500	27,542,500	48,442,000
Interest rate swaps	558,278,184	16,066,101	574,344,285
Total	2,111,460,694	(220,877,640)	1,890,583,054
Financial liabilities at fair value through profit or loss			
Commodity futures	90,535,972	(69,175,253)	21,360,719
Currency futures	556,334	3,431,613	3,987,947
Stock index futures	16,790,261	5,742,475	22,532,736
Interest rate futures	93,369,335	(80,802,379)	12,566,956
Forward currency contracts	581,099,126	(243,999,735)	337,099,391
Forward commodity contracts	14,151,752	(14,151,752)	-
Equity swaps	13,863,042	(5,075,120)	8,787,922
Credit default swaps	213,095,500	(173,793,000)	39,302,500
Interest rate swaps	475,700,271	(50,177,892)	425,522,379
Total	1,499,161,593	(628,001,043)	871,160,550

5. Offsetting financial assets and financial liabilities

As at 30 September 2020 and 30 September 2019, no financial assets and liabilities of the Fund are being presented net within the statement of financial position. The following tables provide information on the financial impact of netting for instruments subject to an enforceable master netting arrangement or similar agreement in the event of default as defined under such agreements.

The following table summarises the net financial assets per counterparty as at 30 September 2020:

Offsetting of financial assets, derivative assets and collateral received by counterparty

	(i)	(ii)		(iii)=(i)+(ii)
			Gross assets not offset in the statement of financial position	
Counterparty	Gross amounts of assets in the statement of financial position US\$	Financial instruments US\$	Cash collateral held US\$	Net amount US\$
Credit Suisse AG	5,793,281	(1,124,869)	(570)	4,667,842
Deutsche Bank AG	7,821,869	(4,849,046)	(222,213)	2,750,610
Goldman Sachs	4,564,583	(595,942)	-	3,968,641
HSBC Bank Plc	3,177,160	(1,938,777)	-	1,238,383
JP Morgan Chase Bank N.A.	28,512,505	(18,313,909)	(738,351)	9,460,245
Merrill Lynch & Co. Inc.	4,443,472	(664,616)	(11,492)	3,767,364
Morgan Stanley	3,098,337	(940,657)	(637,661)	1,520,019
Royal Bank of Scotland Plc	2,011,712	(1,327,562)	-	684,150
The Bank of New York Mellon SA/NV	70,016,595	-	-	70,016,595
Total	129,439,514	(29,755,378)	(1,610,287)	98,073,849

The following table summarises the net financial liabilities per counterparty as at 30 September 2020:

Offsetting of financial liabilities, derivative liabilities and collateral pledged by counterparty

	(i)	(ii)		(iii)=(i)+(ii)
			Gross liabilities not offset in the statement of financial position	
Counterparty	Gross amounts of liabilities in the statement of financial position US\$	Financial instruments US\$	Cash collateral pledged US\$	Net amount US\$
Credit Suisse AG	1,124,869	(233,643)	(891,226)	-
Deutsche Bank AG	4,849,046	(1,127,876)	(3,721,170)	-
Goldman Sachs	595,942	-	(595,942)	-
HSBC Bank Plc	1,938,777	(36,728)	(1,902,049)	-
JP Morgan Chase Bank N.A.	18,313,909	(15,859,844)	(2,454,065)	-
Merrill Lynch & Co. Inc.	664,616	(664,616)	-	-
Morgan Stanley	940,657	(940,657)	-	-
Royal Bank of Scotland Plc	1,327,562	(3,963)	(1,323,599)	-
Total	29,755,378	(18,867,327)	(10,888,051)	-

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2020



5. Offsetting financial assets and financial liabilities (continued)

The following table summarises the net financial assets per counterparty as at 30 September 2019:

Offsetting of financial assets, derivative assets and collateral received by counterparty

