Press Release

30 July 2020

Man Group is well positioned as the recovery develops

HALF YEAR RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

Key points

- Funds under management (FUM)[1] down 8% to $108.3 billion (31 December 2019: $117.7 billion)
  - Negative investment performance of $5.4 billion (H1 2019: positive $6.8 billion)
  - Negative FX translation and other movements of $2.8 billion (H1 2019: positive $0.2 billion)
  - Net outflows of $1.2 billion (H1 2019: net outflows $1.1 billion)
- Adjusted profit before tax (PBT)[1] down 40% to $94 million (H1 2019: $157 million)
  - Adjusted management fee PBT[1] of $86 million (H1 2019: $83 million)
  - Adjusted performance fee PBT[1] of $8 million (H1 2019: $74 million) reflecting below average performance fee revenues given market backdrop
  - Adjusted earnings per share (EPS)[1] down 37% to 5.4 cents (H1 2019: 8.6 cents) primarily due to lower performance fee profits, partially offset by higher management fee profits and lower share count following the share buyback programme announced in October 2019
- Statutory PBT of $55 million (H1 2019: $110 million); Statutory EPS of 2.6 cents (H1 2019: 5.8 cents)
- Asset weighted outperformance versus peers[1] of 1.3% for the six months to 30 June 2020 (H1 2019: underperformance of 1.1%)
- Proposed interim dividend of 4.9 cents per share (H1 2019: 4.7 cents per share)
- Strong balance sheet and liquidity position - Net financial assets[1] of $611 million ($674 million as at 31 December 2019)

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

"The first half of 2020 was a challenging time for everyone. Our foremost priorities were the health and wellbeing of our colleagues and the performance of our clients' assets - and I am proud of what we achieved on both counts. We switched seamlessly to working from home, continued to support our clients at every step and generated outperformance in extremely volatile markets. As anticipated, redemptions increased in Q2, but it is pleasing to see flow momentum normalising as we enter the second half.

"Since the onset of the pandemic, we have acted to position the business for long-term success and our strong balance sheet has allowed us to concentrate on our people and our clients. Investing in our talent and technology, combined with our deep relationships with clients, is what will drive our future growth as the recovery develops."

1 For definitions and explanations of our alternative performance measures, please refer to pages 36-40

Summary financials

	Page ref.	**Six months ended 30 June 2020 $m**	Year ended 31 December 2019 $m	Six months ended 30 June 2019 $m
Net management fee revenue[1,2]	37	358	753	375
Performance fees[3]	38	32	345	142
Sub-lease rental and lease surrender income[4]	33	7	14	7
Net revenues		**397**	**1,112**	**524**
Compensation[4]	28,38	(199)	(477)	(243)
Other costs[4]	28,38	(99)	(233)	(115)
Net finance expense[4]	29	(5)	(16)	(9)
Adjusted profit before tax[1]	38	94	**386**	**157**
Adjusting items[5]	38	**(39)**	79	(47)
Statutory profit before tax	21	**55**	**307**	**110**
Statutory diluted earnings per share (EPS)	30	2.6c	18.4c	5.8c
Adjusted EPS[1,6]	40	5.4c	21.1c	8.6c
Adjusted management fee EPS[1,6]	40	4.9c	9.8c	4.7c
Dividend per share		4.9c	9.8c	4.7c

1 For definitions and explanations of our alternative performance measures, please refer to pages 36-40
2 Includes gross management and other fees and distribution costs
3 Includes income or gains on investments and other financial instruments and third-party share of gains relating to interests in consolidated funds
4 Excludes adjusting items. Other costs include asset servicing costs
5 Refer to the alternative performance measures section (page 38) for further detail
6 The reconciliation of diluted statutory EPS to adjusted EPS is included in the alternative performance measures (page 40)

Key Performance Indicators[7, 8]

	Six months ended 30 June 2020	Year ended 31 December 2019	Six months ended 30 June 2019
Asset weighted outperformance/(underperformance) versus peers	**1.3%**	(1.1)%	(1.1)%
Relative net flows[9]	**1.8%**	(0.4)%	(0.3)%
Core profit before tax	**$94m**	$384m	$155m
Adjusted management fee EPS growth	**4%**	(17)%	(27)%

7 For definitions and explanations of our alternative performance measures, please refer to pages 36-40
8 For definitions and explanations of key performance indicators refer to the 2019 Annual Report
9 As discussed in our 2019 Annual Report, this KPI has been amended to relative net flows. Values for the periods shown compare Man Group's net flows to industry flows of comparable strategies on an asset-weighted basis. Please see page 84 of our 2019 Annual Report for further discussion.

Conference call and presentation for investors and analysts

A conference call with management including an opportunity to ask questions will commence at 10.30am (London) on 30th July 2020. A copy of the presentation will be available on the investor relations section of www.man.com from 10.30am.

The conference call can be accessed at:
https://mangroup.webex.com/mangroup/onstage/g.php?MTID=e5408a8835752efac6757001f8785af3d
Event number: 163 399 0099
Event password: Ha!fYeaR2020

For those without internet access or in case of connectivity issues please use the alternative dial-in below:
Audio conference: +44 20 3478 5289 or +44 20 7660 8149
Access code: 163 399 0099
Event password: 42039327

Please note:

- We recommend connecting to the meeting 5-10 minutes prior to the start time
- To ask a question during the Q&A session you will need to access the meeting via the link above

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About Man Group

Man Group is a global active investment management firm, which runs $108.3 billion[1] 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 efficient exposure to markets and effective collaboration across the organisation.

Through the Man Charitable Trust and the Man US Charitable Foundation, 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

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.

1 As at 30 June 2020. 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).

CHIEF EXECUTIVE OFFICER'S REVIEW

The first six months of the year have been dominated by the impact of the COVID-19 pandemic. For the world as a whole, the public health emergency and the governmental response have had a huge impact on everyday life. Our priorities are safeguarding our staff and continuing to manage our clients' assets through a very testing physical and market environment. Global markets were also heavily impacted by COVID-19. We saw significant declines in most asset classes in Q1, followed by steep rallies.

We were particularly pleased to have delivered to clients the benefits of our risk management and execution expertise in the first quarter. These allowed us to rapidly respond as markets fell and deliver strong outperformance for our clients in the depths of the sell-off. By the end of the first quarter we had outperformed our peers[1] by 2.5% on an asset weighted basis, delivered gains for our clients invested in our absolute return strategies and reported net inflows for the quarter. The speed of the market recovery in the second quarter meant we gave back some of that outperformance but still outperformed by 1.3% over the half. In the second quarter we had net outflows following an increase in redemptions as certain institutional clients sought cash in response to various impacts of the COVID-19 crisis, and others made asset allocation changes.

One of our strengths as a diversified investment manager is that investment performance across our strategies is relatively uncorrelated, thereby helping clients across a range of market environments. Going into the second quarter we were bearishly positioned in some of our alternative strategies which resulted in some negative performance. At the same time, sharply rising asset prices benefitted clients invested in our long-only strategies.

Funds under management decreased by 8% to $108.3 billion in the first half, driven by the market declines resulting in negative absolute investment performance of $5.4 billion primarily from our long-only strategies, as non-US markets where we specialise are still well down on the year. Net outflows totalled $1.2 billion in the period, with FX and other moves accounting for a further $2.8 billion decline due to the US dollar strength against sterling.

Adjusted profit before tax[1] decreased by 40% to $94 million compared with the first half of 2019, reflecting lower performance fee profits compared with a strong corresponding period in 2019.

Investment performance[2]

The first six months of 2020 saw some of the fastest market moves on record, both up and down, as the world reacted to the COVID-19 crisis. During the first quarter the economic repercussions of COVID-19 impacted financial markets negatively, and the MSCI World Index fell by 21%. In the second quarter, the MSCI World Index rallied 20%, ending the first half down by 5% and down 11% excluding the US.

Against this backdrop, the absolute performance of our strategies in aggregate was negative in the first half, resulting in $5.4 billion of negative investment performance. Our absolute return strategies delivered positive performance in the first quarter, but as markets rebounded, they ended the half year down slightly. Despite a strong performance from GLG Global EM Debt Total Return which was up 9% in the first half, overall our total return strategies were down 1.5%. Our systematic long-only strategies fell 5% and our discretionary long-only strategies were down 11% for the first half. Across long-only strategies positive absolute performance in the second quarter partly offset weak first quarter performance.

We ended the first half outperforming our peers on an asset weighted basis across our strategies by 1.3%. Within alternatives, absolute return strategies outperformed by 2.0%, total return strategies outperformed by 6.6%, and multi-manager solutions by 1.3%. The fact that outperformance was concentrated in February and March was reassuring to our clients. Relative underperformance of 4.5% in discretionary long-only strategies was driven by value-biased strategies GLG Japan CoreAlpha and GLG Undervalued Assets which have struggled in this environment.

1 For definitions and explanations of our alternative performance measures, please refer to pages 36-40

2 Past performance is not an indication of future performance. All returns shown are net of fees.

Impact of COVID-19

We are a diversified investment manager, investing with a global perspective, across asset classes. With strategies ranging across alternatives, long-only, systematic and discretionary, our growth is a function of the quality of our activities rather than just the direction of markets.

The safety and well-being of our staff is our highest priority. As the COVID-19 crisis intensified, we followed government guidance and implemented working from home globally to ensure their safety. As well as the obvious technology solutions around video calling and easy electronic communications, we have introduced a number of initiatives to maintain and build on the community culture of the firm, as well as to look after the mental health of those who find working from home a challenge. We were able to function smoothly in the global working from home environment despite the increased volatility and volumes seen in markets.

