

# Press Release



15 January 2010

## **MAN GROUP PLC INTERIM MANAGEMENT STATEMENT – THIRD QUARTER ENDED 31 DECEMBER 2009**

- Funds under Management (FUM) at 31 December 2009 of \$42.4 billion compared to \$44.0 billion at 30 September
- Reduction of FUM in the quarter was principally due to AHL negative investment movement of \$1.2 billion, reflecting difficult trading conditions for managed futures strategies particularly in December
- Private investor sales for the quarter of \$1.1 billion combined with low redemptions to give a small net outflow of \$0.1 billion
- Institutional redemptions of \$1.4 billion in the course of the quarter resulted in an institutional net outflow of \$1.0 billion
- Significant new institutional mandate for Man's managed account business in January.

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

"The financial third quarter is seasonally a quiet period for sales. The negative performance of AHL in December and a net institutional outflow for the quarter resulted in a 4% reduction in our funds under management as at 31 December.

"Momentum continues to build across the business and activity levels with investors and distributors remain high. New assets raised in the third quarter include onshore regulated products in Brazil, the UK and Continental Europe.

"Our new managed account business is seeing continued high levels of interest from institutional investors and we have just been selected by a large pension fund as the preferred provider for a mandate that could potentially reach around \$1 billion. The deal, subject to contract, will be for a minimum of three years with allocations commencing in the first quarter of 2010.

"With a promising outlook for hedge fund flows and significant recent progress in our managed account business, Man remains very well placed to grow assets."

### **Conference call details**

Peter Clarke (Chief Executive) and Kevin Hayes (Finance Director) will host a conference call for investors and analysts at 0800 UK time this morning.

UK Access Number	+ 44 (0)20 7906 8567
UK Toll Free* Number	0808 238 7377

#### Playback

UK Toll Access Number	+44 (0)20 7075 6589
UK Toll Free* Access Number	0800 376 5689
US Toll Free* Access Number	1 866 286 6997
Conference Reference	256077#

\*If you are calling from a mobile phone your provider may charge you when connected to our toll free number.

## **Third quarter commentary**

### Private investor flows

Private investor sales were \$1.1 billion, in keeping with the seasonally quieter financial third quarters experienced in recent years. Private investor demand remains stronger for onshore regulated product, and Man raised onshore assets worldwide during the quarter. Redemptions remained low to give a small net outflow of \$0.1 billion.

Taking into account investment movement, FX and other effects, private investor FUM fell slightly from \$29.3 billion at 30 September 2009 to \$28.7 billion at 31 December.

### Institutional flows

The third quarter saw an institutional net outflow of \$1.0 billion. Few mandates were awarded in the run-up to the year end, giving modest sales for the period of \$0.4 billion. Redemptions totalled \$1.4 billion, reflecting a higher level of monthly redemptions during this quarter driven in part by profit taking in convertibles and distressed styles. Institutional quarterly redemptions paid on 1 January 2010 totalled \$1.1 billion.

In total, institutional investor FUM at 31 December 2009 was \$13.7 billion (30 September 2009: \$14.7 billion).

### Investment performance

Man's multi-manager business delivered flat performance in the quarter, reflecting its diversified, low beta style mix. Trading conditions remained difficult for trend-following strategies such as AHL, with gains in stock indices and metals more than offset by sudden market reversals in currencies and bonds. These conditions meant that investment movement had no impact on institutional FUM in the quarter, and generated a negative movement of \$1.2 billion in private investor FUM.

### FX and other movements

The strengthening US dollar drove a negative FX movement of \$0.3 billion in institutional FUM, and there was no currency impact on private investor FUM.

Other movements of a positive \$1.0 billion in the period principally reflect the routine re-balancing of investment exposure in products as a result of positive performance, an effect which can reverse following periods of negative performance.

