

Press Release



11 April 2019

TRADING STATEMENT for the quarter ended 31 March 2019

Key points

- Funds under management (FUM) of \$112.3 billion at 31 March 2019 (31 December 2018: \$108.5 billion)
 - Positive investment movement of \$4.5 billion in the quarter
 - Net outflows of \$0.7 billion in the quarter
- Completed around \$65 million of the \$100 million share repurchase programme announced in October 2018 equating to around 36 million shares at an average price of 140 pence per share
- Proposed change to corporate structure remains on track with necessary approvals now received from regulators and approvals from shareholders to be sought in May 2019

Luke Ellis, Chief Executive Officer of Man Group, said:

“We are pleased to report a \$3.8 billion increase in our funds under management in the first quarter to \$112.3 billion, driven by strong investment performance from our quant alternative strategies and positive market movements. The investment performance more than offset the previously indicated outflows in the quarter, which were concentrated in discretionary long only, including European retail investors reducing exposure to Japan and institutional clients reducing exposure to global equities. While we expect clients to continue adjusting their portfolio allocations during the second quarter, we see ongoing engagement with clients on new mandates and, in particular, continuing strong demand for our total return strategies.”

FIRST QUARTER FUM COMMENTARY

In the three months to 31 March 2019, FUM increased 4% to \$112.3 billion driven by positive investment movement of \$4.5 billion partially offset by net outflows of \$0.7 billion comprising sales of \$7.9 billion and redemptions of \$8.6 billion.

FUM movements for the three months to 31 March 2019

\$bn	FUM at 31 December 2018	Net inflows/ (outflows)	Investment movement	FX & other	FUM at 31 March 2019
Alternative	64.9	1.4	0.9	(0.1)	67.1
Absolute return	28.9	(0.7)	0.5	-	28.7
Total return	22.5	2.2	0.2	0.1	25.0
Multi-manager solutions	13.5	(0.1)	0.2	(0.2)	13.4
Long only	43.5	(2.1)	3.6	0.1	45.1
Systematic	24.7	(0.3)	2.4	-	26.8
Discretionary	18.8	(1.8)	1.2	0.1	18.3
Guaranteed	0.1	-	-	-	0.1
Total	108.5	(0.7)	4.5	-	112.3

ALTERNATIVE

Absolute return

Absolute return FUM decreased by \$0.2 billion in the quarter. There were net outflows of \$0.7 billion, driven by redemptions from Man GLG's long short strategies. This was partially offset by net inflows into AHL Institutional Solutions. Positive investment movement of \$0.5 billion was primarily driven from positive performance at Man AHL (Evolution +5.9%, Dimension +2.2%, Alpha +1.2% and Diversified +1.1%). As we have previously indicated the management fee margin in this category continues to decline due to the ongoing mix shift towards institutional assets which are at a lower margin. As at 31 March 2019, 68% of Man AHL performance fee eligible FUM was at high watermark and 11% was within 5% of high watermark. As at 31 March 2019, 28% of Man GLG performance fee eligible FUM was at high watermark and 37% was within 5% of high watermark.

Total return

Total return FUM increased by 11% during the quarter. Net inflows of \$2.2 billion were seen across strategies, with diversified risk premia being the largest contributor. The investment movement of \$0.2 billion was driven by positive performance in the diversified risk premia strategy.

Multi-manager solutions

Multi-manager solutions FUM decreased to \$13.4 billion during the quarter. Net outflows of \$0.1 billion comprised redemptions from segregated portfolios, which were broadly offset by subscriptions into infrastructure mandates. Investment performance contributed positive \$0.2 billion and other movements of negative \$0.2 billion were driven by leverage changes. The management fee margin in this category continues to decline due to the continued mix shift towards managed account mandates and the decline in legacy fund of fund assets.

LONG ONLY

Systematic

Systematic long only FUM increased by 9% in the quarter. Net outflows of \$0.3 billion were primarily driven by redemptions from global core and european core strategies. This was partially offset by subscriptions into Man Numeric's global low volatility strategy. There was positive investment performance across all of Man Numeric's long only strategies, which added \$2.4 billion to FUM.