Today the long-term impact of the COVID-19 crisis is unknown. This uncertainty means we could see ongoing volatility in global markets. Our investment in technology and our people means we have a resilient business model across a range of market environments. We continue to monitor the impact on the business and maintain cost discipline. Net financial assets[1] of $611 million, including $202 million of cash, provide a strong balance sheet and liquidity position to support and manage the business across a range of market environments.

Business development

Man Group's business development activities have remained healthy despite the impact of COVID-19 on broader economic activity. Interaction with clients has remained strong even with COVID-19 affecting our ability to meet in person. In Q2 only around 10% of client engagement was in person compared with normal levels of about 75%. Flow momentum into our key TargetRisk strategies was strong throughout the first half of the year and is expected to continue in the second half. We have broadened the offering and anticipate TargetRisk strategies to be a source of impactful growth in the coming years.

Responsible Investment funds, with a focus on Environmental, Social and Governance (ESG) factors, have seen growing demand across the industry. Focus on responsible investment has continued to grow year over year with the COVID-19 pandemic emphasising the importance of sustainable business models to investors. Man Group has for some years been prominent in ESG investment and we have been a signatory of the UN-supported Principles for Responsible Investment since 2012 via Man GLG. We view ESG analysis as a fundamental part of investment risk management. This is now being reflected in stronger inflows to ESG focused funds, helped by strong recent performance.

Attracting experienced portfolio managers to Man Group and developing new investment strategies is a core part of our long-term growth strategy. During the first half we continued to build our credit capabilities with the GLG Strategic Bond strategy and the GLG High Yield Opportunities strategy attracting significant inflows. Both strategies are managed by experienced teams who joined Man GLG from other investment managers in the last two years. Additionally, GLG Innovation Equity managed by another team who joined Man Group in late 2019 was one of our strongest performing hedge funds in H1 2020.

We were pleased to announce in April that Andrew Swan would be joining Man Group as Head of Asia (ex-Japan) Equities. Andrew joins Man Group from Blackrock where he was Head of Asia and Global Emerging Market Fundamental Equities and will be managing Man GLG's long-only Asia (ex-Japan) equity strategy which is expected to launch in the second half. We have launched a number of new products in the first half of the year, with a pipeline of further launches planned for the rest of the year in both quant and discretionary areas.

1 For definitions and explanations of our alternative performance measures, please refer to pages 36-40

Financial review

Adjusted profit before tax[1] was $94 million compared with $157 million for the six months ended 30 June 2019 and adjusted earnings per share[1] were 5.4 cents compared with 8.6 cents for the comparative period.

Net revenues of $397 million, excluding adjusting items, comprised $358 million of net management fees, $7 million of sub-lease rental and lease surrender income and $32 million of performance fees and gains on seed investments. Net management fees were 5% lower than the same period last year due to a decline in the net management fee margin from 68 basis points in the first half of 2019 to 66 basis points for the first half of 2020. This reduction is due to the continued product mix shift as lower margin strategies have grown more quickly. Performance fees of $29 million were 77% lower than in the same period last year, reflecting the difficult market environment seen in the first half of this year. They included $18 million of performance fees from Man AHL as well as $11 million from Man GLG. Gains on seed investments were $3 million compared with $17 million in the first half of 2019.

Compensation costs were $199 million (H1 2019: $243 million) which comprised $96 million of fixed compensation costs (H1 2019: $99 million) and $103 million of variable compensation costs (H1 2019: $144m). The decrease in fixed compensation was largely due to the strength of the US dollar versus sterling. Variable compensation costs decreased due to lower performance fee revenues and lower management fee revenues. Our compensation ratio was 50% (H1 2019: 46%), at the top end of the guided range, reflecting lower revenues in the period, particularly from performance fees.

Other costs, including asset servicing and depreciation, were $99 million compared with $115 million for H1 2019. This reduction reflected reduced discretionary spend particularly on travel and entertainment expenses following the introduction of working from home and some FX translation benefit. Overall you can see reduced discretionary spend has supported management fee profitability in the first half, but we have also consciously supported and invested in our people over this period to ensure we are appropriately resourced through the current environment. In the long term we continue to believe that managing the business efficiently remains critical for success in asset management.

Net finance expense was $5 million (H1 2019: $9 million), reflecting the benefit from calling our Tier 2 notes in September last year and the use of cheaper financing sources.

The main sub-tenant in our primary London office is moving to new premises and has paid us $26 million in order to surrender their lease early, in effect bringing forward their remaining lease payments. We have flexibility to exercise a break clause in our other London office allowing us to bring all our London staff together from 2021. The lease surrender also results in a non-cash deferred rent write-off, which together with the surrender payment results in a net accounting gain of $18 million on a statutory basis. We have recognised $4 million of this gain in adjusted profits in H1, effectively offsetting the foregone sub-lease rental income in that period, with the remainder to be recognised through 2021. We expect to incur some project expenditure as we consolidate our London offices and support a more agile working environment and will also need to sub-let the remaining vacant space. We will provide details in due course.

When we acquired Aalto to form Man Global Private Markets (GPM) its valuation was premised on future growth assumptions. While the business has grown since acquisition, it has been slower than planned. Furthermore, the prospects of the business have weakened as COVID-19 has led to a notably weaker economic environment. As a result, we have seen delays in the launch of certain new products and a reduction in their expected size, thereby negatively impacting our previous growth assumptions. These lower growth assumptions act as an indicator of impairment, which has led to the impairment of our GPM goodwill by $55 million, representing the full carrying value of the goodwill. The acquired intangibles in GPM have not been impaired. These forecast changes also gave rise to a decrease in the related contingent consideration creditor of $21 million, a credit to the Group income statement. Private markets remain a valuable diversifier for our firm and clients and we remain focussed on growing the business over time.

1 For definitions and explanations of our alternative performance measures, please refer to pages 36-40

The Group had operating cash net inflows of $146 million for H1 2020 (compared with net inflows of $5 million for H1 2019), with the comparative increase reflecting higher cash flow from working capital movements in the period due to the receipt of higher performance fees than in the prior year, partially offset by related compensation payables. The Group had operating cash net inflows before working capital, interest and tax of $161 million for the period (H1 2019: $234 million). The positive operating cashflows reflect the strong cash generative nature of the business despite the economic stresses seen during the period.

Capital Management

We have a robust balance sheet and liquidity position that allows us to weather the crisis whilst continuing to invest in the business and support our long-term growth prospects. As at 30 June 2020, we had $611 million of net financial assets[1] (31 December 2019: $674 million) including $202 million of cash (31 December 2019: $220 million).

The overall risk profile from our seeding programme continues to be sized in accordance with a Value at Risk (VaR) limit of $75 million, with the VaR estimated to be $21 million at 30 June 2020 (31 December 2019: $24 million). In aggregate, the seed book was $442 million at 30 June 2020 ($514 million at 31 December 2019, see page 32 for further detail). We were pleased to make small gains on our seed book in the first half despite the market environment, reflecting effective risk management and strong performance from various strategies. The seed book consists of fund and other investments that will be redeemed as practicable, as funds are marketed to clients. In addition, we held $45 million of total return swap exposure at 30 June 2020.

Dividend and share repurchase

Man Group's dividend policy is to pay out at least 100% of adjusted management fee EPS[1] in each financial year by way of ordinary dividend. In addition, the Group expects to generate significant capital over time, primarily from net performance fee earnings. Available capital, after taking into account our required capital (including liabilities for future earn-out payments) and potential strategic opportunities, will be distributed to shareholders over time by way of higher dividend payments and/or share repurchases.

In line with our dividend policy the Board has declared an interim dividend of 4.9 cents per share, being an amount equal to the adjusted management fee EPS[1] for the six months to 30 June 2020. In October 2019, the Board announced a share repurchase programme for up to $100 million to return capital to shareholders. This was completed in May 2020.

We will fix and announce the US dollar to sterling dividend currency conversion rate on 18 August 2020, in advance of payment.

Dates for the 2020 interim dividend

Ex-dividend date	6 August 2020
Record date	7 August 2020
Sterling conversion date	18 August 2020
Payment date	2 September 2020

1 For definitions and explanations of our alternative performance measures, please refer to pages 36-40

Outlook

This is a time of elevated uncertainty for the world, and financial markets are no exception to that. We aim to build Man Group, so that it is well-placed to withstand difficult periods and to thrive over time. Man Group has an exceptional set of strengths: technology leadership; efficient operations; valuable client relationships; innovative investment strategies; financial resilience; and most importantly, our people and culture. Those strengths have delivered Man Group's success in the past and will continue to deliver success in the future, putting us in a strong position to generate sustainable long-term value for all of our stakeholders.