	(i)	(ii)	(iii)=(i)+(ii)
	Gross assets not offset in the statement of financial position		
	Gross amounts of assets in the statement of financial position	Financial instruments	Cash collateral held
Counterparty	US\$	US\$	US\$
Credit Suisse AG	11,782,950	(2,676,318)	(1,415,233)
Deutsche Bank AG	8,720,728	(4,007,782)	(813,699)
Goldman Sachs	3,456,355	(1,972,576)	(1,483,779)
HSBC Bank Plc	8,205,405	(3,984,401)	-
JP Morgan Chase Bank N.A.	33,117,908	(21,807,205)	(3,007,137)
Merrill Lynch & Co. Inc.	5,463,270	(1,546,132)	(26,067)
Morgan Stanley	4,675,600	(992,911)	(470,736)
Royal Bank of Scotland Plc	6,776,594	(2,967,270)	-
The Bank of New York Mellon SA/NV	87,584,339	-	(2,763)
Total	169,783,149	(39,954,595)	(7,219,414)
			122,609,140

The following table summarises the net financial liabilities per counterparty as at 30 September 2019:

Offsetting of financial liabilities, derivative liabilities and collateral pledged by counterparty

Unsetting of financial liabilities, derivative liabilities and collateral pledged by counterparty				
	(i)	(ii)	(iii)=(i)+(ii)	
	Gross liabilities not offset in the statement of financial position			
	Gross amounts of liabilities in the statement of financial position	Financial instruments	Cash collateral pledged	Net amount
Counterparty	US\$	US\$	US\$	US\$
Credit Suisse AG	2,676,318	(2,017,532)	(658,786)	-
Deutsche Bank AG	4,007,782	-	(4,007,782)	-
Goldman Sachs	1,972,576	(880,680)	(1,091,896)	-
HSBC Bank Plc	3,984,401	(1,987,677)	(1,996,724)	-
JP Morgan Chase Bank N.A.	21,807,205	(16,622,564)	(5,184,641)	-
Merrill Lynch & Co. Inc.	1,546,132	(1,546,132)	-	-
Morgan Stanley	992,911	(992,911)	-	-
Royal Bank of Scotland Plc	2,967,270	-	(2,967,270)	-
The Bank of New York Mellon SA/NV	2,763	-	-	2,763
Total	39,957,358	(24,047,496)	(15,907,099)	2,763

As at 30 September 2020 the amount of collateral cash pledged is US\$14,030,133 (2019: US\$17,327,922) and amount of collateral held was US\$1,610,287 (2019: US\$7,329,044).

6. Financial risk management

Overall risk management

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

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

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

The following summary is not intended to be a comprehensive summary of all of the risks and the Redeemable Participating Shareholder should refer to the Fund's Prospectus for a more detailed discussion of the risks inherent in investing in the Fund.

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

6. Financial risk management (continued)

At the Fund level

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

At the level of underlying investments

AHL Diversified Programme

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

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

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

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

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

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

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

6. Financial risk management (continued)

Market risk

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

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

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

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

As at 30 September 2020, the annualised volatility for the Fund was 13.51% (2019: 25.75%).

Interest rate risk

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

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

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

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

As at 30 September 2020

	Less than one month US\$	One month to one year US\$	Over one year US\$	Not exposed to interest rate US\$	Total US\$
Current assets					
Cash and cash equivalents	24,100,506	-	-	-	24,100,506
Balances with brokers	29,605,768	-	-	-	29,605,768
Due from brokers	186,386	5,322	431,297	-	623,005
Financial assets at fair value through profit or loss	22,559,150	63,974,419	9,134,543	3,542,629	99,210,741
Dividend receivable	-	-	-	18,062	18,062
Other assets	-	-	-	4,002	4,002
Total current assets	76,451,810	63,979,741	9,565,840	3,564,693	153,562,084
Current liabilities					
Collateral balances due to brokers	(1,610,287)	-	-	-	(1,610,287)
Due to brokers	(21,001)	(5,657)	(461,052)	-	(487,710)
Subscription in advance	(14,926)	-	-	-	(14,926)
Redemptions payable	(503,891)	-	-	-	(503,891)
Financial liabilities at fair value through profit or loss	(4,148,756)	(12,199,380)	(9,003,886)	(2,305,359)	(27,657,381)
Capital gains tax payable	-	-	-	(401,685)	(401,685)
Dividend payable	-	-	-	(11,680)	(11,680)
Management fees payable	-	-	-	(342,666)	(342,666)
Services management fees payable	-	-	-	(26,271)	(26,271)
Introducing broker fees payable	-	-	-	(114,222)	(114,222)
Hong Kong representative fees payable	-	-	-	(5,014)	(5,014)
Accrued expenses and other liabilities	-	-	-	(121,762)	(121,762)
Total current liabilities	(6,298,861)	(12,205,037)	(9,464,938)	(3,328,659)	(31,297,495)
Net assets attributable to Redeemable Participating Shareholders	70,152,949	51,774,704	100,902	236,034	122,264,589

