

Press Release



11 October 2019

TRADING STATEMENT for the quarter ended 30 September 2019

Key points

- Funds under management (FUM) of \$112.7 billion at 30 September 2019 (30 June 2019: \$114.4 billion)
 - Positive investment movement of \$0.7 billion in the quarter
 - Net outflows of \$1.1 billion in the quarter
 - FX and other impacts of negative \$1.3 billion in the quarter
- \$150 million Tier 2 notes redeemed on 16 September 2019 with an annualised interest saving of approximately \$4.5 million
- Completion of the \$100 million share repurchase announced in 2018 earlier this month, bringing the total amount repurchased since 2014 to \$0.7 billion
- Intention to repurchase up to \$100 million of shares; we will continue to review further potential acquisition opportunities

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

“In the third quarter, we saw a continuation of the trends experienced in the first half of the year with strong absolute performance and inflows into our quant alternative strategies, and outflows from our long only equity strategies. FX moves were negative in the quarter, which led to an overall dip in FUM to \$112.7 billion, but year to date assets are up 4%.

“As we look ahead, we are encouraged by our good performance fee earning potential, although uncertain economic conditions mean the outlook for flows remains mixed. The diversified nature of the business means that we remain well positioned and, given our continued strong cash generation, we are pleased to announce a further return of capital.”

THIRD QUARTER FUM COMMENTARY

In the three months to 30 September 2019, FUM decreased 1% to \$112.7 billion driven by net outflows of \$1.1 billion (comprising sales of \$6.6 billion and redemptions of \$7.7 billion) and negative FX and other movements of \$1.3 billion, partially offset by positive investment movement of \$0.7 billion.

FUM movements for the three months to 30 September 2019

\$bn	FUM at 30 June 2019	Net inflows/ (outflows)	Investment movement	FX & other	FUM at 30 September 2019
Alternative	68.9	0.7	1.1	(0.6)	70.1
Absolute return	29.9	(0.1)	0.6	(0.1)	30.3
Total return	25.5	0.6	0.3	(0.5)	25.9
Multi-manager solutions	13.5	0.2	0.2	-	13.9
Long only	45.4	(1.7)	(0.4)	(0.7)	42.6
Systematic	27.0	(0.8)	(0.4)	(0.2)	25.6
Discretionary	18.4	(0.9)	-	(0.5)	17.0
Guaranteed	0.1	(0.1)	-	-	-
Total	114.4	(1.1)	0.7	(1.3)	112.7

ALTERNATIVE

Absolute return

Absolute return FUM increased by \$0.4 billion in the quarter. Flows were broadly flat, with inflows into AHL Institutional Solutions and AHL Alpha offset by outflows from Man GLG's equity and credit strategies. Positive investment movement of \$0.6 billion was driven by positive performance at Man AHL (Dimension +2.8%, Alpha +4.1% and Diversified +5.9%). Negative FX and other movements of \$0.1 billion were driven by the US dollar strengthening against the Australian dollar and the euro, partially offset by positive leverage movements. 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 30 September 2019: 72% of Man AHL performance fee eligible FUM was at or above high watermark (\$13.3 billion of which crystallises in the second half of the year) and 20% was within 5% of high watermark; 36% of Man GLG performance fee eligible FUM was at or above high watermark and 34% was within 5% of high watermark.

Total return

Total return FUM increased by \$0.4 billion during the quarter. Net flows of \$0.6 billion included inflows into diversified risk premia and TargetRisk strategies, partially offset by outflows from the EM debt total return strategy. The investment movement of \$0.3 billion was driven by positive performance in diversified risk premia and TargetRisk strategies. FX and other movements of negative \$0.5 billion were due to the US dollar strengthening against sterling and the euro.

Multi-manager solutions

Multi-manager solutions FUM increased to \$13.9 billion during the quarter. Net inflows of \$0.2 billion comprised flows into segregated portfolios. Positive investment performance contributed \$0.2 billion. 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 decreased by 5% in the quarter. Net outflows of \$0.8 billion, driven by redemptions from the Small Cap and Emerging Markets Core strategies, were partially offset by subscriptions into Global Core. The outflows were at a higher margin than the average for the category and this will have a negative impact on the net management fee margin in H2 2019. Negative investment performance in Man Numeric's emerging market strategies drove the negative \$0.4 billion of investment movement. FX movements of negative \$0.2 billion were due to the dollar strengthening against the euro.