FUNDS UNDER MANAGEMENT (FUM), FLOWS AND NET MANAGEMENT FEE MARGINS[1]

FUM movements for the six months to 30 June 2020

$bn	FUM at 31 December 2019	Net inflows/ (outflows)	Investment performance	FX & other	FUM at 30 June 2020
Alternative	**71.5**	**1.0**	**(1.0)**	**(2.1)**	**69.4**
Absolute return	**30.5**	(0.3)	(0.6)	(0.5)	**29.1**
Total return	**27.0**	1.7	(0.4)	(1.2)	**27.1**
Multi-manager solutions	**14.0**	(0.4)	0.0	(0.4)	**13.2**
Long-only	**46.2**	**(2.2)**	**(4.4)**	**(0.7)**	**38.9**
Systematic	**27.5**	(1.7)	(2.1)	(0.1)	**23.6**
Discretionary	**18.7**	(0.5)	(2.3)	(0.6)	**15.3**
Total	**117.7**	**(1.2)**	**(5.4)**	**(2.8)**	**108.3**

FUM movements for the three months to 30 June 2020

$bn	FUM at 31 March 2020	Net inflows/ (outflows)	Investment performance	FX & other	FUM at 30 June 2020
Alternative	**70.0**	**(0.6)**	**(0.3)**	**0.3**	**69.4**
Absolute return	**30.3**	(0.7)	(0.7)	0.2	**29.1**
Total return	**26.7**	0.1	0.0	0.3	**27.1**
Multi-manager solutions	**13.0**	0.0	0.4	(0.2)	**13.2**
Long-only	**34.2**	**(1.1)**	**5.6**	**0.2**	**38.9**
Systematic	**20.4**	(0.9)	4.0	0.1	**23.6**
Discretionary	**13.8**	(0.2)	1.6	0.1	**15.3**
Total	**104.2**	**(1.7)**	**5.3**	**0.5**	**108.3**

FUM movements for the three months to 31 March 2020

$bn	FUM at 31 December 2019	Net inflows/ (outflows)	Investment performance	FX & other	FUM at 31 March 2020
Alternative	**71.5**	**1.6**	**(0.7)**	**(2.4)**	**70.0**
Absolute return	**30.5**	0.4	0.1	(0.7)	**30.3**
Total return	**27.0**	1.6	(0.4)	(1.5)	**26.7**
Multi-manager solutions	**14.0**	(0.4)	(0.4)	(0.2)	**13.0**
Long-only	**46.2**	**(1.1)**	**(10.0)**	**(0.9)**	**34.2**
Systematic	**27.5**	(0.8)	(6.1)	(0.2)	**20.4**
Discretionary	**18.7**	(0.3)	(3.9)	(0.7)	**13.8**
Total	**117.7**	**0.5**	**(10.7)**	**(3.3)**	**104.2**

1 For definitions and explanations of our alternative performance measures, please refer to page 36-40.

Net management fee margins and run rate net management fee revenues[1]

	Margin for the half year ended 30 June 2019 (bps)	Run rate margin at 31 December 2019 (bps)	Margin for the Six months ended 30 June 2020 (bps)	Run rate margin at 30 June 2020 (bps)	Run rate net management fees at 30 June 2020[1] ($m)
Absolute return	121	120	118	116	338
Total return	56	57	59	59	161
Multi-manager solutions	35	27	27	26	34
Systematic	37	31	30	30	72
Discretionary	67	68	63	61	93
Total	**68**	**65**	**66**	**64**	**698**

1 Run rate revenue applies internal analysis of run rate margin to 30 June 2020 FUM. It is for illustrative purposes and not a forecast.

FUM AND MARGINS COMMENTARY

At the start of the year Man Group's FUM consisted of around 40% long-only products and 56% of total FUM was denominated in US dollars. The decline in FUM in the first half primarily reflects equity market declines and FX translation effects. Overall FUM decreased 8% to $108.3 billion, driven by negative absolute investment performance of $5.4 billion, of which $4.4 billion was from long-only strategies, and negative FX and other movements of $2.8 billion. In addition, we saw $1.2 billion of net outflows as redemptions increased in Q2 as clients responded to the COVID-19 crisis with rebalancing decisions among retail investors slightly leading those among institutional investors. The total net management fee margin decreased by 2 basis points compared with H1 2019.

ALTERNATIVES

Absolute return

Absolute return FUM decreased by 5% to $29.1 billion in the six months to 30 June 2020. Net outflows of $0.3 billion were largely driven by redemptions from Man GLG's long short strategies. These were partially offset by net inflows into AHL Institutional Solutions.

Negative investment performance of $0.6 billion was primarily driven by negative performance in AHL Dimension (-7.2%) and AHL Evolution (-3.0%), partially offset by performance in trend following strategies AHL Alpha (+1.7%) and AHL Diversified (+0.8%).

Man AHL earned $18 million of gross performance fees in the period (compared with $116 million in H1 2019). The majority of the AHL Evolution strategy's performance fees crystallise annually in June and the performance over the previous twelve months resulted in $6 million of performance fees. AHL Alpha and AHL Institutional Solutions added $5 million of performance fees each. As at 30 June 2020, 43% of Man AHL's performance fee eligible FUM, or $9.3 billion, was at or above high-water mark and 17%, or $3.7 billion, was within 5% of high-water mark.

Man GLG recorded $11 million of gross performance fees in the first half (compared with $9 million in H1 2019), with the majority of the fees being earned from the GLG Alpha Select strategy. As at 30 June 2020, 55% of Man GLG's performance fee eligible FUM, or $4.4 billion, was at high-water mark and 28%, or $2.2 billion, was within 5% of high-water mark.

The absolute return run rate net management fee margin decreased by 4 basis points compared with the run rate at 31 December 2019. This reflects the continued mix shift towards institutional assets and some redemptions from higher margin strategies including ELS in the period.

Total return

Total return FUM increased slightly in the six months to 30 June 2020 at $27.1 billion, with net inflows of $1.7 billion being offset by negative investment performance and negative FX and other movements of $1.2 billion driven by the US dollar strengthening against sterling. Net inflows included $3.4 billion into AHL TargetRisk along with the launch of a European CLO. These were partially offset by net outflows from Alternative Risk Premia and GLG Emerging Markets Debt Total Return.

There was negative investment performance during the period of $0.4 billion, with Alternative Risk Premia down 7.7% and AHL TargetRisk down 1.7%. This was partially offset by positive investment performance of 9.3% in the GLG Emerging Markets Debt Total Return strategy which benefited from its bearish positioning.

The total return run rate net management fee margin increased by 2 basis points compared with the run rate at 31 December 2019 as AHL TargetRisk grew as a proportion of the category.

Multi-manager solutions

Multi-manager solutions FUM reduced by 6% to $13.2 billion in the six months to 30 June 2020. Net outflows of $0.4 billion were driven by diversified fund of hedge fund strategies. There were negative FX and other movements of $0.4 billion during the period.

Man FRM's strategies earned no performance fees in the period which is comparable to H1 2019.

The run rate net management fee margin in this category was down by 1 basis point compared to 31 December 2019 due to the continued mix shift towards lower margin infrastructure mandates and the decline in higher diversified fund of hedge fund assets. As we have previously indicated, we expect the multi-manager solutions margin to continue to decline as this mix shift continues.

LONG-ONLY

Systematic

Systematic long-only FUM decreased by 14% to $23.6 billion in the six months to 30 June 2020, driven by negative investment performance of $2.1 billion and net outflows of $1.7 billion driven by Numeric Global and Numeric European Core. Outflows were partially offset by inflows into Man Numeric's fixed income strategy.

Man Numeric earned no performance fees in the period which is comparable to H1 2019.

The run rate net management fee margin in this category was down by 1 basis point compared with 31 December 2019, reflecting redemptions from higher fee mandates.

Discretionary

Discretionary long-only FUM decreased by $3.4 billion to $15.3 billion in the six months to 30 June 2020. This was driven by negative absolute performance of $2.3 billion and negative FX and other movements of $0.6 billion. Net outflows of $0.5 billion were predominantly from GLG Japan CoreAlpha and Man GLG's Emerging Markets Debt strategies. These were partially offset by inflows into Man GLG's credit strategies and GLG Continental European Growth.

The run rate net management fee margin in this category decreased 7 basis points compared with 31 December 2019 driven by a shift away from higher margin strategies particularly GLG Japan CoreAlpha which declined from $6.6 billion at the end of 2019 to $3.1 billion at 30 June 2020 and growth in credit strategies which are typically lower-margin.

FUM by product category

$bn	30-Jun-19	30-Sep-19	31-Dec-19	31-Mar-20	30-Jun-20
Absolute return	**29.9**	**30.3**	**30.5**	**30.3**	**29.1**
Man Institutional Solutions[1]	3.9	4.2	4.4	5.8	6.4
AHL Alpha	5.5	6.0	6.0	6.5	6.1
AHL Dimension	6.1	6.3	6.3	5.6	5.2
GLG Equity absolute return	5.6	5.2	5.2	4.6	4.0
AHL Evolution	3.8	3.8	4.1	3.8	3.7
AHL Diversified	1.6	1.7	1.5	1.5	1.4
AHL other	1.8	1.7	1.7	1.4	1.2
Numeric absolute return	1.0	0.9	0.8	0.7	0.6
GLG Credit absolute return	0.6	0.5	0.5	0.4	0.5
Total return	**25.5**	**25.9**	**27.0**	**26.7**	**27.1**
Alternative risk premia	11.7	12.3	13.0	10.5	10.0
AHL TargetRisk	2.5	3.2	4.4	6.0	8.1
CLOs and other GLG total return	4.5	4.3	4.3	4.7	4.6
EM total return	4.3	3.7	2.8	3.0	1.9
GPM	2.5	2.4	2.5	2.5	2.5
Multi-manager solutions	**13.5**	**13.9**	**14.0**	**13.0**	**13.2**
Infrastructure & direct access	6.4	6.7	6.9	6.6	6.8
Segregated	5.8	6.0	5.9	5.6	5.9
Diversified and thematic FoHF	1.3	1.2	1.2	0.8	0.5
Systematic long-only	**27.0**	**25.6**	**27.5**	**20.4**	**23.6**
Global	8.7	9.5	9.2	7.2	8.7
International	8.0	7.7	9.1	6.6	7.1
Emerging markets	6.9	6.1	6.8	5.2	5.9
US	3.4	2.3	2.4	1.4	1.9
Discretionary long-only	**18.4**	**17.0**	**18.7**	**13.8**	**15.3**
Credit & convertibles	2.4	2.3	2.6	2.3	3.5
Europe equity ex UK	2.4	2.3	2.7	2.2	3.2
Japan equity	7.0	6.3	6.6	4.2	3.1
UK equity	3.3	3.3	3.9	2.6	2.9
EM Fixed income	2.2	2.1	2.0	1.7	1.6
Other equity	0.9	0.5	0.6	0.5	0.7
Multi Asset	0.2	0.2	0.3	0.3	0.3
Guaranteed	**0.1**	**0.0**	**0.0**	**0.0**	**0.0**
Total	**114.4**	**112.7**	**117.7**	**104.2**	**108.3**