### Financial position

Man's financial position remains strong. As at 31 December 2009 the regulatory capital surplus remained in excess of \$1.5 billion and available liquidity resources totalled around \$3.8 billion.

## Funds under management analysis

3 months to 31 December  
2009

	Private investor \$bn			Institutional \$bn	Total \$bn
	Guaranteed	Open-ended	Total		
<b>FUM at 30 September 2009</b>	<b>15.5</b>	<b>13.8</b>	<b>29.3</b>	<b>14.7</b>	<b>44.0</b>
Sales	0.1	1.0	1.1	0.4	1.5
Redemptions	(0.4)	(0.8)	(1.2)	(1.4)	(2.6)
<b>Net inflows/(outflows)</b>	<b>(0.3)</b>	<b>0.2</b>	<b>(0.1)</b>	<b>(1.0)</b>	<b>(1.1)</b>
Investment movement	(0.5)	(0.7)	(1.2)	0.0	(1.2)
FX	0.0	0.0	0.0	(0.3)	(0.3)
Other	1.2	(0.5)	0.7	0.3	1.0
<b>FUM at 31 December 2009</b>	<b>15.9</b>	<b>12.8</b>	<b>28.7</b>	<b>13.7</b>	<b>42.4</b>

## Funds by manager

31 December 2009 \$bn	31 December 2009 \$bn	30 September 2009 \$bn
AHL	21.7	22.3
Multi-Manager	17.1	17.8
Ore Hill / Pemba	3.6	3.9
<b>Total</b>	<b>42.4</b>	<b>44.0</b>

## Investment performance

	Total return		Annualised return	
	3 months to 31 December 2009	1 year to 31 December 2009	3 years to 31 December 2009	5 years to 31 December 2009
<b>Fund of funds</b>				
RMF Four Seasons Strategies <sup>1,2</sup>	0.6%	5.7%	-0.8%	2.7%
Man RMF Diversified <sup>1,3</sup>	-0.1%	10.2%	-0.1%	3.8%
<b>Structured – principal protected</b>				
Man-IP 220 <sup>1,4</sup>	-7.0%	-16.7%	2.2%	5.8%
<b>Single managers</b>				
Man AHL Diversified plc <sup>5</sup>	-5.6%	-16.9%	9.8%	10.5%
Ore Hill <sup>1,6</sup>	14.0%	32.8%	-6.1%	0.9%
World Stocks <sup>7</sup>	3.9%	23.4%	-8.4%	0.2%
HFRI Fund Weighted Composite Index <sup>8</sup>	2.6%	20.0%	2.2%	5.7%
HFRI Fund of Funds Composite Index <sup>8</sup>	1.2%	11.2%	-1.2%	2.7%
Corporate bonds <sup>9</sup>	-2.2%	3.0%	4.8%	4.7%

Source: Man database and Bloomberg. There is no guarantee of trading performance and past or projected performance is not a reliable indicator of future performance. Returns may increase or decrease as a result of currency fluctuations.

<sup>1</sup> December performance is based on an estimate.

<sup>2</sup> Represented by RMF Investment Strategies Class N: RMF Four Seasons – USD Shares

<sup>3</sup> Represented by Man RMF Investments SICAV - Class D Man RMF Diversified – USD Shares

<sup>4</sup> Represented by Man-IP 220 Ltd from 18 December 1996 to 31 December 2005 and Man-IP 220 Ltd - USD class bonds from 1 January 2006.

<sup>5</sup> Man AHL Diversified plc is valued weekly, but for comparative purposes the last weekly valuation of the month has been used.

<sup>6</sup> Represented by Ore Hill International II Ltd.

<sup>7</sup> Represented by MSCI World Index price return hedged to USD (price return).

<sup>8</sup> HFRI index data as published on 8 January 2010. HFRI index performance over the past 4 months is subject to change.

<sup>9</sup> Represented by Citigroup High Grade Corporate Bond index (total return).

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## 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 \$42 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 £5 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.