

## THIRD QUARTER FUM COMMENTARY

### FUM movements by product type

| \$bn                   | FUM at 30 June 2017 | Sales      | Redemptions  | Net inflows / (outflows) | Investment movement | FX         | Other        | FUM at 30 September 2017 |
|------------------------|---------------------|------------|--------------|--------------------------|---------------------|------------|--------------|--------------------------|
| <b>Alternatives</b>    | <b>52.8</b>         | <b>5.3</b> | <b>(3.5)</b> | <b>1.8</b>               | <b>0.9</b>          | <b>0.5</b> | <b>0.7</b>   | <b>56.7</b>              |
| Quant (AHL / Numeric)  | 21.1                | 3.5        | (1.1)        | 2.4                      | 0.5                 | 0.2        | 0.3          | 24.5                     |
| Discretionary (GLG)    | 13.5                | 1.1        | (1.5)        | (0.4)                    | 0.2                 | 0.2        | (0.3)        | 13.2                     |
| Fund of funds (FRM)    | 16.2                | 0.5        | (0.9)        | (0.4)                    | 0.2                 | 0.1        | 0.7          | 16.8                     |
| Global Private Markets | 2.0                 | 0.2        | 0.0          | 0.2                      | 0.0                 | 0.0        | 0.0          | 2.2                      |
| <b>Long only</b>       | <b>42.8</b>         | <b>3.2</b> | <b>(2.2)</b> | <b>1.0</b>               | <b>2.4</b>          | <b>0.4</b> | <b>0.0</b>   | <b>46.6</b>              |
| Quant (Numeric)        | 25.1                | 0.7        | (1.0)        | (0.3)                    | 2.0                 | 0.1        | 0.0          | 26.9                     |
| Discretionary (GLG)    | 17.7                | 2.5        | (1.2)        | 1.3                      | 0.4                 | 0.3        | 0.0          | 19.7                     |
| <b>Guaranteed</b>      | <b>0.3</b>          | <b>0.0</b> | <b>0.0</b>   | <b>0.0</b>               | <b>0.0</b>          | <b>0.0</b> | <b>(0.1)</b> | <b>0.2</b>               |
| <b>Total</b>           | <b>95.9</b>         | <b>8.5</b> | <b>(5.7)</b> | <b>2.8</b>               | <b>3.3</b>          | <b>0.9</b> | <b>0.6</b>   | <b>103.5</b>             |

## ALTERNATIVES

### Quant

Quant alternatives FUM increased by 16% to \$24.5 billion during the quarter. Net inflows of \$2.4 billion included inflows of \$1.7 billion into the alternative risk premia strategy and \$0.8 billion into Institutional solutions partially offset by outflows from alpha and diversified. All of AHL's strategies had positive performance in the period (evolution +3.3%, dimension + 2.3%, alpha +1.6% and diversified +1.2%)<sup>1</sup> which drove the investment movement of \$0.5 billion. Positive FX movements of \$0.2 billion were a result of the US Dollar weakening against the Australian Dollar, Euro and Sterling. As at 30 September 2017, 58% of AHL performance fee eligible open ended FUM was at high watermark and 8% was within 5% of high watermark.

### Discretionary

Discretionary alternatives FUM decreased slightly during the quarter. The net outflows of \$0.4 billion were mainly from equity long short strategies partially offset by a CLO launch which raised \$0.4 billion. Investment movement was \$0.2 billion with positive performance across the majority of GLG's range of alternative strategies. Positive FX movements of \$0.2 billion were a result of the US Dollar weakening against the Euro. Negative other movements of \$0.3 billion primarily relate to CLO maturities. As at 30 September 2017, 51% of GLG performance fee eligible FUM was at high watermark and 48% was within 5% of high watermark.

<sup>1</sup>Past performance is not an indication of future performance. Returns shown are net of fees.

