

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

5 September 2016

Dear Sir/Madam

The Company's board of directors (the 'Directors') is notifying you of certain changes to the Company. The Prospectus of the Company has been amended accordingly. The terms defined in the Prospectus shall have the same meaning when used in this letter.

The followings are the key changes which will take immediate effect, unless otherwise indicated.

1. Updates on bye-laws

Further to the Company's notice dated 12 May 2016 seeking shareholders' approval on the proposed amendments to the bye-laws, we are writing to confirm that a resolution of the shareholders in respect of the proposed amendments have been obtained at the adjourned special general meeting on 18 July 2016. The revised bye-laws became effective on 18 July 2016.

2. Elaboration of investment policy relating to financial derivative instruments ('FDIs')

To achieve its investment objective, apart from the primary investment in futures and options, the Company intends to invest extensively in other FDIs. Forward contracts and credit default swaps has been included as additional examples of the other FDIs that the Company may invest in.

3. Investment restrictions in relation to government and public sectors

The investment restrictions of the Company as described under the section 'Investment and borrowing restrictions' have been revised in respect of government and public securities as follows :

Existing restriction	Revised restriction
<p>2. No more than 5% of the Company's Net Asset Value will be invested in short-term securities issued by the same body. This limit may be increased to 30% for securities issued by or funds maintained with or guaranteed by:</p> <p>(a) a European Union ('EU') credit institution;</p> <p>(b) a bank authorised in a member state of the European Free Trade Association ('EFTA'); or</p> <p>(c) a bank authorised by a signatory state, other than an EU member state, or a member state of EFTA, to the Basle Capital Convergence Agreement of July 1988. However, the Company may invest up to 100% of its assets in different transferable securities issued or guaranteed by</p>	<p>2. No more than 5% of the Company's Net Asset Value will be invested in securities issued by the same body. Notwithstanding the foregoing, up to 30% of the Company's total Net Asset Value may be invested in government and other public securities of the same issue. The Company may invest all of its assets in government and public securities in at least six different issues.</p> <p>(for purposes of restriction (2) above, "government and other public securities" means any investment issued by, or the payment of principal and interest on, which is guaranteed by the government of any member state of the Organization for Economic Co-operation and Development (OECD) or any fixed interest investment issued in any</p>

any member state of the EU, the United States, Canada, Australia, Japan, New Zealand and Switzerland, provided that the Company invests in at least six different issues and not more than 30% is invested in the same issue.

OECD country by a public or local authority or nationalized industry of any OECD country or anywhere in the world by any other body which is, in the opinion of the Custodian, of similar standing. Government and other public securities will be regarded as being of a different issue if, even though they are issued by the same person, they are issued on different terms whether as to repayment dates, interest rates, the identity of the guarantor, or otherwise).

4. Update on the leverage level of AHL Diversified Programme

The leverage level of the AHL Diversified Programme has been updated and it is typically around 600% to 1000% of the Company's Net Asset Value ('NAV'). This is calculated by summing the absolute values of all FDIs contracts' notional exposures in USD and dividing by the Company's NAV expressed in percentage terms.

There is no change to the investment objective of the Company.

5. Publication of NAV

The NAV of the Company will no longer be published in newspaper. The daily NAV will be published on Man's Hong Kong country website of www.man.com (please note that this website has not been reviewed by the SFC). In addition, it will be available from the Registrar and the Hong Kong Representative.

6. Updates on Foreign Account Tax Compliance Act

The United States of America (U.S.) Foreign Account Tax Compliance Act ("FATCA") provisions enacted under the Hiring Incentives to Restore Employment Act, 2010, and regulations issued thereunder require foreign financial institutions ("FFIs") to agree inter alia (i) to report to the Inland Revenue Service of the U.S. ("IRS") certain taxpayer information (including name, address and taxpayer identification number and account details) regarding U.S. account holders (or in the case of account holders that are non-U.S. entities owned by U.S. owners, regarding those U.S. owners) and (ii) to impose U.S. withholding tax of 30 per cent (the "Withholding Tax") on certain payments made to a recalcitrant account holder or a non-participating FFI.

As part of the process of implementing FATCA, the U.S. government has negotiated intergovernmental agreements ("IGAs") with many foreign jurisdictions to make it easier for FFIs in those partner jurisdictions to comply with the provisions of FATCA. Bermuda has signed a Model 2B (non-reciprocal) inter-governmental agreement with the U.S. (the "U.S. IGA") to give effect to the reporting rules. Under the U.S. IGA, FFIs will be required to enter into a foreign financial institution agreement ("FFI Agreement") with the IRS to obtain the status as a participating FFI and will be required to report information on U.S. account holders to the IRS.

As a Bermuda Reporting Financial Institution ("Bermuda FI"), the Company has registered with the IRS as a Reporting Model 2 FFI and agreed to identify relevant "Specified U.S. Persons" (being any U.S. investor and any non U.S. investor with U.S. owners). Provided that the Company complies with the U.S. IGA and the FFI Agreement, it will not be subject to the related Withholding Tax. Investors will generally be required to provide to the Company information that identifies their direct or indirect U.S. ownership. Any such information provided to the Company will be disclosed to the IRS annually on an automatic basis unless it is otherwise exempt from the reporting and withholding rules.