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2020



6. Financial risk management (continued)

Interest rate risk (continued)

As at 30 September 2019

	Less than one month US\$	One month to one year US\$	Over one year US\$	Not exposed to interest rate US\$	Total US\$
Current assets					
Cash and cash equivalents	29,273,513	-	-	-	29,273,513
Balances with brokers	35,859,043	-	-	-	35,859,043
Due from brokers	-	-	173,552	843,604	1,017,156
Financial assets at fair value through profit or loss	-	87,644,621	29,284,486	15,977,843	132,906,950
Dividend receivable	-	-	-	71,046	71,046
Other assets	-	-	-	5,269	5,269
Total current assets	65,132,556	87,644,621	29,458,038	16,897,762	199,132,977
Current liabilities					
Bank overdraft	(20)	-	-	-	(20)
Collateral balances due to brokers	(7,329,044)	-	-	-	(7,329,044)
Due to brokers	-	-	(49,196)	(29,177)	(78,373)
Subscription in advance	(25,420)	-	-	-	(25,420)
Redemptions payable	(298,803)	-	-	-	(298,803)
Financial liabilities at fair value through profit or loss	-	(761,890)	(18,911,510)	(12,876,541)	(32,549,941)
Capital gains tax payable	-	-	-	(584,867)	(584,867)
Dividend payable	-	-	-	(57,452)	(57,452)
Incentive fees payable	-	-	-	(1,455,865)	(1,455,865)
Management fees payable	-	-	-	(403,132)	(403,132)
Services management fees payable	-	-	-	(30,907)	(30,907)
Introducing broker fees payable	-	-	-	(134,377)	(134,377)
Hong Kong representative fees payable	-	-	-	(20,000)	(20,000)
Accrued expenses and other liabilities	-	-	-	(143,501)	(143,501)
Total current liabilities	(7,653,287)	(761,890)	(18,960,706)	(15,735,819)	(43,111,702)
Net assets attributable to Redeemable Participating Shareholders	57,479,269	86,882,731	10,497,332	1,161,943	156,021,275

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

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

	Less than one month US\$	One month to one year US\$	Over one year US\$	Not exposed to interest rate US\$	Total US\$
As at 30 September 2020					
Net assets - (50 bps increase)	70,503,714	52,033,578	101,407	236,034	122,874,733
Net assets - (50 bps decrease)	69,802,184	51,515,830	100,397	236,034	121,654,445
As at 30 September 2019					
Net assets - (50 bps increase)	57,766,665	87,317,145	10,549,819	1,161,943	156,795,572
Net assets - (50 bps decrease)	57,191,873	86,448,317	10,444,845	1,161,943	155,246,978

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

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2020



6. Financial risk management (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. The Investment Manager has an active procedure to monitor foreign exchange exposures and manages this risk through offsetting non-US\$ denominated balances and entering into offsetting forward currency contracts.

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

As at 30 September 2020

Amounts are expressed in their US\$ equivalents

	US\$	Other	Total
Current assets			
Cash and cash equivalents	23,079,954	1,020,552	24,100,506
Balances with brokers	21,668,758	7,937,010	29,605,768
Due from brokers	169,643	453,362	623,005
Financial assets at fair value through profit or loss	74,719,253	24,491,488	99,210,741
Dividend receivable	5,733	12,329	18,062
Other assets	4,002	-	4,002
Total current assets	119,647,343	33,914,741	153,562,084
Current liabilities			
Collateral balances due to brokers	(319,339)	(1,290,948)	(1,610,287)
Due to brokers	(20,588)	(467,122)	(487,710)
Subscriptions in advance	(14,926)	-	(14,926)
Redemptions payable	(503,891)	-	(503,891)
Financial liabilities at fair value through profit or loss	(5,351,217)	(22,306,164)	(27,657,381)
Capital gains tax payable	(401,685)	-	(401,685)
Dividend payable	(4,468)	(7,212)	(11,680)
Management fees payable	(342,666)	-	(342,666)
Services management fees payable	(26,271)	-	(26,271)
Introducing broker fees payable	(114,222)	-	(114,222)
Hong Kong representative fees payable	(5,014)	-	(5,014)
Accrued expenses and other liabilities	(121,762)	-	(121,762)
Total current liabilities	(7,226,049)	(24,071,446)	(31,297,495)
Net assets attributable to Redeemable Participating Shareholders	112,421,294	9,843,295	122,264,589