## **Fund of funds**

Fund of fund alternatives FUM increased by \$0.6 billion with investment exposure movements partially offset by net outflows. Net outflows were \$0.4 billion and investment movement was \$0.2 billion in the quarter. Positive FX movements of \$0.1 billion were a result of the US Dollar weakening against the Australian Dollar. The positive other movements of \$0.7 billion relate to investment exposure adjustments.

## **Global Private Markets**

Global Private Markets increased by 10% during the quarter to \$2.2 billion due to inflows into real estate strategies.

## **LONG ONLY**

### **Quant**

Quant long only FUM increased by \$1.8 billion during the quarter driven by strong investment performance partially offset by net outflows. The net outflows of \$0.3 billion were largely due to redemptions from US large and small cap strategies. Numeric generated strong alpha during the quarter which, combined with positive market moves, resulted in investment movement of \$2.0 billion. The asset weighted outperformance relative to a blend of applicable benchmarks (net of fees) across Numeric's product range is now 2.6%<sup>2</sup> year to date.

### **Discretionary**

Discretionary long only FUM increased by 11% to \$19.7 billion during the quarter. Net inflows of \$1.3 billion included \$0.6 billion into emerging market debt strategies, \$0.5 billion into European equities strategy and \$0.3 billion into Japan core alpha. Investment movement of \$0.4 billion in the quarter was driven by Japan core alpha (+3.9%)<sup>1</sup>, and strong performance in European equity strategies, in particular the Continental European strategy (+5.2%)<sup>1</sup>. Positive FX movements of \$0.3 billion were a result of the US Dollar weakening against the Euro and Sterling.

## **GUARANTEED PRODUCTS**

Guaranteed product FUM decreased to \$0.2 billion during the quarter due to a maturity.

<sup>1</sup> Past performance is not an indication of future performance. Returns shown are net of fees.

<sup>2</sup> Numeric's asset weighted alpha is calculated using the asset weighted average of the performance relative to the benchmark for all strategy composites available net of the highest rate of management fees charged and, as applicable, performance fees that can be charged.