Discretionary

Discretionary long only FUM decreased by \$0.5 billion in the quarter. The net outflows of \$1.8 billion were from Global, Japanese and US equity strategies. The positive investment movement of \$1.2 billion was driven by Man GLG's equity strategies, particularly Japanese and European strategies. FX gains of \$0.1 billion were due to the dollar weakening against Sterling.

FUM by product category

\$bn	31-Mar-18	30-Jun-18	30-Sep-18	31-Dec-18	31-Mar-19
Absolute return	29.3	29.7	29.9	28.9	28.7
AHL Dimension	5.3	5.3	5.5	5.7	5.9
GLG Equity absolute return	5.5	6.2	6.3	5.9	5.4
AHL Alpha	5.0	4.9	4.8	4.9	5.0
AHL Evolution	3.4	3.4	3.5	3.4	3.6
Man Institutional Solutions ¹	3.3	3.1	3.4	3.4	3.5
AHL other	1.6	1.8	1.8	1.8	1.8
AHL Diversified	2.0	1.8	1.7	1.7	1.6
Numeric absolute return	1.9	1.9	1.8	1.3	1.2
GLG Credit absolute return	1.3	1.3	1.1	0.8	0.7
Total return	18.5	20.1	20.7	22.5	25.0
Diversified risk premia	7.5	9.0	9.7	11.7	13.6
EM total return	4.5	4.4	4.6	4.4	4.6
CLOs and other GLG total return	4.4	4.4	4.1	3.9	4.4
GPM	2.1	2.3	2.3	2.5	2.4
Multi-manager solutions	16.2	15.9	14.0	13.5	13.4
Segregated	6.3	6.6	7.3	6.6	6.2
Infrastructure & direct access	7.7	7.2	4.8	5.2	5.8
Diversified and thematic FoHF	2.2	2.1	1.9	1.7	1.4
Systematic long only	26.9	26.3	27.9	24.7	26.8
Global	8.7	8.4	9.0	7.7	8.5
International	6.7	6.9	7.6	6.8	7.7
Emerging markets	7.6	7.0	7.0	6.7	7.1
US	3.9	4.0	4.3	3.5	3.5
Discretionary long only	21.6	21.6	21.5	18.8	18.3
Japan equity	9.5	9.0	9.1	7.6	7.5
Europe equity	4.2	4.8	4.9	4.3	5.0
Credit & convertibles	2.7	2.3	2.1	2.2	2.2
EM Fixed income	1.9	1.8	1.9	1.9	2.1
Multi Asset	1.1	1.1	0.9	0.8	0.8
Other equity	2.2	2.6	2.6	2.0	0.7
Guaranteed	0.2	0.1	0.1	0.1	0.1
Total	112.7	113.7	114.1	108.5	112.3

¹ Man Institutional Solutions includes AHL Institutional Solutions and Multi-strategy. AHL Institutional Solutions invests into a range of AHL strategies including AHL Dimension, AHL Alpha and AHL Evolution

FUM by investment engine

\$bn	31-Mar-18	30-Jun-18	30-Sep-18	31-Dec-18	31-Mar-19
Man AHL	23.8	24.5	25.1	26.2	28.0
Diversified risk premia	3.6	4.6	4.7	5.6	6.8
Dimension	5.3	5.3	5.5	5.7	5.9
Alpha	5.0	4.9	4.8	4.9	5.0
Evolution	3.4	3.4	3.5	3.4	3.6
AHL Institutional Solutions ¹	2.7	2.6	3.0	3.0	3.2
Other	1.6	1.8	1.8	1.8	1.8
Diversified (inc. Guaranteed)	2.2	1.9	1.8	1.8	1.7
Man Numeric	32.7	32.6	34.7	32.1	34.8
Alternatives	5.8	6.3	6.8	7.4	8.0
Diversified risk premia	3.9	4.4	5.0	6.1	6.8
Numeric absolute return	1.9	1.9	1.8	1.3	1.2
Long only	26.9	26.3	27.9	24.7	26.8
Global	8.7	8.4	9.0	7.7	8.5
International	6.7	6.9	7.6	6.8	7.7
Emerging markets	7.6	7.0	7.0	6.7	7.1
US	3.9	4.0	4.3	3.5	3.5
Man GLG	37.9	38.4	38.0	34.2	33.7
Alternatives	16.3	16.8	16.5	15.4	15.4
Equity absolute return ²	5.9	6.5	6.6	6.2	5.7
EM total return	4.5	4.4	4.6	4.4	4.6
CLOs and other GLG total return	4.4	4.4	4.1	3.9	4.4
Credit absolute return ²	1.5	1.5	1.2	0.9	0.7
Long only	21.6	21.6	21.5	18.8	18.3
Japan equity	9.5	9.0	9.1	7.6	7.5
Europe equity	4.2	4.8	4.9	4.3	5.0
Credit & convertibles	2.7	2.3	2.1	2.2	2.2
EM Fixed income	1.9	1.8	1.9	1.9	2.1
Multi Asset	1.1	1.1	0.9	0.8	0.8
Other equity	2.2	2.6	2.6	2.0	0.7
Man FRM	16.2	15.9	14.0	13.5	13.4
Segregated	6.3	6.6	7.3	6.6	6.2
Infrastructure & direct access	7.7	7.2	4.8	5.2	5.8
Diversified and thematic FoHF	2.2	2.1	1.9	1.7	1.4
Man GPM	2.1	2.3	2.3	2.5	2.4
Total	112.7	113.7	114.1	108.5	112.3