1 Man Institutional Solutions includes AHL Institutional Solutions, GLG and Numeric strategies

FUM by investment engine

$bn	30-Jun-19	30-Sep-19	31-Dec-19	31-Mar-20	30-Jun-20
AHL	**29.9**	**31.6**	**33.7**	**35.1**	**36.4**
TargetRisk	2.5	3.2	4.4	6.0	8.1
Alpha	5.5	6.0	6.0	6.5	6.1
Institutional Solutions[1]	3.8	4.1	4.3	5.6	6.1
Dimension	6.1	6.3	6.3	5.6	5.2
Alternative risk premia	4.7	4.8	5.4	4.7	4.6
Evolution	3.8	3.8	4.1	3.8	3.7
Diversified (inc. Guaranteed)	1.7	1.7	1.5	1.5	1.4
Other	1.8	1.7	1.7	1.4	1.2
Numeric	**35.0**	**34.0**	**35.9**	**26.9**	**29.6**
Alternatives	**8.0**	**8.4**	**8.4**	**6.5**	**6.0**
Alternative risk premia	7.0	7.5	7.6	5.8	5.4
Numeric absolute return	1.0	0.9	0.8	0.7	0.6
Long-only	**27.0**	**25.6**	**27.5**	**20.4**	**23.6**
Global	8.7	9.5	9.2	7.2	8.7
International	8.0	7.7	9.1	6.6	7.1
Emerging markets	6.9	6.1	6.8	5.2	5.9
US	3.4	2.3	2.4	1.4	1.9
GLG	**33.5**	**30.8**	**31.6**	**26.7**	**26.6**
Alternatives	**15.1**	**13.8**	**12.9**	**12.9**	**11.3**
CLOs and other GLG total return	4.5	4.3	4.3	4.7	4.6
Equity absolute return[2]	5.7	5.3	5.3	4.8	4.3
EM total return	4.3	3.7	2.8	3.0	1.9
Credit absolute return[2]	0.6	0.5	0.5	0.4	0.5
Long-only	**18.4**	**17.0**	**18.7**	**13.8**	**15.3**
Credit & convertibles	2.4	2.3	2.6	2.3	3.5
Europe equity ex UK	2.4	2.3	2.7	2.2	3.2
Japan equity	7.0	6.3	6.6	4.2	3.1
UK equity	3.3	3.3	3.9	2.6	2.9
EM Fixed income	2.2	2.1	2.0	1.7	1.6
Other equity	0.9	0.5	0.6	0.5	0.7
Multi Asset	0.2	0.2	0.3	0.3	0.3
FRM	**13.5**	**13.9**	**14.0**	**13.0**	**13.2**
Infrastructure & direct access	6.4	6.7	6.9	6.6	6.8
Segregated	5.8	6.0	5.9	5.6	5.9
Diversified and thematic FoHF	1.3	1.2	1.2	0.8	0.5
GPM	**2.5**	**2.4**	**2.5**	**2.5**	**2.5**
Total	**114.4**	**112.7**	**117.7**	**104.2**	**108.3**

1 Institutional Solutions invests into a range of AHL strategies including AHL 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 June 2020	6 months to 30 June 2020	3 years to 30 June 2020	5 years to 30 June 2020	Since inception to 30 June 2020
Absolute return						
AHL Dimension	1	-2.9%	-7.2%	2.1%	2.3%	4.6%
AHL Alpha	2	-3.4%	1.7%	5.5%	3.3%	10.6%
AHL Evolution	3	-3.0%	-3.0%	6.8%	6.9%	12.5%
AHL Diversified	4	-7.2%	0.8%	4.9%	1.5%	10.8%
GLG Alpha Select	5	-1.6%	2.8%	7.1%	6.3%	4.2%
GLG European Long Short	6	3.3%	0.6%	-0.4%	0.2%	6.3%
GLG Global Credit Multi Strategy	7	12.5%	3.2%	5.7%	6.7%	11.9%
Total return						
Alternative Risk Premia SP	8	-2.9%	-7.7%	0.9%	n/a	2.3%
GLG Global EM Debt Total Return	9	-0.7%	9.3%	1.9%	n/a	3.6%
AHL TargetRisk	10	3.3%	-1.7%	11.1%	9.1%	9.5%
Multi-manager solutions						
FRM Diversified II	11	3.7%	-6.5%	-0.7%	-1.2%	3.5%
Systematic long-only						
Numeric Global Core	12	23.2%	-4.8%	3.9%	5.5%	8.9%
Relative Return		*3.8%*	*1.0%*	*-2.8%*	*-1.4%*	*0.7%*
Numeric Europe Core (EUR)	13	18.1%	-10.0%	0.9%	2.9%	8.1%
Relative Return		*5.5%*	*2.8%*	*0.4%*	*1.6%*	*2.5%*
Numeric Emerging Markets Core	14	18.6%	-8.5%	1.5%	4.0%	4.2%
Relative Return		*0.5%*	*1.3%*	*-0.4%*	*1.2%*	*2.0%*
Discretionary long-only						
GLG Japan Core Alpha Equity	15	5.0%	-24.3%	-8.0%	-4.9%	1.6%
Relative Return		*-6.2%*	*-16.1%*	*-9.2%*	*-6.3%*	*0.2%*
GLG Continental European Growth	16	22.6%	10.7%	10.4%	15.7%	9.8%
Relative Return		*3.8%*	*12.6%*	*6.8%*	*6.9%*	*4.3%*
GLG Undervalued Assets	17	12.1%	-26.5%	-4.2%	1.1%	3.7%
Relative Return		*2.0%*	*-9.0%*	*-2.7%*	*-1.8%*	*0.7%*
Indices						
HFRX Global Hedge Fund Index	18	6.2%	-1.1%	1.2%	0.7%	
HFRI Fund of Funds Conservative Index	18	3.9%	-3.6%	1.3%	1.1%	
Barclay BTOP 50 Index	19	-0.5%	-2.7%	1.0%	-0.8%	
HFRI Equity Hedge (Total) Index	18	13.6%	-2.9%	3.1%	3.2%	
HFRX EH: Equity Market Neutral Index	18	3.0%	-5.0%	-3.0%	-1.8%	

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. GLG Alpha Select Alternative IL GBP
6. 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.
7. 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.
8. Represented by Man Alternative Risk Premia Class A USD.
9. Represented by Man GLG Global Emerging Markets Debt Total Return Class I USD.
10. 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.
11. 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.
12. 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.
13. 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.
14. 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).
15. Represented by Man GLG Continental European Growth Fund Class C Accumulation Shares. Relative return shown vs FTSE World Europe Ex UK (GBP, GDTR).
16. Represented by Man GLG Undervalued Assets Fund - C Accumulation Shares. Relative return shown vs FTSE All Share (GBP, NDTR).
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.

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.

RISK MANAGEMENT

It is a key objective of Man Group to remain a leader in risk management and governance. As such, risk management is an essential component of our approach, both to the management of investment funds on behalf of investors, and the management of Man Group's business on behalf of shareholders. Our reputation is fundamental to our business, and maintaining our corporate integrity is the responsibility of everyone at Man Group. Our approach is to identify, quantify and manage risk throughout the Group, in accordance with the Board's risk appetite. We maintain capital and liquidity to give us strategic and tactical flexibility, both in terms of corporate and fund management.

The principal risks faced by Man Group are set out on pages 37 to 39 of our 2019 Annual Report. These will continue to be our principal risks for the second half of the financial year, and are: investment underperformance risk; key person risk; credit/counterparty risk; liquidity risk; investment book risk; pension risk; risk of internal process failure; risk of external process failure; information security and cybercrime security risk; information technology risk; legal and regulatory risk; Brexit risk; reputational risk and emerging risk. Our risk framework operated effectively in the six months to 30 June 2020, with systems and controls functioning as designed even though this period included the market disruption caused by the COVID-19 pandemic and associated business continuity requirements for remote workforce arrangements. We have not identified any new operational risks but recognise that existing risk categories are heightened due to stronger underlying risk drivers such as volatile markets, increased trading volumes or an increased technology dependence. There has been heightened vigilance around all of Man Group's risk processes during this time, however to date Man Group's corporate and fund entities have not been impacted by any material market or operational risk events associated with the pandemic.

As described in our 2019 Annual Report, the UK Government has committed to fully exiting the European Union at the end of 2020, following a transition period. The exact nature of the final agreement has political, regulatory, legal and tax implications for the UK and may impact market access and general economic conditions in the UK and other European countries. Man Group has planned for a range of Brexit scenarios that may impact its employees, business or its clients, including a no-deal at the end of the transition period. At the beginning of 2019, Man Group received regulatory approval to upgrade the regulatory permissions of its existing Irish entity and opened a physical office in Dublin, with locally based staff. Branches of the regulated Irish entity have been established in various European countries. This has allowed Man Group to remain able to service its existing European clients and to access new business in the EU. Man Group will continue to monitor developments closely throughout the remainder of 2020 and will take necessary steps to ensure that any negative impact of the future agreement on its employees, business and its clients is minimised.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that, to the best of their knowledge, this condensed set of financial statements in respect of Man Group plc for the six month period ended 30 June 2020 has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union, and that this interim report includes a fair review of the information required by the Financial Conduct Authority's Disclosure Guidance and Transparency Rules 4.2.7 and 4.2.8, namely:

- an indication of important events that have occurred during the six months ended 30 June 2020 and their impact on the condensed interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year ending 31 December 2020; and

- material related party transactions in the six months ended 30 June 2020 and any material changes in the related party transactions described in the last annual report.