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2020



6. Financial risk management (continued)

Currency risk

As at 30 September 2019

Amounts are expressed in their US\$ equivalents

	US\$	Other	Total
Current assets			
Cash and cash equivalents	29,061,489	212,024	29,273,513
Balances with brokers	27,281,866	8,577,177	35,859,043
Due from brokers	82,825	934,331	1,017,156
Financial assets at fair value through profit or loss	103,555,963	29,350,987	132,906,950
Dividend receivable	17,208	53,838	71,046
Other assets	5,269	-	5,269
Total current assets	160,004,620	39,128,357	199,132,977
Current liabilities			
Bank overdraft	-	(20)	(20)
Collateral balances due to brokers	(1,851,292)	(5,477,752)	(7,329,044)
Due to brokers	(35,701)	(42,672)	(78,373)
Subscriptions in advance	(25,420)	-	(25,420)
Redemptions payable	(298,803)	-	(298,803)
Financial liabilities at fair value through profit or loss	(11,286,254)	(21,263,687)	(32,549,941)
Dividend payable	(7,166)	(50,286)	(57,452)
Capital gains tax payable	(584,867)	-	(584,867)
Incentive fees payable	(1,455,865)	-	(1,455,865)
Management fees payable	(403,132)	-	(403,132)
Services management fees payable	(30,907)	-	(30,907)
Introducing broker fees payable	(134,377)	-	(134,377)
Hong Kong representative fees payable	(20,000)	-	(20,000)
Accrued expenses and other liabilities	(143,501)	-	(143,501)
Total current liabilities	(16,277,285)	(26,834,417)	(43,111,702)
Net assets attributable to Redeemable Participating Shareholders	143,727,335	12,293,940	156,021,275

Other price risk

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

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

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

Credit/Counterparty risk

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

The Fund's maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event that the counterparties fail to perform their obligations as of 30 September 2020 in relation to each class of recognised financial assets is the carrying amount of those assets in the statement of financial position.

The significant exposures are to the Banks and Brokers.

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Notes to the financial statements (continued)

For the year ended 30 September 2020



6. Financial risk management (continued)

Credit/Counterparty risk (continued)

The table below analyses the Fund's exposure to cash and cash equivalents, balances with brokers, due from brokers, financial assets at fair value through profit or loss and dividend receivable by rating agency category at 30 September 2020 and 30 September 2019 (Source: Moody's).

Counterparty	Moody's Rating	2020 US\$	2020 %
BNP Paribas	Aa3	20,407,600	24.42%
Credit Suisse AG	Baa2	5,794,014	6.93%
Deutsche Bank	A3	7,821,869	9.36%
Goldman Sachs	A3	4,569,823	5.47%
HSBC Bank Plc	A2	3,177,160	3.80%
JP Morgan Chase Bank N.A.	Aa2	28,517,018	34.12%
Merrill Lynch & Co. Inc	A2	4,443,472	5.32%
Morgan Stanley	A3	3,105,913	3.71%
Royal Bank of Scotland Plc	Baa1	2,011,712	2.41%
The Bank of New York Mellon SA/NV	A1	3,725,184	4.46%
		83,573,765	100.00%

Counterparty	Moody's Rating	2019 US\$	2019 %
BNP Paribas	Aa3	20,183,729	18.07%
Credit Suisse AG	Baa2	11,790,833	10.56%
Deutsche Bank	A3	8,720,728	7.81%
Goldman Sachs	A3	3,477,977	3.11%
HSBC Bank Plc	A2	8,205,405	7.35%
JP Morgan Chase Bank N.A.	Aa2	33,127,407	29.67%
Merrill Lynch & Co. Inc	A2	5,463,270	4.89%
Morgan Stanley	A3	4,707,301	4.22%
Royal Bank of Scotland Plc	Baa2	6,776,594	6.07%
The Bank of New York Mellon SA/NV	A1	9,214,088	8.25%
		111,667,332	100.00%

