

# Press Release



9 July 2009

## **MAN GROUP PLC FIRST QUARTER INTERIM MANAGEMENT STATEMENT**

- Funds under Management (FUM) at 30 June of \$43.3 billion compared to \$44 billion announced at end May (31 March 2009: \$46.8 billion)
- Strong private investor sales for the quarter of \$3.4 billion and reduced redemptions led to private investor inflows of \$1.9 billion
- Institutional redemptions of \$3.6 billion, slightly better than previously estimated; second quarter redemptions of \$1.8 billion paid on 1 July, marking a significant reduction in the quarterly redemption rate
- First product launched from newly integrated hedge fund management business
- Positive industry performance has helped investor sentiment

### **Peter Clarke, Chief Executive, said:**

“The first quarter of our financial year continued the trends we reported in our preliminary results announcement at the end of May.

“We have enjoyed a very strong quarter for private investor sales, raising \$3.4 billion in the period which, together with reduced redemption rates, generated strong net inflows. Our product range, with its focus on liquid and transparent investment strategies, together with our long track record, has generated high levels of demand across our distribution network, particularly from Asia Pacific. Institutional sales remained muted in the first quarter and redemptions were high, in line with our statements in May. As anticipated, quarterly institutional redemptions have now declined significantly, with \$1.8 billion paid on 1 July.

“Our new hedge fund management business is now operational. We have addressed the evolving investor requirements for hedge fund investing through this comprehensive and powerful business. This has been welcomed by investors and distributors alike and our latest products will be managed under the new investment process.

“With positive industry returns for 2009 to date and increasing investor focus on businesses with the resources and experience to adapt to today's market requirements, Man's financial strength and investment breadth means we are well placed to grow market share.”

### **First quarter commentary**

#### Private investor flows

In keeping with the strong sales historically seen in the first quarter, private investor sales totalled \$3.4 billion, including notable success in Japan, Australia, the Middle East and Latin America. Redemptions were considerably lower than in the previous two quarters, leading to a private investor net inflow of \$1.9 billion.

Taking into account investment movement, FX and other effects, private investor FUM fell slightly from an estimated \$28.5 billion at end May 2009 to \$27.3 billion (31 March 2009: \$27.8 billion).

#### Institutional flows

The institutional business saw a net outflow of \$3.3 billion. Sales remained muted and redemptions, estimated to be \$3.8 billion at the end of May, totalled \$3.6 billion for the first quarter.

Second quarter redemptions of \$1.8 billion were paid on 1 July, marking a significant reduction in the quarterly rate.

In total, institutional investor FUM at 30 June 2009 was \$16.0 billion compared to an estimated \$15.5 billion at end May 2009 (31 March 2009: \$19.0 billion).

#### Investment performance

Man's fund of funds business saw positive performance in the quarter, but mixed economic indicators made trading conditions difficult for trend-following strategies such as AHL. These conditions generated a positive investment movement of \$0.4 billion in institutional FUM and a negative movement of \$1.6 billion in private investor FUM.

#### FX and other movements

The weakening US dollar drove a positive FX movement of \$1.2 billion - \$0.7 billion in private investor and \$0.5 billion in institutional.

Other movements of a negative \$2.1 billion reflect rebalancing of private investor products in light of negative AHL performance (\$1.5 billion), and removal of leverage in RMF products prior to redemptions (\$0.6 billion). The total amount of external funding into products as at 30 June 2009 was \$3.8 billion.

#### Financial position

Man's financial position remains strong. As at 30 June 2009 the regulatory capital surplus was \$1.8 billion and available liquidity resources totalled around \$4.6 billion.

## Funds under management analysis

### 3 months to 30 June 2009

	Guaranteed \$bn	Open-ended \$bn	Private Investor \$bn	Institutional \$bn	Total \$bn
<b>FUM at 31 March 2009</b>	<b>16.4</b>	<b>11.4</b>	<b>27.8</b>	<b>19.0</b>	<b>46.8</b>
Sales	0.9	2.5	3.4	0.3	3.7
Redemptions	(0.6)	(0.9)	(1.5)	(3.6)	(5.1)
<b>Net inflows/(outflows)</b>	<b>0.3</b>	<b>1.6</b>	<b>1.9</b>	<b>(3.3)</b>	<b>(1.4)</b>
Investment movement	(0.9)	(0.7)	(1.6)	0.4	(1.2)
FX	0.5	0.2	0.7	0.5	1.2
Other	(1.5)	-	(1.5)	(0.6)	(2.1)
<b>FUM at 30 June 2009</b>	<b>14.8</b>	<b>12.5</b>	<b>27.3</b>	<b>16.0</b>	<b>43.3</b>

### Investment performance

	Total return		Annualised return	
	2 months to 31 May 2009	Calendar year to 31 May 2009	3 years to 31 May 2009	5 years to 31 May 2009
Man AHL Diversified plc <sup>1</sup>	-3.6%	-11.2%	12.3%	14.3%
Man-IP 220 Ltd <sup>2</sup>	-3.9%	-12.0%	4.6%	8.8%
Man RMF Four Seasons Strategies Ltd <sup>3</sup>	2.8%	0.9%	-1.1%	2.5%
HFRI Fund Weighted Composite Index <sup>4</sup>	9.0%	9.4%	1.4%	5.3%
HFRI Fund of Funds Composite Index <sup>4</sup>	4.4%	4.8%	-1.5%	2.6%
World Stocks <sup>5</sup>	16.0%	4.0%	-9.9%	-1.8%

1 Man AHL Diversified plc is valued weekly, but for comparative purposes the last weekly valuation of the month has been used. June 2009 return was -3.5%.

2 Man-IP 220 Ltd from 18 December 1996 to 31 December 2005 and Man-IP 220 Ltd - USD class bonds from 1 January 2006.

3 RMF Four Seasons Strategies Ltd

4 HFRI index data as published on 1 July 2009. HFRI index performance over the past 4 months is subject to change.

5 MSCI World Index price return (hedged to USD)

## **Enquiries**

David Browne  
Head of Group Funding & External Relations  
+44 20 7144 1550  
david.browne@mangroupplc.com

Miriam McKay  
Head of Investor Relations  
+44 20 7144 3809  
miriam.mckay@mangroupplc.com

Simon Anderson  
Global Head of Communications  
+44 20 7144 2121  
simon.anderson@mangroupplc.com

Robert Clow  
Senior Communications Officer  
+44 20 7144 3886  
robert.clow@mangroupplc.com

Merlin PR  
Paul Downes  
Paul Farrow  
Toby Bates  
+44 20 7653 6620

## **About Man Group**

Man is a world-leading alternative investment management business. With a broad range of funds for institutional and private investors globally, it is known for its performance, innovative product design and investor service. Man manages around \$44 billion.

The original business was founded in 1783. Today, Man Group plc is listed on the London Stock Exchange and is a member of the FTSE 100 Index with a market capitalisation of around £4 billion.

Man Group is a member of the Dow Jones Sustainability World Index and the FTSE4Good Index. Man 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.mangroupplc.com](http://www.mangroupplc.com).

## **Forward looking statements**

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.