

# Press Release



8 July 2010

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

- Funds under Management (FUM) at 30 June 2010 of \$38.5 billion (31 March 2010: \$39.4 billion)
- Private investor FUM of \$27.1 billion (31 March 2010: \$26.8 billion), reflecting positive AHL performance
- Institutional FUM of \$11.4 billion (31 March 2010: \$12.6 billion), reflecting a modest net outflow, FX and other effects
- Financial position remains strong, with a regulatory capital surplus of around \$1.5 billion at 30 June 2010 and available liquidity resources of around \$5.4 billion
- Proposed acquisition of GLG Partners, Inc (“GLG”) proceeding according to plan.

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

"The quarter to 30 June has seen a return to increased volatility and uncertainty in financial markets. Against the backdrop of falling equity markets, with world stocks down 11.6%\* in the quarter, it is pleasing to see AHL generating a positive return of 0.9%\*\* over the same period. However, given the continued market uncertainty, sales in the quarter have, as anticipated, remained subdued.

"Meeting increasing investor demand for onshore products remains a key component of our distribution franchise, and we continue to expand the range and depth of our private investor offering. Our recently expanded UCITS product range has now raised over \$350m in Europe and we have new onshore initiatives in Brazil, South Korea and Singapore.

"Institutional demand remains focused on tailored portfolio solutions and managed account structures, providing transparency, control and flexibility for investors. This is demonstrated by our recent mandate wins for managed account investments which, as they begin to fund over the coming months, provide a strong indication of future sales inflows.

"The proposed acquisition of GLG provides us with a wide range of liquid investment strategies through which we can meet investor demand. The transaction remains on track for completion in September and integration planning continues to make good progress. Once completed, this transaction will provide a unique combination of strong global distribution and an extensive range of liquid trading strategies with an established track record of performance.

"With continuing performance and an exciting acquisition to expand our business, we are strongly positioned to deepen our product range across markets and accelerate asset raising."

\* Represented by MSCI World Index price return hedged to USD.

\*\* Represented by Man AHL Diversified plc. Managed futures manager AHL is Man's largest single manager, with FUM of \$21.2 billion at 30 June 2010. Man AHL Diversified plc is valued weekly, but for comparative purposes the last weekly valuation of the month has been used.

## **First quarter commentary**

### Private investor

Private investor sales were \$0.5 billion against a backdrop of uncertain markets and investor sentiment. Redemptions mirrored recent quarterly levels at \$1.1 billion, to give a net outflow of \$0.6 billion. There continues to be a slow but steady build of assets into onshore products worldwide with, for example, around \$350 million now invested in Man's UCITS offerings. A continued period of positive AHL performance will support higher levels of sales.

AHL performance was modestly positive in the first quarter with Man AHL Diversified plc up 0.9%, compared to world stocks\*\* down 11.6%. AHL performance is reflected in a positive investment movement for private investors of \$0.3 billion.

The strengthening of the US dollar against the Euro and Australian dollar caused a negative FX movement in private investor FUM of \$0.7 billion.

Other movements of a positive \$1.3 billion principally reflect the routine re-balancing of investment exposure in guaranteed products early in the quarter, following positive AHL performance in March.

In total, private investor FUM rose slightly to \$27.1 billion at 30 June 2010 from \$26.8 billion at 31 March 2010.

### Institutional

Institutional sales were \$0.2 billion. The previously announced \$1.5 billion of new managed account mandates will fund progressively, with less than 5% of these mandates currently reflected in sales and FUM. Redemptions were \$0.6 billion, the lowest absolute quarterly level for three years. Looking forward, institutional quarterly redemptions paid on 1 July 2010 totalled \$0.3 billion.

Against the backdrop of very challenging markets, Man Multi-Manager provided significant portfolio protection for investors over the quarter, ending the period with a marginally negative investment movement for institutional investors of \$0.1 billion.

The strengthening of the US dollar against the Euro caused a negative currency movement in institutional FUM of \$0.4 billion. Other movements of \$0.3 billion reflect the removal of leverage associated with investor redemptions.

In total, institutional FUM fell to \$11.4 billion at 30 June 2010 from \$12.6 billion at 31 March 2010.

### Financial position

Man's financial position remains strong. As at 30 June 2010 the regulatory capital surplus was around \$1.5 billion and available liquidity resources totalled around \$5.4 billion.

## **GLG transaction update**

Regulatory and antitrust review processes associated with Man's proposed acquisition of GLG Partners, Inc (the "Acquisition") are proceeding according to plan. Man submitted drafts of its circular and prospectus in connection with the Acquisition for review by the UK Listing Authority on 29 June 2010 and GLG filed its preliminary proxy statement with the US Securities and Exchange Commission ("SEC") on the same day. GLG's preliminary proxy statement, Man's accompanying Schedule 13E-3 (which was also filed on 29 June 2010) and other documents filed with the SEC are available free of charge at the SEC's website ([www.sec.gov](http://www.sec.gov)).

On 25 June 2010, early termination of the waiting period under the US Hart-Scott-Rodino Improvements Act of 1976 was granted thereby satisfying the related US antitrust clearance condition to the Acquisition. The Acquisition remains conditional upon the satisfaction or, if

permitted, waiver of the other conditions referred to in the announcement of 17 May 2010. In collaboration with GLG, Man has submitted various regulatory filings required to proceed with the Acquisition which are currently being considered by the relevant authorities.

Post acquisition integration planning is under way, with key areas of focus being distribution plans for GLG products through the Man network, product structuring opportunities and the detailed actions necessary to achieve the potential annual cost savings of approximately \$50 million previously identified.