## FUM by manager

| \$bn                              | 30-Sep-16   | 31-Dec-16   | 31-Mar-17   | 30-Jun-17   | 30-Sep-17    |
|-----------------------------------|-------------|-------------|-------------|-------------|--------------|
| <b>AHL</b>                        | <b>19.0</b> | <b>18.3</b> | <b>18.8</b> | <b>19.2</b> | <b>21.5</b>  |
| AHL Dimension                     | 4.9         | 5.2         | 5.2         | 5.1         | 5.7          |
| AHL Alpha                         | 4.0         | 4.1         | 4.2         | 4.2         | 4.0          |
| AHL Diversified (inc. Guaranteed) | 3.7         | 3.4         | 3.3         | 3.2         | 3.1          |
| AHL Evolution                     | 2.8         | 2.8         | 3.0         | 3.3         | 3.4          |
| Other specialist styles           | 0.8         | 0.8         | 0.9         | 1.0         | 0.9          |
| AHL Institutional Solutions*      | 1.0         | 1.0         | 1.2         | 1.4         | 2.2          |
| Liquid Strategies                 | 1.1         | 1.0         | 1.0         | 1.0         | 2.2          |
| Europe and Asia Plus              | 0.7         | 0.0         | 0.0         | 0.0         | 0.0          |
| <b>Numeric</b>                    | <b>22.3</b> | <b>23.1</b> | <b>24.7</b> | <b>27.3</b> | <b>30.1</b>  |
| Global                            | 11.0        | 12.2        | 13.0        | 14.9        | 15.9         |
| Emerging markets                  | 4.3         | 4.2         | 5.3         | 5.7         | 6.5          |
| US                                | 5.4         | 5.0         | 4.5         | 4.5         | 4.4          |
| Alternatives                      | 1.6         | 1.7         | 1.9         | 2.2         | 3.3          |
| <b>GLG</b>                        | <b>26.6</b> | <b>26.7</b> | <b>28.8</b> | <b>31.2</b> | <b>32.9</b>  |
| <b>Alternatives</b>               | <b>14.6</b> | <b>13.9</b> | <b>14.0</b> | <b>13.5</b> | <b>13.2</b>  |
| Europe equity                     | 3.6         | 3.1         | 3.0         | 3.2         | 3.0          |
| North America equity              | 1.0         | 1.2         | 1.3         | 1.1         | 1.2          |
| Other equity                      | 0.6         | 0.5         | 0.6         | 0.4         | 0.4          |
| Convertibles                      | 3.5         | 3.3         | 3.5         | 3.4         | 3.3          |
| Market Neutral                    | 0.5         | 0.5         | 0.5         | 0.5         | 0.5          |
| CLO                               | 4.5         | 4.6         | 4.4         | 4.3         | 4.2          |
| Multi-strategy                    | 0.9         | 0.7         | 0.7         | 0.6         | 0.6          |
| <b>Long only</b>                  | <b>12.0</b> | <b>12.8</b> | <b>14.8</b> | <b>17.7</b> | <b>19.7</b>  |
| Japan equity                      | 6.5         | 7.1         | 7.3         | 7.9         | 8.5          |
| Europe equity**                   | 0.9         | 0.9         | 1.0         | 1.3         | 1.9          |
| UK equity                         | 0.8         | 0.7         | 0.7         | 0.9         | 1.0          |
| Other equity**                    | 0.8         | 0.7         | 0.9         | 1.0         | 1.0          |
| Multi Asset                       | 1.2         | 1.2         | 1.2         | 1.1         | 1.1          |
| Fixed income                      | 1.8         | 2.2         | 3.7         | 5.5         | 6.2          |
| <b>FRM</b>                        | <b>12.8</b> | <b>12.8</b> | <b>14.5</b> | <b>16.2</b> | <b>16.8</b>  |
| Infrastructure                    | 4.7         | 5.0         | 5.2         | 7.1         | 6.8          |
| Direct access                     | 0.3         | 0.3         | 0.3         | 0.3         | 0.3          |
| Segregated                        | 2.9         | 3.0         | 4.5         | 4.7         | 5.8          |
| Diversified FoHF                  | 3.8         | 3.6         | 3.4         | 3.0         | 2.9          |
| Thematic FoHF                     | 1.0         | 0.9         | 1.0         | 1.1         | 1.0          |
| Guaranteed                        | 0.1         | 0.0         | 0.1         | 0.0         | 0.0          |
| <b>GPM***</b>                     | <b>0.0</b>  | <b>0.0</b>  | <b>1.9</b>  | <b>2.0</b>  | <b>2.2</b>   |
| <b>Total</b>                      | <b>80.7</b> | <b>80.9</b> | <b>88.7</b> | <b>95.9</b> | <b>103.5</b> |

\*AHL Institutional Solutions invests into a range of AHL strategies including AHL Dimension, AHL Alpha and AHL Evolution

\*\*Balanced and Stock Market Managed were reclassified from Europe equity to Other equity for presentation purposes at 30 June 2016

