

Press Release



17 April 2020

RESILIENT IN UNPRECEDENTED CIRCUMSTANCES

TRADING STATEMENT FOR THE QUARTER ENDED 31 MARCH 2020

Key points

- Funds under management of \$104.2 billion at 31 March 2020 (31 December 2019: \$117.7 billion)
 - Negative investment movement of \$10.7 billion as COVID-19 impacted global markets
 - Net inflows of \$0.5 billion
 - Negative FX and other movements of \$3.3 billion
- Asset weighted outperformance versus peers¹ across our strategies of +2.5%
- Robust and highly liquid balance sheet
- The 2019 final dividend and current share repurchase programme proceeding as planned

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

“The health and wellbeing of our colleagues and the performance of our clients’ assets are our foremost priorities in what has been an unprecedented and testing period for everyone. I am pleased to report that all parts of the firm have pulled together and have done an exceptional job, particularly our technology teams whose outstanding efforts meant we have been able to keep operating as usual despite everyone working remotely.

“Given the extreme volatility in all markets, we are pleased to have outperformed peers on an asset weighted basis across the firm by 2.5% in the first quarter, and to see our absolute return strategies make gains for clients despite the large sell off seen. We saw net inflows in the quarter and continue to win mandates but we have seen a recent increase in redemptions as clients adjust their allocations in response to the market moves and heightened economic uncertainty.

“Our balance sheet and liquidity position remain robust, and we will proceed with our dividend as announced and continue with our share buyback as planned.”

¹ The asset weighted performance relative to peers for the period stated is calculated using the daily asset weighted average performance relative to peers for all strategies where we have identified and can access an appropriate peer composite. The performance of our strategies is measured net of management fees charged and, as applicable, performance fees charged. As at 31 March 2020, it covers 88% of the FUM of the Group and excludes infrastructure mandates, Global Private Markets and collateralised loan obligations.

Operational response to COVID-19

Our primary focus is the safety and well-being of our staff. In January we established a dedicated COVID-19 Response Team whose primary role was to implement our pandemic response plans. We implemented a range of protective measures as the advice from medical experts and governments evolved. We conducted extensive tests to ensure that our systems and processes could continue to operate with large numbers of staff working remotely. We also rolled out additional hardware and software tools to improve connectivity and productivity. We are now working from home, and continue to function smoothly despite the increased volatility and volumes seen in markets. This is a testament to the efforts of all our staff, and to our technology infrastructure teams in particular. We continue to monitor the situation as it evolves globally and will take further action as we deem appropriate and as informed by government and health organisations.

Balance sheet and liquidity position

We continue to have a robust balance sheet and liquidity position. As at 31 March 2020 we had \$570 million of net financial assets¹ including \$253 million of cash. The reduction in our net financial assets¹ since year end primarily reflects normal seasonal working capital movements. This balance sheet and liquidity position reflects actions we took in 2019. We repaid our financial indebtedness by calling our Tier 2 notes and entered into a new \$500 million revolving credit facility which matures in 2024.

Given the overall strength of our balance sheet and liquidity position, we are proceeding with our 2019 final dividend and share repurchase programme (announced in October 2019) as planned.

¹ Net financial assets is considered a proxy for the Group's capital, and is equal to the Group's cash and seed book less borrowings, contingent consideration payable and payables under repo arrangements.

FIRST QUARTER FUM COMMENTARY

In the three months to 31 March 2020, as the economic repercussions of COVID-19 impacted financial markets, with MSCI World Index decreasing by 21%. Our FUM decreased by 11% in the first quarter to \$104.2 billion. This was driven by negative investment movement of \$10.7 billion as our long-only strategies declined with equity markets and \$2.7 billion of FX translation as the US dollar strengthened against a range of currencies since the year end. This was marginally offset by our absolute return strategies which had positive investment movement.

At 31 March 2020 \$31.4 billion of performance fee eligible FUM was above, at or within 5% of high water mark, compared to \$31.6 billion as at 31 December 2019.