Discretionary

Discretionary long only FUM decreased by \$1.4 billion in the quarter. The net outflows of \$0.9 billion were from Japanese and US equity strategies. Investment movement was flat with positive performance from Japan CoreAlpha offset by negative performance from continental Europe and emerging markets fixed income strategies. FX movements of negative \$0.5 billion were due to the dollar strengthening against sterling and the euro.

FUM by product category

\$bn	30-Sep-18	31-Dec-18	31-Mar-19	30-Jun-19	30-Sep-19
Absolute return	29.9	28.9	28.7	29.9	30.3
AHL Dimension	5.5	5.7	5.9	6.1	6.3
GLG Equity absolute return	6.3	5.9	5.4	5.6	5.2
AHL Alpha	4.8	4.9	5.0	5.5	6.0
Man Institutional Solutions ¹	3.4	3.4	3.5	3.9	4.2
AHL Evolution	3.5	3.4	3.6	3.8	3.8
AHL other	1.8	1.8	1.8	1.8	1.7
AHL Diversified	1.7	1.7	1.6	1.6	1.7
Numeric absolute return	1.8	1.3	1.2	1.0	0.9
GLG Credit absolute return	1.1	0.8	0.7	0.6	0.5
Total return	20.7	22.5	25.0	25.5	25.9
Diversified risk premia	9.7	11.7	13.6	14.2	15.5
CLOs and other GLG total return	4.1	3.9	4.4	4.5	4.3
EM debt total return	4.6	4.4	4.6	4.3	3.7
GPM	2.3	2.5	2.4	2.5	2.4
Multi-manager solutions	14.0	13.5	13.4	13.5	13.9
Infrastructure & direct access	4.8	5.2	5.8	6.4	6.7
Segregated	7.3	6.6	6.2	5.8	6.0
Diversified and thematic FoHF	1.9	1.7	1.4	1.3	1.2
Systematic long only	27.9	24.7	26.8	27.0	25.6
Global	9.0	7.7	8.5	8.7	9.5
International	7.6	6.8	7.7	8.0	7.7
Emerging markets	7.0	6.7	7.1	6.9	6.1
US	4.3	3.5	3.5	3.4	2.3
Discretionary long only	21.5	18.8	18.3	18.4	17.0
Japan equity	9.1	7.6	7.5	7.0	6.3
Europe equity	4.9	4.3	5.0	5.7	5.6
Credit & convertibles	2.1	2.2	2.2	2.4	2.3
EM Fixed income	1.9	1.9	2.1	2.2	2.1
Multi Asset	0.9	0.8	0.8	0.2	0.2
Other equity	2.6	2.0	0.7	0.9	0.5
Guaranteed	0.1	0.1	0.1	0.1	0.0
Total	114.1	108.5	112.3	114.4	112.7

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	30-Sep-18	31-Dec-18	31-Mar-19	30-Jun-19	30-Sep-19
AHL	25.1	26.2	28.0	29.9	31.6
Diversified risk premia	4.7	5.6	6.8	7.2	8.0
Dimension	5.5	5.7	5.9	6.1	6.3
Alpha	4.8	4.9	5.0	5.5	6.0
Evolution	3.5	3.4	3.6	3.8	3.8
Institutional Solutions ¹	3.0	3.0	3.2	3.8	4.1
Other	1.8	1.8	1.8	1.8	1.7
Diversified (inc. Guaranteed)	1.8	1.8	1.7	1.7	1.7
Numeric	34.7	32.1	34.8	35.0	34.0
Alternatives	6.8	7.4	8.0	8.0	8.4
Diversified risk premia	5.0	6.1	6.8	7.0	7.5
Numeric absolute return	1.8	1.3	1.2	1.0	0.9
Long only	27.9	24.7	26.8	27.0	25.6
Global	9.0	7.7	8.5	8.7	9.5
International	7.6	6.8	7.7	8.0	7.7
Emerging markets	7.0	6.7	7.1	6.9	6.1
US	4.3	3.5	3.5	3.4	2.3
GLG	38.0	34.2	33.7	33.5	30.8
Alternatives	16.5	15.4	15.4	15.1	13.8
Equity absolute return ²	6.6	6.2	5.7	5.7	5.3
CLOs and other GLG total return	4.1	3.9	4.4	4.5	4.3
EM total return	4.6	4.4	4.6	4.3	3.7
Credit absolute return ²	1.2	0.9	0.7	0.6	0.5
Long only	21.5	18.8	18.3	18.4	17.0
Japan equity	9.1	7.6	7.5	7.0	6.3
Europe equity	4.9	4.3	5.0	5.7	5.6
Credit & convertibles	2.1	2.2	2.2	2.4	2.3
EM Fixed income	1.9	1.9	2.1	2.2	2.1
Multi Asset	0.9	0.8	0.8	0.2	0.2
Other equity	2.6	2.0	0.7	0.9	0.5
FRM	14.0	13.5	13.4	13.5	13.9
Infrastructure & direct access	4.8	5.2	5.8	6.4	6.7
Segregated	7.3	6.6	6.2	5.8	6.0
Diversified and thematic FoHF	1.9	1.7	1.4	1.3	1.2
GPM	2.3	2.5	2.4	2.5	2.4
Total	114.1	108.5	112.3	114.4	112.7