\*\*\* FUM at close on 1 January 2017 was \$1.8 billion

## Investment Performance

|   |    | Total Return (net of fees)  |                             | Annualised Return (net of fees) |                            |                                    |
|---|----|-----------------------------|-----------------------------|---------------------------------|----------------------------|------------------------------------|
|   |    | 3 months to<br>30 Sept 2017 | 9 months to<br>30 Sept 2017 | 3 years to<br>30 Sept 2017      | 5 years to<br>30 Sept 2017 | Since inception<br>to 30 Sept 2017 |
| <b>AHL</b>                                  |    |                             |                             |                                 |                            |                                    |
| AHL Dimension                               | 1  | 2.3%                        | 2.2%                        | 4.5%                            | 5.3%                       | 5.3%                               |
| AHL Alpha                                   | 2  | 1.6%                        | 0.8%                        | 2.7%                            | 3.8%                       | 11.3%                              |
| AHL Evolution                               | 3  | 3.3%                        | 10.7%                       | 9.4%                            | 12.7%                      | 14.0%                              |
| AHL Diversified                             | 4  | 1.2%                        | -1.6%                       | -0.1%                           | 2.7%                       | 11.5%                              |
| <b>GLG</b>                                  |    |                             |                             |                                 |                            |                                    |
| <u>European Equity</u>                      |    |                             |                             |                                 |                            |                                    |
| GLG European Long Short                     | 5  | 3.4%*                       | 4.7%*                       | 3.4%*                           | 2.4%*                      | 7.6%*                              |
| Man GLG European Mid-Cap Equity Alternative | 6  | 2.5%                        | 6.8%                        | n/a                             | n/a                        | 7.5%                               |
| <u>Credit</u>                               |    |                             |                             |                                 |                            |                                    |
| Man GLG Select Opportunities                | 7  | 4.6%*                       | 11.0%*                      | n/a                             | n/a                        | 7.1%*                              |
| Man GLG Global Convertible UCITS            | 8  | 0.9%                        | 5.1%                        | 4.0%                            | 5.2%                       | 5.8%                               |
| GLG Market Neutral                          | 9  | 2.5%*                       | 9.5%*                       | 5.1%*                           | 5.9%*                      | 12.8%*                             |
| Man GLG European Distressed                 | 10 | 1.4%*                       | 4.2%*                       | 1.0%*                           | 3.6%*                      | 10.7%*                             |
| <u>Multi-strategy</u>                       |    |                             |                             |                                 |                            |                                    |
| Man Multi-Strategy                          | 11 | 3.0%*                       | 8.6%*                       | 5.1%*                           | 3.8%*                      | 4.5%*                              |
| <u>Long Only</u>                            |    |                             |                             |                                 |                            |                                    |
| Man GLG Japan Core Alpha Equity             | 12 | 3.9%                        | 6.9%                        | 10.3%                           | 22.3%                      | 4.6%                               |
| Man GLG Undervalued Assets                  | 13 | 6.0%                        | 22.0%                       | 12.5%                           | n/a                        | 11.8%                              |
| Man GLG Continental European Growth         | 14 | 5.2%                        | 19.5%                       | 26.2%                           | 22.4%                      | 9.9%                               |
| Man GLG Global EM Debt Total Return         | 15 | -1.4%                       | 2.1%                        | n/a                             | n/a                        | 5.5%                               |
| <b>FRM</b>                                  |    |                             |                             |                                 |                            |                                    |
| FRM Diversified II                          | 16 | 2.4%*                       | 4.3%*                       | 0.5%*                           | 2.1%*                      | 4.2%*                              |
| <b>Indices</b>                              |    |                             |                             |                                 |                            |                                    |
| HFRX Global Hedge Fund Index                | 17 | 1.8%                        | 4.4%                        | 0.4%                            | 2.0%                       | n/a                                |
| HFRX Fund of Funds Conservative Index       | 17 | 1.2%                        | 2.9%                        | 1.8%                            | 3.5%                       | n/a                                |
| Barclay BTOP 50 Index                       | 18 | 0.5%                        | -4.3%                       | -0.8%                           | 0.2%                       | n/a                                |
| HFRX EH: Equity Market Neutral Index        | 17 | 2.1%                        | 2.8%                        | 1.3%                            | 1.8%                       | n/a                                |
| <b>NUMERIC</b>                              |    |                             |                             |                                 |                            |                                    |
| <u>Alternative</u>                          |    |                             |                             |                                 |                            |                                    |
| Numeric Alternative Market Neutral          |    | 2.9%                        | 0.0%                        | 2.8%                            | 5.0%                       | 4.1%                               |
| <u>Long only</u>                            |    |                             |                             |                                 |                            |                                    |
| Numeric Global Core                         |    | 7.2%                        | 19.5%                       | 10.3%                           | n/a                        | 13.6%                              |
| MSCI World®#                                |    | 4.8%                        | 16.0%                       | 7.7%                            | n/a                        | 9.8%                               |
| <i>Relative Return</i>                      |    | 2.4%                        | 3.5%                        | 2.6%                            | n/a                        | 3.8%                               |
| Numeric Europe Core (EUR)                   |    | 5.5%                        | 13.6%                       | 10.7%                           | 15.0%                      | 9.8%                               |
| MSCI Europe®# (EUR)                         |    | 2.7%                        | 9.6%                        | 6.7%                            | 10.2%                      | 6.7%                               |
| <i>Relative Return</i>                      |    | 2.8%                        | 4.1%                        | 4.0%                            | 4.8%                       | 3.1%                               |
| Numeric Emerging Markets Core               |    | 12.4%                       | 35.6%                       | 10.4%                           | n/a                        | 8.8%                               |
| MSCI Emerging Markets®#                     |    | 7.9%                        | 27.8%                       | 4.9%                            | n/a                        | 4.1%                               |
| <i>Relative Return</i>                      |    | 4.5%                        | 7.8%                        | 5.5%                            | n/a                        | 4.7%                               |