FUM movements for the three months to 31 March 2020

\$bn	FUM at 31 December 2019	Net inflows/ (outflows)	Investment movement	FX & other	FUM at 31 March 2020
Alternative	71.5	1.6	(0.7)	(2.4)	70.0
Absolute return	30.5	0.4	0.1	(0.7)	30.3
Total return	27.0	1.6	(0.4)	(1.5)	26.7
Multi-manager solutions	14.0	(0.4)	(0.4)	(0.2)	13.0
Long-only	46.2	(1.1)	(10.0)	(0.9)	34.2
Systematic	27.5	(0.8)	(6.1)	(0.2)	20.4
Discretionary	18.7	(0.3)	(3.9)	(0.7)	13.8
Total	117.7	0.5	(10.7)	(3.3)	104.2

ALTERNATIVE

Absolute return

Absolute return FUM decreased to \$30.3 billion in the first quarter. Net inflows of \$0.4 billion were driven by subscriptions into Man AHL's multi-strategy vehicles. This was partially offset by net outflows from Man GLG's Equity long-short strategy. Positive investment movement of \$0.1 billion benefited from positive performance by AHL Diversified (+8.6%) and AHL Alpha (+5.3%) and was partly offset by negative performance by AHL Dimension and GLG Global Credit Multi Strategy. Negative FX and other movements of \$0.7 billion resulted from a stronger US dollar, in particular against the Australian dollar, which was partly offset by increases in leverage.

Total return

Total return FUM decreased to \$26.7 billion in the first quarter. Net inflows of \$1.6 billion were driven by AHL's TargetRisk strategy. Negative performance by AHL TargetRisk and Man Alternative Risk Premia contributed to the negative investment movement of \$0.4 billion. This was partly offset by positive performance from GLG Global Emerging Markets Debt Total Return (+10.1%) which benefited from its bearish positioning. FX and other movements of negative \$1.5 billion resulted from a stronger US dollar, in particular against sterling, and de-gearing of our risk premia strategies.

Multi-manager solutions

Multi-manager solutions FUM decreased to \$13.0 billion in the first quarter. Net outflows were \$0.4 billion and negative investment performance was \$0.4 billion. Negative FX and other movements of \$0.2 billion resulted from a stronger US dollar, in particular against the Australian dollar.

LONG-ONLY

As the impact of COVID-19 was felt across global financial markets our long-only strategies suffered both from net outflows and negative investment movements in the first quarter.

Systematic

Systematic long-only FUM decreased to \$20.4 billion in the first quarter as the sharp market falls led to \$6.1 billion of negative investment movement equivalent to a 22% decline. Net outflows of \$0.8 billion were primarily driven by redemptions from Global core and European core strategies.

Discretionary

Discretionary long-only FUM decreased to \$13.8 billion in the first quarter as the sharp markets falls led to \$3.9 billion of negative investment movement equivalent to a 21% decline. The net outflows of \$0.3 billion were primarily from Japan CoreAlpha. Negative FX and other movements of \$0.7 billion resulted from a stronger US dollar, in particular against sterling.