As announced on 29 June 2010, Man expects that the general meeting to seek approval of the Acquisition will be held in mid-to-late August 2010. Man continues to expect that the Acquisition will close by the end of September 2010.

The dates referred to in this announcement in relation to the Acquisition are indicative only and will depend, among other things, upon the regulatory approval timetable.

Words and expressions which were defined in the announcement of 17 May 2010 have the same meanings in this announcement unless the context otherwise requires.

## Funds under management analysis

### 3 months to 30 June 2010

	Private investor \$bn			Institutional \$bn	Total \$bn
	Guaranteed	Open-ended	Total		
<b>FUM at 31 March 2010</b>	<b>14.0</b>	<b>12.8</b>	<b>26.8</b>	<b>12.6</b>	<b>39.4</b>
Sales	0.2	0.3	0.5	0.2	0.7
Redemptions	-0.6	-0.5	-1.1	-0.6	-1.7
<b>Net inflows/(outflows)</b>	<b>-0.4</b>	<b>-0.2</b>	<b>-0.6</b>	<b>-0.4</b>	<b>-1.0</b>
Investment movement	0.2	0.1	0.3	-0.1	0.2
FX	-0.5	-0.2	-0.7	-0.4	-1.1
Other	1.5	-0.2	1.3	-0.3	1.0
<b>FUM at 30 June 2010</b>	<b>14.8</b>	<b>12.3</b>	<b>27.1</b>	<b>11.4</b>	<b>38.5</b>

### Funds by manager

	30 June 2010 \$bn	31 March 2010 \$bn
AHL	21.2	21.2
Multi-Manager	14.2	14.8
Ore Hill / Pemba	3.1	3.4
<b>Total</b>	<b>38.5</b>	<b>39.4</b>

### Investment performance

	Total return		Annualised return	
	2 months to 31 May 2010	Calendar year to 31 May 2010	3 years to 31 May 2010	5 years to 31 May 2010
<b>Fund of funds</b>				
Man Four Seasons Strategies <sup>1</sup>	-1.5%	-0.6%	-2.8%	2.7%
Man RMF Diversified <sup>2</sup>	-1.0%	0.3%	-2.0%	3.7%
<b>Structured – principal protected</b>				
Man-IP 220 <sup>3</sup>	1.0%	5.8%	1.5%	7.8%
<b>Single managers</b>				
Man AHL Diversified plc <sup>4</sup>	0.1%	2.3%	8.1%	11.7%
Ore Hill <sup>5</sup>	1.6%	19.4%	-4.1%	4.6%
World Stocks <sup>6</sup>	-7.6%	-3.8%	-12.0%	-0.8%
HFRI Fund Weighted Composite Index <sup>7</sup>	-1.7%	0.7%	0.3%	5.8%
HFRI Fund of Funds Composite Index <sup>7</sup>	-1.7%	-0.4%	-3.5%	2.8%
Corporate bonds <sup>8</sup>	3.0%	4.9%	6.6%	4.3%

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> Represented by Man Four Seasons Strategies – Class ISI4

<sup>2</sup> Represented by Man RMF Investments SICAV Class D

<sup>3</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>4</sup> Man AHL Diversified plc is valued weekly, but for comparative purposes the last weekly valuation of the month has been used. June 2010 return was 0.8%, giving Q1 performance of 0.9% and calendar year to 28 June performance of 3.1%.

<sup>5</sup> Represented by Ore Hill International II Ltd.

<sup>6</sup> Represented by MSCI World Index price return hedged to USD. Quarterly return to 30 June 2010 of -11.6%.

<sup>7</sup> HFRI index data as published on 1 July 2010. HFRI index performance over the past 4 months is subject to change.

<sup>8</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 \$38.5 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).

## **Important information**

The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. This announcement has been prepared for the purposes of complying with the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside of England.

This announcement is not intended to, and does not constitute, or form part of, an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction. This announcement does not constitute a prospectus or a prospectus equivalent document. Shareholders of Man and holders of shares of GLG Common Stock are advised to read carefully the formal documentation in relation to the Acquisition once it has been despatched. Any response to the proposals should be made only on the basis of the information in the formal documentation to follow.

This announcement is not an offer of, or solicitation of an offer to purchase, securities in the United States and the new Man Shares, which will be issued in connection with the Acquisition, have not been, and will not be, registered under the US Securities Act or under the securities law of any state, district or other jurisdiction of the United States, Australia, Canada or Japan and no regulatory clearance in respect of the new Man Shares has been, or will be, applied for in any jurisdiction other than the UK.

The new Man Shares to be issued in connection with the Acquisition to certain holders of GLG Common Stock may not be offered, sold, or, delivered, directly or indirectly, in, into or from the United States absent registration under the US Securities Act or an applicable exemption from registration. GLG Stockholders are urged to read the Schedule 13E-3 and GLG's preliminary proxy statement and other relevant documents filed with the SEC, because they contain important information about the Acquisition. The Schedule 13E-3 and GLG's preliminary proxy statement and other documents filed with the SEC are available free of charge at the SEC's website, [www.sec.gov](http://www.sec.gov).

### **Forward-looking statements**

Certain statements in this announcement are forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties or assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties or assumptions could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Undue reliance should not be placed on forward-looking statements, which speak only as of the date of this announcement. Except as required by law or regulation, Man is not under an obligation to update or keep current the forward-looking statements contained in this announcement or to correct any inaccuracies which may become apparent in such forward-looking statements.

No statement in this announcement is intended as a profit forecast or profit estimate and no statement in this announcement should be interpreted to mean that the earnings per share of the Enlarged Group, Man and/or GLG for the current or future financial periods will necessarily match or exceed the historical or published earnings per share of Man or GLG.