The Directors of Man Group plc are as listed in the Annual Report for the year ended 31 December 2019.

By order of the board

Luke Ellis
Chief Executive Officer
30 July 2020

Mark Jones
Chief Financial Officer
30 July 2020

INDEPENDENT REVIEW REPORT TO MAN GROUP PLC

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2020 which comprises the Group income statement, the Group statement of comprehensive income, the Group balance sheet, the Group statement of changes in equity, the Group cash flow statement and related Notes 1 to 17. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in Note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Use of our report

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2020 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP
Statutory Auditor
London, UK
30 July 2020

INTERIM FINANCIAL STATEMENTS

Group income statement

$m	Note	**Six months to 30 June 2020**	Six months to 30 June 2019
Revenue:			
Gross management and other fees	2	**374**	395
Performance fees	2	**29**	125
		403	520
Income or gains on investments and other financial instruments		**24**	30
Third-party share of gains relating to interests in consolidated funds	11	**(1)**	(12)
Sub-lease rental and lease surrender income[1]	12	**21**	7
Revaluation of contingent consideration	14	**21**	11
Gain on sale of investment in Nephila[2]		**-**	1
Distribution costs	3	**(17)**	(20)
Asset servicing	3	**(27)**	(27)
Amortisation of acquired intangible assets	9	**(32)**	(40)
Impairment of GPM goodwill	9	**(55)**	-
Compensation	4	**(199)**	(244)
Other costs	5	**(76)**	(95)
Finance expense	6	**(9)**	(25)
Finance income	6	**2**	4
Profit before tax		**55**	110
Tax expense	7	**(16)**	(20)
Statutory profit for the period attributable to owners of the Parent Company		**39**	90
Earnings per share:	8		
Basic (cents)		**2.7**	5.9
Diluted (cents)		**2.6**	5.8

Group statement of comprehensive income

$m	**Six months to 30 June 2020**	Six months to 30 June 2019
Statutory profit for the period attributable to owners of the Parent Company	**39**	90
Other comprehensive income/(expense):		
Remeasurements of post-employment benefit obligations	**1**	(12)
Current tax credited on pension scheme	**2**	2
Deferred tax debited on pension scheme	**(3)**	-
Items that will not be reclassified to profit or loss	**-**	(10)
Cash flow hedges:		
Valuation gains taken to equity	**2**	1
Transfer to Group income statement	**-**	8
Deferred tax debited on cash flow hedge movements	**-**	(2)
Net investment hedge	**1**	-
Foreign currency translation	**(2)**	-
Items that may be reclassified to profit or loss	**1**	7
Other comprehensive expense for the period (net of tax)	**1**	(3)
Total comprehensive income for the period attributable to owners of the Parent Company	**40**	87

Notes:

1 In H1 2019, sub-lease rental income was classified within gross management and other fees. In the current period this income has been presented separately in order to align with the presentation in the 2019 Annual Report.

2 The Group's investment in Nephila was sold in late 2018. The gain on sale of $1 million in H1 2019 relates to finalisation of the closing position (an adjusting item per page 38).

Group balance sheet

$m	Note	**At 30 June 2020**	At 31 December 2019
Assets			
Cash and cash equivalents	10	**236**	281
Fee and other receivables		**302**	426
Investments in fund products and other investments	11	**667**	776
Pension asset		**16**	16
Right-of-use lease assets		**178**	209
Leasehold improvements and equipment		**36**	40
Goodwill and acquired intangibles	9	**767**	854
Other intangibles		**35**	31
Deferred tax assets		**119**	120
Total assets		**2,356**	2,753
Liabilities			
Trade and other payables		**339**	559
Provisions	13	**7**	8
Current tax liabilities		**10**	14
Third-party interest in consolidated funds	11	**141**	213
Lease liability		**258**	307
Deferred tax liabilities		**23**	28
Total liabilities		**778**	1,129
Net assets		**1,578**	1,624
Equity			
Capital and reserves attributable to owners of the Parent Company		**1,578**	1,624

Group cash flow statement

$m	Note	**Six months to 30 June 2020**	Six months to 30 June 2019
Cash flows from operating activities			
Statutory profit		**39**	90
Adjustments for non-cash items:			
Income tax expense	7	**16**	20
Net finance expense	6	**7**	21
Revaluation of contingent consideration	14	**(21)**	(11)
Gain on disposal of investment in Nephila		**-**	(1)
Depreciation of leasehold improvements and equipment	5	**7**	7
Depreciation of right-of-use lease assets	5	**10**	10
Amortisation of acquired intangible assets	9	**32**	40
Impairment of GPM goodwill	9	**55**	-
Amortisation of other intangibles	5	**6**	6
Share-based payment charge	4	**9**	13
Fund product based payment charge	4	**22**	27
Unrealised foreign exchange movements on lease liabilities and associated deferred tax		**(17)**	(1)
Other non-cash movements		**(4)**	13
		161	234
Changes in working capital:			
Decrease/(increase) in receivables		**124**	(144)
Decrease in other financial assets[1]		**34**	12
Decrease in payables		**(140)**	(75)
Cash generated from operations		**179**	27
Interest paid		**(2)**	(5)
Unwind of lease liability discount		**(6)**	(7)
Income tax paid		**(25)**	(10)
Cash flows from operating activities		**146**	5
Cash flows from investing activities			
Purchase of leasehold improvements and equipment		**(3)**	(4)
Purchase of other intangible assets		**(9)**	(7)
Payment of contingent consideration in relation to acquisitions		**(2)**	(5)
Interest received		**2**	3
Proceeds from sale of Nephila		**-**	1
Cash flows from investing activities		**(12)**	(12)
Cash flows from financing activities			
Repayments of principal lease liability		**(11)**	(10)
Purchase of own shares by the Employee Trust and Partnerships		**(20)**	(11)
Share repurchase programme (including costs)		**(71)**	(43)
Dividends paid to Company shareholders		**(75)**	(80)
Cash flows from financing activities		**(177)**	(144)
Net decrease in cash		**(43)**	(151)
Cash at beginning of the period		**281**	370
Effect of foreign exchange movements		**(2)**	(1)
Cash at period end[2]	10	**236**	218

Notes:
1 Includes $27 million of restricted net cash outflows (H1 2019: $15 million) relating to consolidated fund entities (Note 11).
2 Includes $34 million (H1 2019: $11 million) of restricted cash relating to consolidated fund entities (Note 11).

Group statement of changes in equity

$m	**At 30 June 2020**	At 31 December 2019
Share capital and capital reserves	**(1,635)**	(1,635)
Revaluation reserves and retained earnings	**3,213**	3,259
Capital and reserves attributable to owners of the Parent Company	**1,578**	1,624

Share capital and capital reserves

$m	Share capital	Share premium account	Capital redemption reserve	Merger reserve	Reorganisation reserve	Total
At 1 January 2020	**53**	**–**	**–**	**–**	**(1,688)**	**(1,635)**
At 30 June 2020	**53**	**–**	**–**	**–**	**(1,688)**	**(1,635)**
At 1 January 2019	55	32	8	499	632	1,226
Purchase and cancellation of own shares	(2)	–	2	–	–	–
Scheme of arrangement (Note 1):						
- Cancellation of shares in former holding company	(53)	(32)	(10)	(499)	(632)	(1,226)
- Issue of shares in new holding company	53	2,861	–	–	(1,688)	1,226
Capital reduction (Note 1)	–	(2,861)	–	–	–	(2,861)
At 31 December 2019	53	–	–	–	(1,688)	(1,635)

Group statement of changes in equity (continued)

Revaluation reserves and retained earnings

$m	Profit and loss account	Own shares held by Employee Trust	Treasury Shares	Cumulative translation adjustment	Cash flow hedge reserve	Total
At 1 January 2020	**3,322**	**(66)**	**(52)**	**55**	**–**	**3,259**
Statutory profit	**39**	**–**	**–**	**–**	**–**	**39**
Other comprehensive income/(expense)	**–**	**–**	**–**	**(1)**	**2**	**1**
Share-based payment charge	**9**	**–**	**–**	**–**	**–**	**9**
Purchase of own shares by the Employee Trust	**–**	**(20)**	**–**	**–**	**–**	**(20)**
Disposal of own shares by the Employee Trust	**(26)**	**26**	**–**	**–**	**–**	**–**
Transfer to Treasury shares	**71**	**–**	**(71)**	**–**	**–**	**–**
Transfer from Treasury shares	**(11)**	**–**	**11**	**–**	**–**	**–**
Dividends	**(75)**	**–**	**–**	**–**	**–**	**(75)**
At 30 June 2020	**3,329**	**(60)**	**(112)**	**54**	**2**	**3,213**
At 1 January 2019	475	(62)	(114)	54	(10)	343
Statutory profit	285	–	–	–	–	285
Other comprehensive income/(expense)	(9)	–	–	1	10	2
Share-based payment charge	28	–	–	–	–	28
Scheme of arrangement – capital reduction (Note 1)	2,861	–	–	–	–	2,861
Deferred tax debited on share based payments	1	–	–	–	–	1
Purchase of own shares by the Employee Trust	–	(11)	–	–	–	(11)
Disposal of own shares by the Employee Trust	(15)	15	–	–	–	–
Share repurchases	(100)	–	–	–	–	(100)
Transfer to Treasury shares	92	–	(92)	–	–	–
Transfer from Treasury shares	(4)	(8)	12	–	–	–
Cancellation of Treasury Shares	(140)	–	140	–	–	–
Disposal of Treasury shares in respect of Sharesave	–	–	2	–	–	2
Dividends	(152)	–	–	–	–	(152)
At 31 December 2019	3,322	(66)	(52)	55	–	3,259

1. Basis of preparation

The interim financial statements for the six months ended 30 June 2020 have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’, as adopted by the European Union, and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority.