1 AHL Institutional Solutions invests into a range of Man AHL strategies including Dimension, AHL Alpha and AHL Evolution

2 GLG Equity absolute return and GLG Credit absolute return include allocations from Multi-strategy included in Man Institutional Solutions in the FUM by product category table

Investment Performance

		Total Return (net of fees)		Annualised Return (net of fees)		
		3 months to 31 March 2019	12 months to 31 March 2019	3 years to 31 March 2019	5 years to 31 March 2019	Since inception to 31 March 2019
Absolute return						
AHL Dimension	1	2.2%	9.8%	1.1%	5.9%	5.2%
AHL Alpha	2	1.2%	5.0%	0.0%	5.6%	10.8%
AHL Evolution	3	5.9%	8.9%	6.7%	9.8%	13.3%
AHL Diversified	4	1.1%	3.7%	-3.5%	4.7%	10.9%
Man Numeric Market Neutral Alternative	5	-1.8%	-11.6%	-3.5%	-1.2%	2.9%
GLG European Long Short	6	-1.7%*	-9.8%*	0.1%*	0.1%*	6.7%*
Man GLG Global Credit Multi Strategy	7	1.7%*	1.5%*	11.3%*	3.9%*	12.2%*
Total return						
Man Alternative Risk Premia SP	8	1.9%	-1.8%	3.7%	n/a	5.0%
Man GLG Global EM Debt Total Return	9	-1.7%	0.3%	n/a	n/a	2.4%
Multi-manager solutions						
FRM Diversified II	10	1.6%	-2.2%	1.2%	0.7%	3.9%
Indices						
HFRX Global Hedge Fund Index	11	2.6%	-3.3%	1.9%	-0.3%	
HFRI Fund of Funds Conservative Index	11	3.9%	2.5%	3.7%	2.2%	
Barclay BTOP 50 Index	12	1.6%	-0.5%	-3.5%	0.7%	
HFRI Equity Hedge (Total) Index	11	7.9%	-0.1%	6.8%	3.6%	
HFRX EH: Equity Market Neutral Index	11	-0.6%	-4.4%	-1.5%	-0.1%	
Systematic long only						
Numeric Global Core	13	10.3%	-4.0%	9.1%	6.6%	9.9%
<i>Relative Return</i>		-2.2%	-8.0%	-1.6%	-0.2%	1.2%
Numeric Europe Core (EUR)	14	13.1%	1.8%	8.8%	7.2%	8.9%
<i>Relative Return</i>		0.2%	-3.7%	1.7%	2.0%	2.7%
Numeric Emerging Markets Core	15	7.6%	-14.3%	12.9%	6.2%	5.3%
<i>Relative Return</i>		-2.3%	-6.9%	2.2%	2.5%	2.1%
Discretionary long only						
Man GLG Japan Core Alpha Equity	16	5.9%	-5.5%	9.1%	7.0%	3.7%
<i>Relative Return</i>		-1.8%	-0.5%	1.0%	-1.0%	2.2%
Man GLG Continental European Growth	17	10.3%	-3.1%	10.1%	13.1%	9.0%
<i>Relative Return</i>		2.3%	-5.6%	-0.9%	6.0%	3.6%
Man GLG Undervalued Assets	18	11.1%	2.4%	12.2%	8.0%	9.3%
<i>Relative Return</i>		1.7%	-3.9%	2.7%	1.9%	3.5%