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

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

Liquidity risk

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

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

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

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

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2020



6. Financial risk management (continued)

Liquidity risk (continued)

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

	Less than 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	Greater than 1 year US\$	Total US\$
As at 30 September 2020					
Current liabilities					
Collateral balances due to brokers	(1,610,287)	-	-	-	(1,610,287)
Due to brokers	(21,001)	-	(5,657)	(461,052)	(487,710)
Subscriptions in advance	(14,926)	-	-	-	(14,926)
Redemptions payable	(503,891)	-	-	-	(503,891)
Financial liabilities at fair value through profit or loss	(5,380,737)	(1,231,123)	(11,988,535)	(9,056,986)	(27,657,381)
Capital gains tax payable	-	-	(401,685)	-	(401,685)
Dividend payable	(6,406)	(5,250)	(24)	-	(11,680)
Management fees payable	(342,666)	-	-	-	(342,666)
Services management fees payable	-	-	(26,271)	-	(26,271)
Introducing broker fees payable	-	-	(114,222)	-	(114,222)
Hong Kong representative fees payable	-	-	(5,014)	-	(5,014)
Accrued expenses and other liabilities	-	-	(121,762)	-	(121,762)
Total current liabilities	(7,879,914)	(1,236,373)	(12,663,170)	(9,518,038)	(31,297,495)
	Less than 1 month US\$	1 to 3 months US\$	3 to 12 months US\$	Greater than 1 year US\$	Total US\$
As at 30 September 2019					
Current liabilities					
Bank overdraft	(20)	-	-	-	(20)
Collateral balances due to brokers	(7,329,044)	-	-	-	(7,329,044)
Due to brokers	(29,177)	-	-	(49,196)	(78,373)
Subscriptions in advance	(25,420)	-	-	-	(25,420)
Redemptions payable	(298,803)	-	-	-	(298,803)
Financial liabilities at fair value through profit or loss	(8,664,996)	(4,380,167)	(562,297)	(18,942,481)	(32,549,941)
Capital gains tax payable	-	-	(584,867)	-	(584,867)
Dividend payable	(16,610)	(40,842)	-	-	(57,452)
Incentive fees payable	-	-	(1,455,865)	-	(1,455,865)
Management fees payable	(403,132)	-	-	-	(403,132)
Services management fees payable	-	-	(30,907)	-	(30,907)
Introducing broker fees payable	-	-	(134,377)	-	(134,377)
Hong Kong representative fees payable	-	-	(20,000)	-	(20,000)
Accrued expenses and other liabilities	-	-	(143,501)	-	(143,501)
Total current liabilities	(16,767,202)	(4,421,009)	(2,931,814)	(18,991,677)	(43,111,702)

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

	2020 Fair Value US\$	2019 Fair Value US\$
Realised and unrealised loss on foreign currency		
Net realised loss on foreign currency	(262,100)	(287,756)
Change in net unrealised gain/(loss) on foreign currency	131,060	(7,148)
Net loss on foreign currency	(131,040)	(294,904)

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2020



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

	2020 Fair Value US\$	2019 Fair Value US\$
Net realised gain on investments	861,186	2,223,198
Net realised loss on equity swaps	(1,204,995)	(2,085,278)
Net realised (loss)/gain on forward commodity contracts	(167,948)	957,809
Net realised (loss)/gain on forward currency contracts	(3,997,937)	2,904,858
Net realised gain/(loss) on commodity futures	5,929,751	(693,959)
Net realised (loss)/gain on currency futures	(239,450)	484,511
Net realised gain on interest rate futures	3,054,164	31,611,950
Net realised loss on stock index futures	(2,192,245)	(5,902,301)
Net realised loss on credit default swaps	(1,634,380)	(2,162,171)
Net realised gain on interest rate swaps	2,996,639	6,857,276
Total net realised gain	3,404,785	34,195,893
Change in net unrealised loss on investments	(90,161)	(240,284)
Change in net unrealised gain/(loss) on equity swaps	478,693	(386,138)
Change in net unrealised gain/(loss) on forward commodity contracts	410,928	(200,767)
Change in net unrealised (loss)/gain on forward currency contracts	(4,154,074)	3,275,387
Change in net unrealised loss on commodity futures	(140,778)	(2,411,386)
Change in net unrealised (loss)/gain on currency futures	(292,475)	256,307
Change in net unrealised gain/(loss) on interest rate futures	844,878	(282,651)
Change in net unrealised gain/(loss) on stock index futures	140,189	(962,761)
Change in net unrealised gain on warrants	174	-
Change in net unrealised gain/(loss) on credit default swaps	61,253	(182,226)
Change in net unrealised (loss)/gain on interest rate swaps	(2,796,476)	3,760,235
Total net movement in unrealised (loss)/gain	(5,537,849)	2,625,716
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss	(2,133,064)	36,821,609