FUM by product category

\$bn	31-Mar-19	30-Jun-19	30-Sep-19	31-Dec-19	31-Mar-20
Absolute return	28.7	29.9	30.3	30.5	30.3
AHL Alpha	5.0	5.5	6.0	6.0	6.5
Man Institutional Solutions ¹	3.5	3.9	4.2	4.4	5.8
AHL Dimension	5.9	6.1	6.3	6.3	5.6
GLG Equity absolute return	5.4	5.6	5.2	5.2	4.6
AHL Evolution	3.6	3.8	3.8	4.1	3.8
AHL Diversified	1.6	1.6	1.7	1.5	1.5
AHL other	1.8	1.8	1.7	1.7	1.4
Numeric absolute return	1.2	1.0	0.9	0.8	0.7
GLG Credit absolute return	0.7	0.6	0.5	0.5	0.4
Total return	25.0	25.5	25.9	27.0	26.7
Diversified risk premia	13.6	14.2	15.5	17.4	16.5
CLOs and other GLG total return	4.4	4.5	4.3	4.3	4.7
EM total return	4.6	4.3	3.7	2.8	3.0
GPM	2.4	2.5	2.4	2.5	2.5
Multi-manager solutions	13.4	13.5	13.9	14.0	13.0
Infrastructure & direct access	5.8	6.4	6.7	6.9	6.6
Segregated	6.2	5.8	6.0	5.9	5.6
Diversified and thematic FoHF	1.4	1.3	1.2	1.2	0.8
Systematic long only	26.8	27.0	25.6	27.5	20.4
Global	8.5	8.7	9.5	9.2	7.2
International	7.7	8.0	7.7	9.1	6.6
Emerging markets	7.1	6.9	6.1	6.8	5.2
US	3.5	3.4	2.3	2.4	1.4
Discretionary long only	18.3	18.4	17.0	18.7	13.8
Europe equity	5.0	5.7	5.6	6.6	4.8
Japan equity	7.5	7.0	6.3	6.6	4.2
Credit & convertibles	2.2	2.4	2.3	2.6	2.3
EM Fixed income	2.1	2.2	2.1	2.0	1.7
Other equity	0.7	0.9	0.5	0.6	0.5
Multi Asset	0.8	0.2	0.2	0.3	0.3
Guaranteed	0.1	0.1	0.0	0.0	0.0
Total	112.3	114.4	112.7	117.7	104.2

¹ Man Institutional Solutions includes AHL Institutional Solutions, GLG and Numeric strategies

FUM by investment engine

\$bn	31-Mar-19	30-Jun-19	30-Sep-19	31-Dec-19	31-Mar-20
AHL	28.0	29.9	31.6	33.7	35.1
Diversified risk premia	6.8	7.2	8.0	9.8	10.7
Alpha	5.0	5.5	6.0	6.0	6.5
Institutional Solutions ¹	3.2	3.8	4.1	4.3	5.6
Dimension	5.9	6.1	6.3	6.3	5.6
Evolution	3.6	3.8	3.8	4.1	3.8
Diversified (inc. Guaranteed)	1.7	1.7	1.7	1.5	1.5
Other	1.8	1.8	1.7	1.7	1.4
Numeric	34.8	35.0	34.0	35.9	26.9
Alternatives	8.0	8.0	8.4	8.4	6.5
Diversified risk premia	6.8	7.0	7.5	7.6	5.8
Numeric absolute return	1.2	1.0	0.9	0.8	0.7
Long only	26.8	27.0	25.6	27.5	20.4
Global	8.5	8.7	9.5	9.2	7.2
International	7.7	8.0	7.7	9.1	6.6
Emerging markets	7.1	6.9	6.1	6.8	5.2
US	3.5	3.4	2.3	2.4	1.4
GLG	33.7	33.5	30.8	31.6	26.7
Alternatives	15.4	15.1	13.8	12.9	12.9
Equity absolute return ²	5.7	5.7	5.3	5.3	4.8
CLOs and other GLG total return	4.4	4.5	4.3	4.3	4.7
EM total return	4.6	4.3	3.7	2.8	3.0
Credit absolute return ²	0.7	0.6	0.5	0.5	0.4
Long only	18.3	18.4	17.0	18.7	13.8
Europe equity	5.0	5.7	5.6	6.6	4.8
Japan equity	7.5	7.0	6.3	6.6	4.2
Credit & convertibles	2.2	2.4	2.3	2.6	2.3
EM Fixed income	2.1	2.2	2.1	2.0	1.7
Other equity	0.7	0.9	0.5	0.6	0.5
Multi Asset	0.8	0.2	0.2	0.3	0.3
FRM	13.4	13.5	13.9	14.0	13.0
Infrastructure & direct access	5.8	6.4	6.7	6.9	6.6
Segregated	6.2	5.8	6.0	5.9	5.6
Diversified and thematic FoHF	1.4	1.3	1.2	1.2	0.8
GPM	2.4	2.5	2.4	2.5	2.5
Total	112.3	114.4	112.7	117.7	104.2