By investing (or continuing to invest) in the Company, investors shall be deemed to acknowledge and agree, and have given their consent to, the following:

- (i) the Company (or its agent) may be required to disclose to the IRS and other relevant foreign fiscal authorities certain confidential information in relation to the investor or its direct or indirect shareholders;
- (ii) the Company (or its agent) may be required to disclose to the IRS and other relevant foreign fiscal authorities certain confidential information when registering with such authorities and if such authorities contact the Company (or its agent directly) with further enquiries;
- (iii) the Company will require the investor to provide additional information and documentation which the Company is required to disclose to the IRS or other relevant foreign fiscal authorities;
- (iv) in the event that an investor's failure to comply with any FATCA related reporting requirements results in Withholding Tax, the Company reserves the right to ensure that any such Withholding Tax and any other withholdings or related costs, expenses, fines, interest, penalties, debts, losses or liabilities incurred by the Company, the Investment Manager or any other agent, delegate, employee, director, officer or affiliate of any of the foregoing persons, arising from such investor's failure to comply is economically borne by such investor (including, without limitation, by deducting such amounts from redemption proceeds or from any amount paid to that investor in respect of any dividend or other distribution declared and paid or to be paid by the Company);
- (v) in the event an investor does not provide the requested information or documentation and has not itself complied with the applicable requirements, whether or not that actually leads to compliance failures by the Company, or a risk of the Company or its investors being subject to Withholding Taxes as a result of FATCA, or otherwise results in withholding tax being imposed or any related costs, expenses, fines, interest, penalties, debts, losses or liabilities being incurred, the Company reserves the right to take any action and/or pursue all remedies at its disposal, including, without limitation, the immediate compulsory

redemption or withdrawal of the investor concerned. Such withholding and redemption will be carried out as permitted by applicable laws and regulations and the Investment Manager will act in good faith and on reasonable grounds;

- (vi) no investor (to include a person who has ceased to be an investor) affected by any such action or remedy pursued by or on behalf of the Company in order to comply with FATCA, or mandatory tax information reporting requirements to which the Company is subject (or any relevant legislation, regulations or official guidance published in connection therewith) (together, the "Reporting Requirements") shall have any claim against the Company, the Investment Manager or any other agent, delegate, employee, director, officer or affiliate of any of the foregoing person for any form of damages or liability as a result of such action or remedy and the investor shall be deemed to have consented to the taking of such action or the exercise of such remedy and to have waived any and all rights or claims in respect thereof, to the fullest extent permitted by applicable law.

Shareholders should consult their own tax advisors regarding FATCA and any equivalent or similar regime and the possible implications of such rules for their investments in the Company.

7. Change of Introducing Broker

With effect from 5 September 2016, the Introducing Broker of the Company will be changed from Man Investments AG to AHL Partners LLP which is also the Investment Manager of the Company. There is no change in the introducing broker fee of the Company (which will remain as 1% p.a. of the NAV).

8. Administrative updates

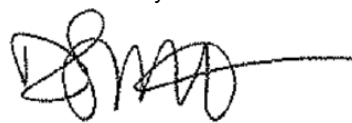
- a. The frequency of payment in respect of the Company Secretary fees by the Company has been changed from annually to quarterly. There is no change in the level of Company Secretary fees charged to the Company.
- b. The disclosures in the Prospectus relating to the risk factors applicable to the Company have been updated and enhanced to align with AHL's risk disclosure practices in light of prevailing market conditions. Amendments have been made to the Prospectus including updates to the sections headed "General Risks", "Risks relating to investments" and "Legal, regulatory and taxation risks". The Product Key Facts Statements have also been revised accordingly in respect of the key risks including "Model and data risk", "Risk of limited diversification", "Counterparty risk", "Incentive fee" and "Emerging market risk".
- c. Disclosure in the Prospectus regarding expenses which may be charged to the Company has also been enhanced. There is no change to the fee structure of the Company.
- d. The Prospectus has been updated to reflect the relevant amendments made to the bye-laws of the Company as approved by the shareholders.
- e. The disclosures in the Prospectus relating to compliance with regulations aimed at the prevention of money laundering and terrorist financing have been updated and enhanced. More information has been provided to investors on the Company's policies including the right to refuse to make redemption payments if such act might result in a breach of applicable anti-money laundering or other laws or regulations.
- f. The disclosures in the Prospectus relating to personal data requirements have been updated and enhanced. More information has been provided to investors on the Company's policy relating to personal data, including the use of personal data for direct marketing.
- g. The Prospectus has incorporated all the changes contained in the First Addendum dated 7 November 2013, the Second Addendum dated 22 July 2014, the Third Addendum dated 9 October 2015, the Fourth Addendum dated 5 April 2016 and the notice dated 15 June 2016 in relation to the relocation of the Transfer Agency respectively. The Prospectus has also incorporated other miscellaneous administrative updates.

The Company has amended the Product Key Facts Statements to reflect the relevant changes.

The revised Prospectus, Product Key Facts Statement and bye-laws of the Company are 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 at Man Investments (Hong Kong) Limited, Suite 1301, Chater House, 8 Connaught Road Central, Hong Kong (telephone +852 2521 2933).

Yours faithfully



Dawn Griffiths
Director

The Board of Directors