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 30 September 2019	9 months to 30 September 2019	3 years to 30 September 2019	5 years to 30 September 2019	Since inception to 30 September 2019
Absolute return						
AHL Dimension	1	2.8%	8.1%	5.5%	5.2%	5.5%
AHL Alpha	2	4.1%	9.8%	5.0%	4.6%	11.0%
AHL Evolution	3	-2.0%	8.9%	8.9%	8.4%	13.0%
AHL Diversified	4	5.9%	14.6%	4.5%	3.3%	11.3%
GLG European Long Short	5	-1.6%*	-3.5%*	-0.8%*	0.6%*	6.4%*
Man GLG Global Credit Multi Strategy	6	0.7%*	3.2%*	8.1%*	4.8%*	12.0%*
Total return						
Man Alternative Risk Premia SP	7	3.3%	7.5%	5.6%	n/a	5.7%
Man GLG Global EM Debt Total Return	8	-0.1%	-1.9%	0.9%	n/a	2.0%
Multi-manager solutions						
FRM Diversified II	9	-0.5%*	2.0%*	1.6%*	0.4%*	3.8%*
Indices						
HFRX Global Hedge Fund Index	10	1.6%	5.9%	1.9%	0.3%	
HFRI Fund of Funds Conservative Index	10	-0.1%	4.6%	3.1%	2.1%	
Barclay BTOP 50 Index	11	3.7%	9.2%	0.2%	1.0%	
HFRI Equity Hedge (Total) Index	10	-1.1%	8.1%	4.8%	3.5%	
HFRX EH: Equity Market Neutral Index	10	-0.2%	-1.3%	-1.3%	-0.3%	
Systematic long only						
Numeric Global Core	12	-0.6%	13.1%	8.3%	6.4%	9.5%
<i>Relative Return</i>		-1.2%	-4.5%	-1.9%	-0.8%	0.7%
Numeric Europe Core (EUR)	13	1.7%	17.9%	8.5%	7.1%	8.9%
<i>Relative Return</i>		-0.9%	-1.3%	0.8%	1.7%	2.5%
Numeric Emerging Markets Core	14	-5.5%	2.6%	5.9%	3.8%	4.1%
<i>Relative Return</i>		-1.2%	-3.3%	-0.1%	1.4%	1.7%
Discretionary long only						
Man GLG Japan Core Alpha Equity	15	-0.4%	0.9%	7.3%	4.2%	3.2%
<i>Relative Return</i>		-3.8%	-7.9%	-1.4%	-1.7%	1.7%
Man GLG Continental European Growth	16	-3.5%	19.6%	8.9%	16.3%	9.2%
<i>Relative Return</i>		-5.1%	0.3%	-1.1%	6.5%	3.4%
Man GLG Undervalued Assets	17	-0.8%	9.3%	9.3%	8.0%	8.2%
<i>Relative Return</i>		-2.1%	-5.1%	2.5%	1.2%	2.1%

*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 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
6. 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.
7. Represented by Man Alternative Risk Premia SP - Class A USD
8. Represented by Man GLG Global Emerging Markets Debt Total Return Class I USD.
9. 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.
10. HFRI and HFRX index performance over the past 4 months is subject to change.
11. The historic Barclay BTOP 50 Index data is subject to change
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)

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.

Enquiries

Fiona Smart
Head of Investor Relations
+44 20 7144 2030
fiona.smart@man.com

Georgiana Brunner
Director of Communications
+44 20 7144 1000
media@man.com

Michael Turner
Finsbury
+44 20 7251 3801
mangroupUK@finsbury.com

About Man Group

Man Group is a global active investment management firm, which runs \$112.7 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 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

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 30 September 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.

The content of the websites referred to in this announcement is not incorporated into and does not form part of this announcement. Nothing in this announcement should be construed as or is intended to be a solicitation

for or an offer to provide investment advisory services or to invest in any investment products mentioned herein.

This announcement contains inside information.