The income statement and cash flow statement presentation in these interim financial statements shows the six months ended 30 June 2020 (H1 2020) together with the six months ended 30 June 2019 (H1 2019). The balance sheet is presented as at 30 June 2020 together with comparatives as at 31 December 2019.

The financial information contained herein is unaudited and does not constitute accounts within the meaning of Article 105 of Companies (Jersey) Law 1991. Statutory accounts for the year ended 31 December 2019, which were prepared in accordance with International Financial Reporting Standards (IFRS) and relevant IFRIC interpretations issued by the International Accounting Standards Board (IASB) and IFRIC Committee respectively and adopted by the European Union (EU) and upon which the auditor has given an unqualified and unmodified report, have been delivered to the Jersey Registrar of Companies and were posted to shareholders on 11 March 2020. The interim financial statements have been prepared in accordance with Article 106 of the Companies (Jersey) Law 1991.

The accounting policies applied in these interim financial statements are consistent with those applied in Man’s Annual Report for the year ended 31 December 2019 (the '2019 Annual Report’).

During the six months ended 30 June 2020 and the subsequent period up to the date of approval of the interim financial statements, the coronavirus (COVID-19) pandemic has caused extensive disruption to businesses and economic activities globally. The situation as impacts the Group’s operating arrangements, including its access to capital and liquidity, is subject to ongoing review by the directors and senior management. This includes an assessment of the Group’s Medium Term Plan which is built by aggregating the expected business performance across the Group, with much of the impact of COVID-19 being captured at the 30 June 2020 starting point of this analysis, and then stressing key performance assumptions, and includes rigorous downside scenario testing. At this time, the directors consider that the Group’s longer-term success and sustainability will not be materially impacted by the pandemic, however will continue to closely monitor the situation. The impact of COVID-19 on the carrying value of the Group’s goodwill and the fair value of associated contingent consideration at 30 June 2020 are outlined in Note 9 and Note 14 respectively.

The directors consider that the Group is well placed to manage business and financial risks in the current economic environment and have a reasonable expectation that the Group has sufficient resources to continue in operation for the foreseeable future. Accordingly, these interim financial statements continue to be prepared on a going concern basis. Further discussion in relation to COVID-19 is included in the Chief Executive Officer’s Review on page 6.

Man acts as the investment manager/advisor to fund entities. Man assesses such relationships on an ongoing basis to determine whether each fund entity is controlled by the Group and therefore consolidated into the Group’s results. Assessment of the control characteristics for all relationships with fund entities led to the consolidation of 15 fund entities at 30 June 2020 (31 December 2019:15), which are consolidated on a line-by-line basis. The interests of third-parties in these funds are classified as liabilities.

Judgemental areas and accounting estimates

The most significant area of judgement relates to whether the Group controls certain funds through its exposure to fund products via either direct investments, total return swaps or sale and repurchase arrangements, and is therefore required to consolidate them (Note 11).

Furthermore, the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include the estimated amount of accrued discretionary variable compensation and the valuation of goodwill and acquired intangibles for cash generating units (CGUs) with lower levels of headroom (Note 9). The determination of the discretionary variable compensation accrual is an annual process undertaken at the calendar year-end, therefore the accrual at 30 June 2020 is an estimated amount based on the financial performance and absolute levels of performance fees of the Group in the year to date. The goodwill assessments are primarily based on discounted future cash flow models at 31 December 2019 as disclosed within Note 10 of the 2019 Annual

Report and, except where updates to certain GPM CGU assumptions have been made to reflect H1 2020 and the impact of COVID-19 (as outlined in Note 9), the directors are confident that the assumptions in the Board's three year Medium Term Plan (approved in February 2020) remain appropriate over the forecast period.

Corporate reorganisation

In May 2019 the Group adjusted its corporate structure. Man Group plc was incorporated in Jersey on 26 October 2018 and became the new listed holding company of the Group on 28 May 2019 via a court-approved scheme of arrangement under Part 26 of the UK Companies Act 2006, with the former holding company being renamed Man Group Limited. Under the scheme of arrangement, shares in the former holding company of the Group were cancelled and the same number of new ordinary shares were issued to the new holding company in consideration for the allotment to shareholders of one ordinary share of 3 3/7 US cents in the new holding company for each ordinary share of 3 3/7 US cents they held in the former holding company. On 28 May 2019, Man Group plc effected a reduction of its share capital by cancelling its share premium and recognising an equivalent increase in the profit and loss account in reserves.

Impact of new accounting standards and interpretations

The following amendments to IFRS Standards and Interpretations were effective for the first time in the six months to 30 June 2020. Their adoption has not had a significant impact on these interim financial statements:

- Amendments to IFRS 3 Business Combinations: Definition of a business;
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of material;
- Amendments to References to the Conceptual Framework in IFRS Standards; and
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7).

No standards or interpretations issued and not yet effective are expected to have an impact on the Group‘s interim financial statements.

2. Revenue

Revenue for the six months to 30 June 2020 was $403 million, which has decreased by 23% compared with the $520 million in H1 2019.

Gross management and other fees for the period were $374 million, compared with $395 million in H1 2019, primarily driven by a reduction in management fee margins as the business mix has altered over time (see page 11 for further details).

Performance fee revenue was $29 million for the six months to 30 June 2020, which is $96 million lower than H1 2019 largely driven by weaker AHL performance fee generation in the period (see page 11 for further details).

3. Distribution costs and asset servicing

Distribution costs are paid to external intermediaries for marketing and investor servicing, largely in relation to retail clients, and were $17 million for the period (H1 2019: $20 million). Distribution costs are variable with FUM and the associated management fee revenue. Distribution costs have decreased largely as a result of lower average FUM from intermediaries.

Asset servicing includes custodial, valuation, fund accounting, registrar, research and administration functions performed by third-parties under contract to Man, on behalf of the funds, and is recognised in the period in which the service is provided. The costs of these services vary based on transaction volumes, the number of funds, and fund NAVs.

4. Compensation

$m	**Six months to 30 June 2020**	Six months to 30 June 2019
Salaries	**80**	84
Variable cash compensation	**67**	97
Share-based payment charge	**9**	13
Fund product based payment charge	**22**	27
Social security costs	**14**	16
Pension costs	**7**	6
Restructuring costs (adjusting item per page 38)	**-**	1
Total compensation costs	**199**	244

The decrease in salaries was due to more favourable sterling (GBP) to US dollar (USD) achieved exchange rates (with the Group no longer hedging fixed costs from 1 January 2020 this is represented by the average exchange rate of 1.25 for H1 2020 versus a hedged rate of 1.40 for H1 2019), partially offset by an increase in average headcount. Variable compensation costs have declined due to the reduction in management and performance fee revenues. Fund product based payment charges have largely decreased as a result of mark to market movements in the period in relation to previous years' awards, with nil mitigating impact in the period as a result of the application of hedge accounting for 2020 granted awards (see below). The decrease in the share-based payment charge is largely as a result of lower share grants in 2020.

For fund product deferred compensation the fair value of the employee services received in exchange for the fund units is recognised as an expense over the vesting period, with a corresponding liability. The Group holds these fund investments in order to offset any associated change in deferred compensation, and at vesting the value of the fund investment is delivered to the employee. Effective for awards granted from 1 January 2020, the Group has elected to hedge account for deferred fund product charges, whereby the offsetting gains or losses on these fund products are matched against the corresponding compensation charge in the Group income statement pro-rata over the vesting period. Unmatched gains or losses are recognised through other comprehensive income and held within the cash flow hedge reserve in equity until they are recycled over the vesting period into the Group income statement.

The total value of unamortised deferred compensation at 30 June 2020 was $97 million (30 June 2019: $97 million), which has a weighted average remaining vesting period of 1.9 years (30 June 2019: 1.9 years).

5. Other costs

$m	**Six months to 30 June 2020**	Six months to 30 June 2019
Occupancy	**5**	7
Technology and communications	**12**	12
Temporary staff, recruitment, consultancy and managed services	**4**	10
Audit, tax, legal and other professional fees	**10**	12
Benefits	**7**	7
Travel and entertainment	**2**	6
Insurance	**2**	2
Marketing and sponsorship	**1**	3
Other cash costs, including irrecoverable VAT	**8**	6
Legal claims (adjusting item per page 38)	**2**	-
Restructuring costs (adjusting item per page 38)	**-**	7
Total other costs before depreciation and amortisation	**53**	72
Depreciation of leasehold property and equipment, and amortisation of other intangibles	**13**	13
Depreciation of ROU lease assets	**10**	10
Total other costs	**76**	95

Other costs before depreciation and amortisation were $53 million, compared with $72 million in H1 2019. The decrease is largely due to $7 million of costs incurred in respect of the Group's corporate reorganisation in H1 2019 (Note 1), which were classified as an adjusting item, as well as the impact of more favourable GBP to USD achieved exchange rates (represented by the average exchange rate of 1.25 for H1 2020 versus a hedged rate of 1.40 for H1 2019 as outlined in Note 4).