8. Fees and expenses

Management and incentive fees

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

Incentive fees are calculated and accrued daily at each valuation day and payable annually in arrears at the rate of 20% of any net appreciation (after deduction of the management fee but prior to deduction of the incentive fee) in the NAV per Redeemable Participating Share on the last valuation day in the relevant financial year of the Fund above any previous highest NAV per Redeemable Participating Share on any preceding dealing day on which an incentive fee had previously been paid, multiplied by the number of Redeemable Participating Shares outstanding on the valuation day in respect of which the incentive fee is calculated. There were no incentive fees borne by the Fund during the year ended 30 September 2020. During the year ended 30 September 2019, incentive fees payable amounted to 0.93% of the NAV.

Where an investor redeems Redeemable Participating Shares part way through a financial year, the incentive fee accrued in respect of those Redeemable Participating Shares is crystallised and paid at the end of the year.

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

Services management fees

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

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

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

8. Fees and expenses (continued)

Services management fees (continued)

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

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

Company secretary fees

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

Introducing broker fees

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

Transaction and brokerage costs

Transaction and brokerage costs consist entirely of institutional charges for the years ended 30 September 2020 and 30 September 2019 which cover exchange and other third party costs, that are payable to brokers.

Hong Kong representative fees

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

Custodian fees

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

Directors' fees

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

Other expenses

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

9. Related party transactions

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

AHL Partners LLP, Man Investments (Hong Kong) Limited and Man Investments AG are indirect wholly-owned subsidiaries of Man Group plc and therefore all subsidiaries of Man Group plc are related parties.

AHL Partners LLP is a related party and the Investment Manager and Introducing Broker of the Fund.

Man Investments (Hong Kong) Limited is a related party and the Hong Kong Representative of the Fund.

Man Investments AG is a related party and the Marketing Adviser and Services Manager of the Fund.

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

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

As at 30 September 2020 and 30 September 2019, none of the redeemable participating shares were owned by entities affiliated to Man Group plc.

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2020



9. Related party transactions (continued)

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

For the year ended 30 September 2020

Related party	Type of fee	Total fees US\$	Fees payable/(prepaid) at 30 September 2020 US\$
Conyers Dill & Pearman Limited	Legal fees*	69,685	-
Directors	Directors' fees**	12,034	(3,005)
AHL Partners LLP	Introducing broker fees	1,390,950	114,222
Man Investments AG	Management fees	4,172,850	342,666
Man Investments (Hong Kong) Limited	Hong Kong representative fees	5,014	5,014
Man Investments AG	Services management fees	319,918	26,271

For the year ended 30 September 2019

Related party	Type of fee	Total fees US\$	Fees payable/(prepaid) at 30 September 2019 US\$
Conyers Dill & Pearman Limited	Legal fees*	10,488	-
Directors	Directors' fees**	12,067	(3,039)
AHL Partners LLP	Introducing broker fees	1,544,360	134,377
Man Investments AG	Management fees	4,631,748	403,132
Man Investments AG	Incentive fees	1,455,865	1,455,865
Man Investments (Hong Kong) Limited	Hong Kong representative fees	5,028	20,000
Man Investments AG	Services management fees	355,101	30,907

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

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

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

10. Share capital

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

Management Shares of the Fund

The Management Shares are beneficially owned by Master Multi-Product Holdings Ltd, which is itself owned by Conyers Trust Company (Bermuda) Limited as trustee of the Master Multi-Product Purpose Trust, a special purpose trust formed under the laws of Bermuda pursuant to a deed of trust made by Conyers Trust Company (Bermuda) Limited (therein named Codan Trust Company Limited). As at 30 September 2020, these shares remained uncalled and no amounts were paid or payable to the Fund.