*Estimated

Investment performance (Cont'd)

1. Represented by AHL Strategies PCC Limited: Class B AHL Dimension USD Shares from 3 July 2006 to 31 May 2014, and by AHL Dimension (Cayman) Ltd - F USD Shares Class from 1 June 2014 until 28 February 2015 when AHL Dimension (Cayman) Ltd - A USD Shares Class is used. Representative fees of 1.5% Management Fee and 20% Performance Fee have been applied.
2. Represented by AHL Alpha plc from 17 October 1995 to 30 September 2012, and by AHL Strategies PCC Limited: Class Y AHL Alpha USD Shares from 1 October 2012 to 30 September 2013. The representative product was changed at the end of September 2012 due to the provisioning of fund liquidation costs in October 2012 for AHL Alpha plc, which resulted in tracking error compared with other Alpha Programme funds. Both funds are valued weekly; however, for comparative purposes, statistics have been calculated using the best quality price that is available at each calendar month end, using estimates where a final price is unavailable. Where a price, either estimate or final is unavailable on a calendar month end, the price on the closest date prior to the calendar month end has been used. Both of the track records have been adjusted to reflect the fee structure of AHL Alpha (Cayman) Limited - USD Shares. From 30 September 2013, the actual performance of AHL Alpha (Cayman) Limited - USD Shares is displayed.
3. Represented by AHL Evolution Limited adjusted for the fee structure (2% p.a. management fee and 20% performance fee) from September 2005 to 31 October 2006; and by AHL Strategies PCC: Class G AHL Evolution USD from 1 November 2006 to 30 November 2011; and by the performance track record of AHL Investment Strategies SPC: Class E AHL Evolution USD Notes from 1 December 2011 to 30 November 2012. From 1 December 2012, the track record of AHL (Cayman) SPC: Class A1 Evolution USD Shares has been shown. All returns shown are net of fees.
4. Represented by Man AHL Diversified plc from 26 March 1996 to 29 October 2012, and by Man AHL Diversified (Guernsey) USD Shares – Class A from 30 October 2012 to date. The representative product was changed at the end of October 2012 due to legal and/or regulatory restrictions on Man AHL Diversified plc preventing the product from accessing the Programme's revised target allocations. Both funds are valued weekly; however, for comparative purposes, statistics have been calculated using the best quality price that is available at each calendar month end, using estimates where a final price is unavailable. Where a price, either estimate or final is unavailable on a calendar month end, the price on the closest date prior to the calendar month end has been used.
5. Represented by Man Numeric Market Neutral Alternative Class IN USD.
6. Represented by GLG European Long Short Fund - Class D Restricted – EUR until 29 June 2007. From 1 July 2007 to 31 July 2018 the performance of GLG European Long Short Fund - Class D Unrestricted is displayed. After this date, the performance of Class GLG European Long Short Fund - Class I Unrestricted is displayed
7. Represented by GLG Market Neutral Fund - Class Z Restricted – USD until 31 August 2007. From the 1 September 2007 Man GLG Global Credit Multi Strategy CL IL XX USD unrestricted.
8. Represented by Man Alternative Risk Premia SP - Class A USD
9. Represented by Man GLG Global Emerging Markets Debt Total Return Class I USD.
10. Represented by FRM Diversified II Fund SPC - Class A USD ('the fund') until April 2018 then Class A JPY hedged to USD there after. However, prior to Jan 2004, FRM has created the FRM Diversified II pro forma using the following methodology: i) for the period Jan 1998 to Dec 2003, by using the returns of Absolute Alpha Fund PCC Limited – Diversified Series Share Cell ('AA Diversified - USD') adjusted for fees and/or currency, where applicable. For the period Jan 2004 to Feb 2004, the returns of the fund's master portfolio have been used, adjusted for fees and/or currency, where applicable. Post Feb 2004, the fund's actual performance has been used, which may differ from the calculated performance of the track record. There have been occasions where the 12-months' performance to date of FRM Diversified II has differed materially from that of AA Diversified. Strategy and holdings data relates to the composition of the master portfolio.
11. HFR1 and HFRX index performance over the past 4 months is subject to change.
12. The historic Barclay BTOP 50 Index data is subject to change
13. Performance relative to the MSCI World. This reference index is intended to best represent the strategy's universe. Investors may choose to compare returns for their accounts to different reference indices, resulting in differences in relative return information. Comparison to an index is for informational purposes only, as the holdings of an account managed by Numeric will differ from the securities which comprise the index and may have greater volatility than the holdings of an index.
14. Performance relative to the MSCI Europe (EUR). This reference index is intended to best represent the strategy's universe. Investors may choose to compare returns for their accounts to different reference indices, resulting in differences in relative return information. Comparison to an index is for informational purposes only, as the holdings of an account managed by Numeric will differ from the securities which comprise the index and may have greater volatility than the holdings of an index.
15. Performance relative to MSCI Emerging Markets. This reference index is intended to best represent the strategy's universe. Investors may choose to compare returns for their accounts to different reference indices, resulting in differences in relative return information. Comparison to an index is for informational purposes only, as the holdings of an account managed by Numeric will differ from the securities which comprise the index and may have greater volatility than the holdings of an index.
16. Represented by Man GLG Japan CoreAlpha Fund - Class C converted to JPY until 28 January 2010. From 1 February 2010 Man GLG Japan CoreAlpha Equity Fund - Class I JPY is displayed. Relative return shown vs TOPIX (JPY, GDTR)
17. Represented by Man GLG Continental European Growth Fund Class C Accumulation Shares. Relative return shown vs FTSE World Europe Ex UK (GBP, GDTR)
18. Represented by Man GLG Undervalued Assets Fund - C Accumulation Shares. Relative return shown vs FTSE All Share (GBP, NDTR)