Global travel restrictions and working from home as a result of COVID-19 have provided some cost savings on occupancy and travel and entertainment, with recruitment and temporary staff costs also lower as a result of lower levels of hiring during the period. Legal claims of $2 million relate to defence costs in respect of the PIFSS legal claim detailed in Note 16, which are classified as an adjusting item (page 38).

6. Finance expense and finance income

$m	**Six months to 30 June 2020**	Six months to 30 June 2019
Finance expense:		
Interest payable on borrowings (Note 10)	**-**	(5)
Revolving credit facility costs and other	**(1)**	(1)
Unwind of lease liability discount	**(6)**	(7)
Unwind of contingent consideration discount (adjusting item per page 38)	**(2)**	(12)
Total finance expense	**(9)**	(25)
Finance income:		
Interest on cash deposits	**2**	4
Total finance income	**2**	4

Interest payable on borrowings has decreased by $5 million due to the repayment of the Group's Tier 2 notes in September 2019, in addition to a $10 million decrease in unwind of contingent consideration discount due to the final Numeric earn-out payment in September 2019.

7. Tax

The tax expense for the period is $16 million (H1 2019: $20 million), resulting in a statutory effective tax rate of 29% (H1 2019: 18%), which has increased largely as a result of the non-deductible GPM impairment charge. The majority of the Group's profit is earned in the UK, Switzerland and the US. The forecast full year effective tax rate is consistent with this profit mix.

Accounting for tax involves a level of estimation uncertainty given the application of tax law requires a degree of judgement, which tax authorities may dispute. Tax liabilities are recognised based on the best estimates of probable outcomes, with regard to external advice where appropriate. The principal factors which may influence our future tax rate are changes to tax regulation in the territories in which we operate, the mix of income and expenses earned and incurred by jurisdiction, and the timing of the recognition of available deferred tax assets.

The Group has accumulated deferred tax assets in the US of $87 million (31 December 2019: $89 million). These deferred tax assets comprise accumulated operating losses from existing operations, future amortisation of goodwill and intangible assets generated from acquisitions and other timing differences that will be available to offset future taxable profits in the US. Given the recent history of US taxable profits and forecast future profitability, all of the available US deferred tax assets of $87 million are recognised on the Group balance sheet at 30 June 2020 (31 December 2019: $89 million).

Man does not currently expect to pay federal tax on any profits it may earn in the US for several years. Accordingly, any movements in the deferred tax asset in the period are classified as an adjusting item (page 38).

8. Earnings per share (EPS)

The calculation of basic earnings per ordinary share is based on post-tax profit for the period of $39 million (H1 2019: $90 million), and ordinary shares of 1,468,832,877 (H1 2019: 1,519,024,639), being the weighted average number of ordinary shares in issue during the period after excluding the shares owned by the Man Employee Trust and Treasury Shares. For diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares, being ordinary shares of 1,490,106,884 (H1 2019: 1,540,721,116). The decrease in the weighted average number of shares is largely driven by the execution of share repurchases in both H2 2019 and H1 2020. The reconciliation of basic and diluted weighted average number of shares is provided below:

	Six months to 30 June 2020 (million)	Six months to 30 June 2019 (million)
Basic weighted average number of shares	**1,468.8**	1,519.0
Dilutive potential ordinary shares:		
Share awards under incentive schemes	**21.2**	20.8
Employee share options	**0.1**	0.9
Dilutive weighted average number of shares	**1,490.1**	1,540.7

The basic and diluted earnings per share figure are provided below. For a reconciliation of earnings per share to adjusted earnings per share, please see the Alternative Performance Measures section at the end of this report.

	Basic and diluted post-tax earnings $m	**Basic earnings per share cents**	**Diluted earnings per share cents**
Earnings per share H1 2020	**39**	**2.7**	**2.6**
Earnings per share H1 2019	90	5.9	5.8

9. Goodwill and acquired intangibles

$m	**Goodwill**	**Investment management agreements**	**Distribution channels**	**Brand names**	**Total**
Net book value at 1 January 2020	**641**	**193**	**15**	**5**	**854**
Impairment expense	**(55)**	**–**	**–**	**–**	**(55)**
Amortisation	**–**	**(28)**	**(2)**	**(2)**	**(32)**
Net book value at 30 June 2020	**586**	**165**	**13**	**3**	**767**
Allocated to cash generating units as follows:					
AHL	**452**	**1**	**–**	**–**	**453**
GLG	**–**	**77**	**5**	**1**	**83**
FRM	**–**	**5**	**–**	**–**	**5**
GPM	**–**	**5**	**8**	**–**	**13**
Numeric	**134**	**77**	**–**	**2**	**213**

Allocation of goodwill to cash generating units and calculation of recoverable amounts

The Group has identified five cash-generating units (CGUs) for impairment review purposes: AHL, GLG, FRM, Numeric and GPM.

Under IAS 36 ‘Impairment of Assets’ goodwill and acquired intangibles must be tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and goodwill must be tested at least annually. The recoverable amounts of the Group’s CGUs are assessed each year using a value in use calculation.

We continually assess whether there are any indicators of impairment by considering each of the five CGUs. Net flows were positive for H1 2020 across AHL and GPM, and negative across FRM, GLG and Numeric, as clients continued to adjust their portfolio allocations during the second quarter. For each CGU we have considered the impact of COVID-19, which has impacted net flows and performance in the year to date for certain strategies. For AHL, FRM, GLG and Numeric the impact of the related market moves, largely reflected in H1 2020, has already been absorbed by the underlying businesses with no material impact on the outlook of these in the medium-term. For GPM, which is a more recent addition to the business, we consider there has been a change in the outlook. As a result of assessing changes in the business to date, the directors are confident that the assumptions in the Board's three year Medium Term Plan remain appropriate over the forecast period, except as otherwise outlined for GPM below.

AHL cash-generating unit

For the six months to 30 June 2020, AHL's FUM is slightly higher than that modelled in the value in use calculation at 31 December 2019 due to positive net flows, partially offset by slightly negative performance in the period. We consider that there are no indicators of impairment.

GLG cash-generating unit

For the six months to 30 June 2020, GLG's FUM is slightly lower than that modelled in the value in use calculation at 31 December 2019 as a result of lower than forecast net flows and negative performance overall. Management fee margins have decreased slightly over the six months due to FUM mix. Given the level of headroom at 31 December 2019 and as the amortisation of acquired intangible assets in the period further reduced the carrying value by $19 million, we consider that there are no indicators of impairment.

FRM cash-generating unit

For the six months to 30 June 2020, FRM's FUM is slightly lower than that modelled in the value in use calculation at 31 December 2019 due to lower than forecast net flows in the period, although FRM largely performed in line with forecast. Given the level of headroom at 31 December 2019, we consider that there are no indicators of impairment.

Numeric cash-generating unit

For the six months to 30 June 2020, Numeric's FUM is lower than that modelled in the value in use calculation at 31 December 2019 due to lower than forecast net flows and slightly negative performance over the period. Given the level of headroom at 31 December 2019 and as the amortisation of acquired intangible assets in the period further reduced the carrying value by $9 million, we consider that there are no indicators of impairment.

GPM cash-generating unit

For the six months to 30 June 2020 GPM's FUM is slightly lower than that modelled in the value in use calculation at 31 December 2019. In addition to slower growth than planned, we have seen future fundraising delays as a result of COVID-19. In the context of increased uncertainty in the near-term we have reassessed the forecast growth of the business and have delayed the timing and reduced the expected size of new initiatives, which acts as an indicator of impairment. We have run the value in use assessment at 30 June 2020, which indicates an impairment of $55 million (recognised as an adjusting item per page 38). As a result, the carrying value of GPM goodwill has been fully impaired at 30 June 2020. The reassessment of the GPM forecasts has also led to a decrease in the fair value of the Aalto contingent consideration creditor, as outlined in Note 14. We remain committed to private markets and continue to maximize opportunities to grow the business.

10. Cash, liquidity and borrowings

Total liquidity resources were $702 million at 30 June 2020 (31 December 2019: $720 million) and comprised cash and cash equivalents of $202 million (31 December 2019: $220 million), and the undrawn committed revolving loan facility of $500 million (31 December 2019: $500 million).

Cash and cash equivalents at period end comprise $169 million (31 December 2019: $186 million) of cash at bank and $33 million (31 December 2019: $34 million) in short-term deposits. In addition, $34 million (31 December 2019: $61 million) of cash and cash equivalents held on the Group balance sheet relates to the cash and cash equivalents held by funds which have been consolidated into the Group at 30 June 2020 (Note 11).

The Group's previously issued Tier 2 notes were redeemed in full in September 2019.

The $500 million committed revolving credit facility was undrawn at 30 June 2020 (undrawn at 31 December 2019). The facility was put in place in December 2019 as a five-year facility and includes the option for Man to request the banks to extend the maturity date by one year on each of the first and second anniversaries. The participant banks have the option to accept or decline Man's request. The facility is currently scheduled to mature in December 2024 and incorporates an ESG target-linked interest rate component. To maintain maximum flexibility, the facility does not include financial covenants.

The following table summarises the Group's available liquidity at the end of the period:

$m	**At 30 June 2020**	At 31 December 2019
Cash and cash equivalents[1]	**202**	220
Undrawn committed revolving credit facility	**500**	500
Total liquidity	**702**	720

Note:
1 Excludes $34 million of cash held by fund entities which have been consolidated (2019: $61 million), as outlined in Note 11.