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

Redeemable Participating Shares of the Fund

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

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

10. Share capital (continued)

Redeemable Participating Shares of the Fund (continued)

Share transactions in Redeemable Participating Shares for the year ended 30 September 2020 and 30 September 2019 were as follows:

	2020	2019
Opening Redeemable Participating Shares	3,528,713	4,256,933
Issued Redeemable Participating Shares	143,350	140,764
Redeemed Redeemable Participating Shares	(736,989)	(868,984)
Closing Redeemable Participating Shares	2,935,074	3,528,713

Redemption fees

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

Tranche B

Redeemable Participating Shares redeemed on a dealing day before they have been in issue for:

2 years
4 years
6 year

Fee for early redemption:

4.0 % of redemption price per Redeemable Participating Share
2.5 % of redemption price per Redeemable Participating Share
1.0 % of redemption price per Redeemable Participating Share

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

Total redemption/winding up

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

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

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

Capital management

The Fund's objectives for managing capital are:

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

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

Man AHL Diversified Futures Ltd

Notes to the financial statements (continued)

For the year ended 30 September 2020



10. Share capital (continued)

Performance Table

	Total NAV	NAV per Redeemable Participating Share	Highest Redeemable Participating Share issue price during the year	Lowest Redeemable Participating Share issue price during the year
	US\$	US\$	US\$	US\$
2020	122,264,589	41.65	46.37	40.56
2019	156,021,275	44.21	47.20	34.72
2018	156,081,264	36.67	43.39	35.92
2017	190,901,456	37.02	40.37	35.65
2016	231,156,386	38.05	45.11	37.46
2015	294,877,951	42.54	45.33	36.89
2014	320,203,454	37.45	37.59	29.70
2013	459,002,971	30.07	37.72	30.07
2012	724,421,295	34.50	39.70	34.02
2011	1,060,996,444	38.72	40.81	37.05
2010	1,279,584,383	38.54	38.54	34.43

11. Reconciliation of valuation to net asset value

There is a difference between the NAV as per the financial statements and the NAV for subscription and redemption purposes (the "published NAV").

Management has determined that an uncertain tax exposure exists for the year ended 30 September 2020 in line with IFRIC Interpretation 23 as described in Note 2.

A reconciliation of the NAV as per the financial statements and the published NAV is as follows:

30 September 2020	US\$
Published net asset value with a net asset value per Redeemable Participating Share of US\$41.79	122,666,274
Capital gains tax payable	(401,685)
Net asset value per financial statements	122,264,589
Redeemable Participating Shares	2,935,074
Net asset value per Redeemable Participating Share per financial statements	41.65

12. Contingent liabilities and commitments

There were no contingent liabilities or commitments other than those already disclosed in these financial statements as at 30 September 2020 (2019: None).

13. Soft commission arrangements

There were no soft commission arrangements in place during the year (2019: None).

14. Subsequent events

The Directors and the Investment Manager acknowledge the on-going outbreak of COVID-19 which has been causing economic disruption in most countries since the first quarter of 2020 and its potentially adverse economic impact on the issuers of the instruments in which the Fund invests. This is an additional risk factor which could impact the operations and valuation of the Fund's assets after the year end.

The Investment Manager is actively monitoring developments closely. Given the nature of the outbreak and the on-going developments, there is a high degree of uncertainty and it is not possible at this time to predict the extent and nature of the overall future impact on the Fund.

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

Independent Auditors' Report

The Board of Directors
Man AHL Diversified Futures Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Man AHL Diversified Futures Ltd (the “Fund”) which comprise the statement of financial position as at 30 September 2020, and the statement of changes in equity, statement of comprehensive income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 30 September 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 independent of the Fund in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Other information consists of the Report of the Custodian. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, the relevant disclosure provisions of the Memorandum of Association of the Fund and the relevant disclosure requirements set out in Appendix E to the Hong Kong Code on Unit Trusts and Mutual Funds of the Securities and Futures Commission of Hong Kong (the “Code”), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Fund’s financial reporting process.

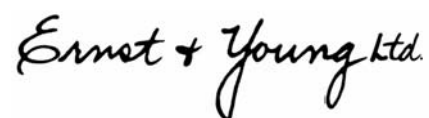
Auditors’ Responsibilities for the Audit of the Financial Statements

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 auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



11 December 2020