Past performance is not an indication of future performance.

- 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 the performance of GLG European Long Short Fund - Class D Unrestricted is displayed.
- 6) Represented by Man GLG European Mid-Cap Equity Alternative IN H USD.
- 7) Represented by Man GLG Select Opportunities Class FN USD Unrestricted.
- 8) Represented by Man GLG Global Convertible UCITS Fund - Class IL T USD until 7 June 2009. From 8 June 2009 the performance of Man GLG Global Convertible UCITS Fund - Class IM USD is displayed.
- 9) Represented by GLG Market Neutral Fund - Class Z Restricted – USD until 31 August 2007. From the 1 September 2007 GLG Market Neutral Fund - Class Z Unrestricted – USD is displayed.
- 10) Represented by Man GLG European Distressed Fund - Class A – USD.
- 11) Represented by the gross return of Man GLG Multi-Strategy Fund – Class A – USD Shares until 31 December 2012. From 1 January 2013 the performance of Man Multi-Strategy Fund – Class G – USD Shares is displayed.
- 12) 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.
- 13) Represented by Man GLG Undervalued Assets Fund - C Accumulation Shares.
- 14) Represented by Man GLG Continental European Growth Fund Class C Accumulation Shares.
- 15) Represented by Man GLG Global Emerging Markets Debt Total Return Class I USD.
- 16) Represented by FRM Diversified II Fund SPC - Class A USD ('the fund') but 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.
- 17) HFRI and HFRX index performance over the past 4 months is subject to change.
- 18) The historic Barclay BTOP 50 Index data is subject to change.

\*Estimated

#The reference index listed by Numeric 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.

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.

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## **Enquiries**

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

Rosanna Konarzewski  
Global Head of Communications & Marketing  
+44 20 7144 2076  
media@man.com

Finsbury  
Michael Turner  
+44 20 7251 3801  
ManGroupUK@Finsbury.com

## **About Man Group**

Man Group is an active investment management firm focused on delivering performance and client solutions through its five investment management businesses: Man AHL; Man Numeric; Man GLG; Man FRM and Man Global Private Markets. Man Group's investment management businesses provide long only, alternative and private markets products on a single and multi-manager basis, leveraging the firm's robust infrastructure to provide a diverse range of strategies across investment approaches, styles and asset classes.

The original business was founded in 1783. Today, Man Group plc is listed on the London Stock Exchange under the ticker EMG.L and is a constituent of the FTSE 250 Index. As at 30 September 2017, Man Group's funds under management were \$103.5 billion.

Man Group also supports many awards, charities and initiatives around the world, including sponsorship of the Man Booker literary prizes. Further information can be found at [www.man.com](http://www.man.com).

## **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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