

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO WHAT ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, ATTORNEY, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER. IF YOU HAVE SOLD OR TRANSFERRED ALL YOUR SHARES IN MAN AHL DIVERSIFIED FUTURES LTD (THE 'COMPANY'), PLEASE FORWARD THIS DOCUMENT TO THE PURCHASER OR TRANSFEREE, OR TO THE STOCKBROKER, BANK MANAGER OR OTHER AGENT THROUGH WHOM THE SALE OR TRANSFER WAS EFFECTED.

THE BOARD OF DIRECTORS OF THE COMPANY ACCEPTS RESPONSIBILITY FOR THE ACCURACY OF THE CONTENTS OF THIS LETTER.

MAN AHL DIVERSIFIED FUTURES LTD

(incorporated in Bermuda with limited liability)

DIRECTORS:

Mr. Michael Collins
Ms. Dawn Griffiths
Mr. David Smith

REGISTERED OFFICE:

5 Reid Street
Hamilton HM 11
Bermuda

30 May 2018

Dear Sir/Madam

Man AHL Diversified Futures Ltd (the "**Company**")

The Company's board of directors (the 'Directors') is notifying you of the below changes and updates relating to the Company. The terms defined in the Prospectus of the Company shall have the same meaning when used in this letter.

1. Introduction of new expenses

The Proposed Change

With effect from 1 July 2018, new fees and expenses will be imposed to the Company in respect of transactional, risk, market, consumer and industry data and information and other alternative data (e.g. news and quotation equipment and services (including fees due to data and software providers, exchanges and other third party data and information vendors and other non-traditional data and information sources)) and all fees for academic research data and trade-related services (e.g., transaction costs, trade ideas and/or alpha capture) (the "Proposed Change").

The Proposed Change covers the cost of data consumed by the trading strategies to which the Company allocates ("Data"), which is currently borne by the Investment Manager.

Reasons and rationale of the Proposed Change

The Investment Manager started the review of Data consumption and costs of funds under its management in 2016 due to the increase use of Data by some of the funds. At that time, the Investment Manager bore the costs of the Data consumed by the funds.

The Investment Manager has reviewed the fee structure of the Company and other funds under its management. Data consumed by the funds can be of a bespoke nature and is seen to contribute towards generation of returns for the funds. Taking also into account that it is common for systematic quantitative investment managers, such as the Investment Manager, to charge Data to funds, the Investment Manager considered that it is appropriate to charge such cost of Data back to the Company and other funds under its management.

The basis of the recharge to effect the Proposed Change

The Company and other funds under the management of the Investment Manager will consume Data. The Data will be sorted by trading instruments and strategies actually traded and adopted by these funds respectively and then recharged to the relevant fund (including the Company) based on a weighted average asset under management of that particular fund (the "Basis").

All Data providers have a contractual arrangement with either the Investment Manager or its affiliated company. The Data cost is then allocated to the Company as per the Basis and recharged on an aggregated basis by the relevant Man Group entity to the Company.

All the costs and expenses associated with the Proposed Change will be borne by the Investment Manager.

Impact to the Company / investors

The impact on the ongoing charges figure over a year of the Company is expected to be in the region of 4 basis points per annum, calculated as described by the allocation methodology pursuant to the Basis. The estimated ongoing charges figure as a result of the Proposed Change is 4.51% over a year. This estimate is based on the expenses of the Company for the period from 1 October 2016 to 30 September 2017, adjusted with the estimate of the new data-related fees and expenses.

The Proposed change will not result in (i) any material change in the fee level or cost in managing the Company; (ii) any change in the features / risk profile of the Company; and (iii) any change in the operation and/or manner in which the Company is being managed. The Proposed Change will not materially prejudice the rights or interests of the Shareholders.

You do not need to take any action. However, if you do not agree with the Proposed Change, you may fully redeem your investment from the Company free of charge, except for Shareholders holding certain Tranche B Shares which are subject to redemption fees and there are no free alternatives available to these Tranche B Shareholders.

2. Prospectus and Product Key Facts Statement updates

The Prospectus will be updated to reflect the Proposed Change by way of an addendum, together with enhanced disclosures relating to other operating fees and expenses. The Product Key Facts Statement will also be updated in respect of the ongoing charges figure.

Once the Proposed Change is effective, the updated Hong Kong offering documents (including the Prospectus, addendum and Product Key Facts Statement of the Company) will be made available on the Hong Kong website of www.man.com (please note that this website has not been reviewed by the SFC) and the Hong Kong Representative of the Company.

If you have any questions concerning the changes herein, please contact the Hong Kong Representative, Man Investments (Hong Kong) Limited at Unit 2206-2207, 22/F, Man Yee Building, No. 68 Des Voeux Road Central, Hong Kong (telephone +852 2230 7231).

Yours faithfully



Dawn Griffiths
Director

The Board of Directors