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 2020	12 months to 31 March 2020	3 years to 31 March 2020	5 years to 31 March 2020	Since inception to 31 March 2020
Absolute return						
AHL Dimension	1	-4.4%	0.3%	3.2%	2.4%	4.9%
AHL Alpha	2	5.3%	12.3%	6.7%	2.2%	10.9%
AHL Evolution	3	0.0%	9.2%	9.4%	6.1%	13.0%
AHL Diversified	4	8.6%	18.1%	7.2%	0.1%	11.2%
Man Numeric Market Neutral Alternative	5	-4.3%	-5.7%	-7.0%	-2.8%	2.4%
GLG European Long Short	6	-2.5%*	-2.2%*	-1.0%*	-0.4%*	6.2%*
Man GLG Global Credit Multi Strategy	7	-8.3%*	-4.5%*	2.1%*	5.2%*	11.4%*
Total return						
Man Alternative Risk Premia SP	8	-5.0%	-3.3%	1.7%	n/a	3.1%
Man GLG Global EM Debt Total Return	9	10.1%	8.9%	2.3%	n/a	4.0%
Man AHL TargetRisk	10	-4.9%	9.0%	10.6%	7.7%	9.3%
Multi-manager solutions						
FRM Diversified II	11	-8.0%*	-5.6%*	-1.4%*	-1.7%*	3.5%*
Systematic long only						
Numeric Global Core	12	-22.7%	-14.4%	-1.8%	1.7%	6.0%
<i>Relative Return</i>		-1.6%	-4.0%	-3.7%	-1.5%	0.3%
Numeric Europe Core (EUR)	13	-23.8%	-17.3%	-4.3%	-0.9%	7.1%
<i>Relative Return</i>		-1.2%	-3.8%	-1.1%	0.8%	2.2%
Numeric Emerging Markets Core	14	-22.9%	-16.4%	-2.4%	1.3%	1.8%
<i>Relative Return</i>		0.7%	1.3%	-0.8%	1.6%	1.9%
Discretionary long only						
Man GLG Japan Core Alpha Equity	15	-27.9%	-25.6%	-8.4%	-4.1%	1.3%
<i>Relative Return</i>		-10.4%	-16.1%	-8.3%	-4.4%	0.7%
Man GLG Continental European Growth	16	-9.8%	6.9%	5.9%	11.3%	8.9%
<i>Relative Return</i>		7.7%	14.9%	6.4%	7.5%	4.2%
Man GLG Undervalued Assets	17	-34.5%	-29.6%	-6.0%	-0.4%	2.0%
<i>Relative Return</i>		-9.3%	-11.2%	-1.7%	-1.0%	0.4%
Indices						
HFRX Global Hedge Fund Index	18	-6.9%	-1.4%	-0.5%	-0.6%	
HFRI Fund of Funds Conservative Index	18	-4.9%	-2.0%	1.0%	0.9%	
Barclay BTOP 50 Index	19	-2.3%	2.5%	0.1%	-2.3%	
HFRI Equity Hedge (Total) Index	18	-12.9%	-8.0%	0.1%	1.3%	
HFRX EH: Equity Market Neutral Index	18	-7.8%	-9.0%	-4.2%	-2.6%	

*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. Numeric alternative market neutral composite
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 Man AHL TargetRisk class I USD
11. Represented by FRM Diversified II Fund SPC - Class A USD ('the fund') until April 2018 then Class A JPY hedged to USD thereafter. 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.
12. 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.
13. 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.
14. 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.
15. 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).
16. Represented by Man GLG Continental European Growth Fund Class C Accumulation Shares. Relative return shown vs FTSE World Europe Ex UK (GBP, GDTR).
17. Represented by Man GLG Undervalued Assets Fund - C Accumulation Shares. Relative return shown vs FTSE All Share (GBP, NDTR).
18. HFR1 and HFRX index performance over the past 4 months is subject to change.
19. The historic Barclay BTOP 50 Index data is subject to change.

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 \$104.2 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 multiple 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 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

For more information about Man Group's commitment to diversity and inclusion, please visit www.man.com/diversity

For more information about Man Group's approach to responsible investment, please visit www.man.com/responsible-investment

**As at 31 March 2020. 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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