Past or projected performance is no indication of future results. Financial indices are used for illustrative purposes only and are provided for the purpose of making a comparison to general market data as a point of reference and should not be construed as a true comparison to the strategy.

The information herein is being provided solely in connection with this press release and is not intended to be, nor should it be construed or used as, investment, tax or legal advice, any recommendation or opinion regarding the appropriateness or suitability of any investment or strategy, or an offer to sell, or a solicitation of an offer to buy, an interest in any security, including an interest in any fund or pool described herein.

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About Man Group

Man Group is a global active investment management firm, which runs \$112.3 billion* of client capital in liquid and private markets, managed by investment specialists based around the world. Headquartered in London, the firm has 15 international offices and operates across 25 jurisdictions. Our business has five specialist investment engines, which represent the range of our capabilities: Man AHL, Man Numeric, Man GLG, Man FRM and Man GPM.

These engines house numerous investment teams, working collaboratively within the framework of Man Group, with a high degree of investment autonomy. Each team benefits from the strength and resources of the firm's single operating platform, enabling their primary focus to be seeking to generate alpha for clients. The teams invest across a diverse range of strategies and asset classes with highly specialised approaches, with long only and alternative strategies run on a discretionary and quantitative basis in single and multi-manager formats. Our clients are at the heart of everything we do and we engage in close dialogue with our investors as strategic partners, to understand their particular needs and constraints. Man Group's investment teams are empowered and supported by our institutional infrastructure and technology, which aims to facilitate the most efficient exposure to markets and effective collaboration across the organisation.

Through the Man Charitable Trust, Man Group is committed to promoting literacy and numeracy on a global scale, and to supporting charitable causes more broadly.

Man Group plc is listed on the London Stock Exchange under the ticker EMG.LN and is a constituent of the FTSE 250 Index. Further information can be found at www.man.com.

**As at 31 March 2019. All investment management and advisory services are offered through the investment "engines" of Man AHL, Man Numeric, Man GLG, Man FRM and Man Global Private Markets (GPM).*

Forward looking statements and other important information

This document contains forward-looking statements with respect to the financial condition, results and business of Man Group plc. By their nature, forward-looking statements involve risk and uncertainty and there may be subsequent variations to estimates. Man Group plc's actual future results may differ materially from the results expressed or implied in these forward-looking statements.

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