11. Investments in fund products and other investments

$m	**At 30 June 2020**	At 31 December 2019
Loans to fund products	**-**	4
Investments in fund products	**319**	349
Other investments	**3**	3
Investment in consolidated funds	**345**	420
Total investments	**667**	776

Man's seeding investments are included in various Group balance sheet line items. In summary, the total seeding investments portfolio is made up as follows:

$m	**At 30 June 2020**	At 31 December 2019
Investments in fund products	**319**	349
Less those used to hedge deferred compensation awards	**(107)**	(98)
Net investment in consolidated funds	**230**	259
Loans to fund products	**-**	4
Seeding investment portfolio	**442**	514

Investments in fund products, excluding those which are held against outstanding deferred compensation arrangements, relate to seeding investments which are part of our ongoing business to build our product breadth and to trial investment research developments before we market the products broadly to investors.

Consolidation of investments in funds

Seed capital is invested via direct holdings in fund products or sale and repurchase (repo) arrangements (which allow us to finance seed investments without consuming high levels of cash). Alternatively, Man may obtain exposure to seed investments via total return swap (TRS) arrangements, whereby we receive the returns on fund products in exchange for the payment of a floating rate of interest. Regardless of whether Man is exposed to a fund product's returns by way of a direct investment, repo or TRS, the control considerations are the same and the fund may be deemed to be controlled by the Group and therefore consolidated (Note 1).

Seed investments which are controlled and consolidated on a line-by-line basis relate to 15 funds at 30 June 2020 (31 December 2019: 15) as follows:

$m	**At 30 June 2020**	At 31 December 2019
Balance Sheet		
Cash and cash equivalents	**34**	61
Transferrable securities[1]	**345**	420
Fees and other receivables	**2**	2
Trade and other payables	**(10)**	(11)
Net assets of line-by-line consolidated fund entities	**371**	472
Third-party interest in consolidated funds	**(141)**	(213)
Net investment held by Man	**230**	259

$m	**Six months to 30 June 2020**	Six months to 30 June 2019
Income statement		
Net gains on investments[2]	**5**	42
Management fee expenses[3]	**(1)**	(1)
Other costs	**(2)**	(1)
Net gains of line-by-line consolidated fund entities	**2**	40
Third-party share of gains relating to interests in consolidated funds	**(1)**	(12)
Gains attributable to net investment held by Man	**1**	28

Notes:
1 Included within Investments in fund products.
2 Included within Income or gains on investments and other financial instruments.
3 Relates to management fees paid by the funds to Man during the period and are eliminated within gross management and other fees in the Group income statement.

12. Sub-lease rental and lease surrender income

Man acts as lessor in respect of certain sub-leased business premises arrangements, which are classified as operating leases under IFRS 16, whereby rental income is recognised on a straight-line basis over the lease term. Sub-lease rental income for H1 2020 was $3 million (H1 2019: $7 million). The decline in sub-lease rental income is driven by the H1 2020 early lease termination agreement with the principal sub-tenant of our London office, which resulted in a gain on lease surrender of $18 million. The surrender gain represents payment for the sub-lease rental risk and other costs taken on by the Group as a result of this agreement, and therefore the amount relating to future periods ($14 million) has been recognised as an adjusting item (see page 38) which we expect to release in future periods in line with future associated lost rental income and other costs.

13. Provisions

$m	**Total**
At 1 January 2020	**8**
Unused amounts reversed	**(1)**
At 30 June 2020	**7**

Provisions include dilapidations on our leased business premises and other.

14. Fair value of financial assets/liabilities

The fair value of financial assets and liabilities can be analysed as follows:

	At 30 June 2020			
$m	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets held at fair value:				
Investments in fund products and other investments	**3**	**175**	**144**	**322**
Investment in line-by-line consolidated funds	**–**	**314**	**31**	**345**
Derivative financial instruments	**–**	**4**	**–**	**4**
	3	**493**	**175**	**671**
Financial liabilities held at fair value:				
Derivative financial instruments	**–**	**6**	**–**	**6**
Contingent consideration	**–**	**–**	**3**	**3**
	–	**6**	**3**	**9**

	At 31 December 2019			
$m	Level 1	Level 2	Level 3	Total
Financial assets held at fair value:				
Investments in fund products and other investments	3	180	169	352
Investment in funds relating to consolidated fund entities	–	385	35	420
Derivative financial instruments	–	4	–	4
	3	569	204	776
Financial liabilities held at fair value:				
Derivative financial instruments	–	13	–	13
Contingent consideration	–	–	24	24
	–	13	24	37

Level 1, 2 and 3 financial assets and liabilities are defined in Note 26 of the 2019 Annual Report. During the period, there were no significant changes in the business or economic circumstances that affected the fair value of Man's financial assets and no significant transfers of financial assets or liabilities held at fair value between categories.

The basis of measuring the fair value of investments in fund products is outlined in Note 13 of the 2019 Annual Report.

The movements in Level 3 financial assets and financial liabilities measured at fair value are as follows:

	Six months to 30 June 2020	
$m	**Financial assets at fair value through profit or loss**	**Financial liabilities at fair value through profit or loss**
Level 3 financial assets/liabilities held at fair value		
At 1 January 2020	**204**	**(24)**
(Charged)/credited to the Group income statement	**(8)**	**19**
Change in line-by-line consolidated funds held	**(4)**	**-**
Sales or settlements	**(17)**	**2**
At 30 June 2020	**175**	**(3)**
Total (losses)/gains for the period included in the Group statement of comprehensive income for assets/liabilities held at period end	**(8)**	**19**

The fair value of level 3 financial liabilities can be analysed as follows:

	Six months to 30 June 2020		
$m	**Aalto**	**Numeric**	**Total**
Contingent consideration payable			
At the beginning of the period:	**22**	**2**	**24**
Revaluation of contingent consideration	**(21)**	**–**	**(21)**
Unwind of contingent consideration (Note 6)	**2**	**–**	**2**
Settlements	**–**	**(2)**	**(2)**
At 30 June 2020	**3**	**–**	**3**

The $21 million decrease in the valuation of the Aalto contingent consideration is driven by reassessment of the forecast growth of the GPM business, in line with the goodwill impairment assessment in Note 9.

The Aalto contingent consideration is dependent on levels of run rate management fees measured following one, four, six and eight years from completion. The maximum aggregate amount payable by Man in respect of the consideration is capped at $207 million.

The fair value of contingent consideration payable for Aalto is based on discounted cash flow calculations, which represent the expected future profits of each business as per the earn-out arrangement. This is determined using a combination of inputs, such as growth in FUM, net management fee margins and operating margins over the next three years of the earn-out period, and by applying a terminal growth rate over the final two years of the earn-out period. The discount rate applied for Aalto is 15%.

The most significant inputs into the Aalto valuation at 30 June 2020 are as follows:

	Aalto
Weighted average net management fee margin	0.6%
Terminal growth rate	9.1%

15. Related party transactions

The related party transactions during the period are consistent with the categories disclosed in the 2019 Annual Report. Related parties comprise key management personnel, associates and fund entities which Man is deemed to control. All transactions with related parties were carried out on an arm’s length basis.

Management fees earned from fund entities in which Man holds a controlling interest are detailed in Note 11. Contingent consideration payable to Aalto management is detailed in Note 14.

16. Other matters

In July 2019, the Public Institution for Social Security in Kuwait (PIFSS) served a claim against a number of parties, including certain Man Group companies, a former employee of the Man Group and a former third party intermediary. The subject matter of these allegations dates back over a period of 20 years. PIFSS is seeking compensation of $156 million (plus compound interest) and certain other remedies which are unquantified in the claim. Man Group disputes the allegations and considers there is no merit to the claim (in respect of liability and quantum). We will therefore vigorously and robustly defend the proceedings. Given the size and complexity of this claim and as the Group deems this holds no merit, we have classified the defence costs as an adjusting item (page 38).

Man Group is subject to various other claims, assessments, regulatory enquiries and investigations in the normal course of its business. The directors do not expect such matters to have a material adverse effect on the financial position of the Group.

17. Subsequent events

The COVID-19 global pandemic has caused extensive disruption to businesses and economic activity. The Group continues to monitor any impacts on the business, as outlined in Note 1, and has not identified any material adjustments to balances included in these interim financial statements, nor any material impacts on the business, subsequent to the balance sheet date.

ALTERNATIVE PERFORMANCE MEASURES

We assess the performance of the Group using a variety of alternative performance measures (APMs). We discuss the Group's results on an 'adjusted' basis as well as a statutory basis. The rationale for using adjusted measures is explained below.

We also explain financial performance using measures that are not defined under IFRS and are therefore termed 'non-GAAP' measures. These non-GAAP measures are explained below. The alternative performance measures we use may not be directly comparable with similarly titled measures by other companies.

Funds under management (FUM)
FUM is the assets that the Group manages for investors in fund entities. FUM is a key indicator of our performance as an investment manager and our ability to remain competitive and build a sustainable business. FUM is measured based on management fee earning capacity. Average FUM multiplied by our net management fee margin (see below) equates to our management fee earning capacity. FUM is shown by product groupings that have similar characteristics (as shown on page 10). Management focus on the movements in FUM split between the following categories:

Net inflows/outflows
Net inflows/outflows are a measure of our ability to attract and retain investor capital. Net flows are calculated as sales less redemptions. Further details are included on page 10.

Investment performance
Investment performance is a measure of the performance of the funds we manage for our investors. It is calculated as the fund performance of each strategy multiplied by the FUM in that strategy. Further details are included on page 10.

FX and other movements
Some of the Group's FUM is denominated in currencies other than USD. FX movements represent the impact of translating non-USD denominated FUM into USD. Other movements principally relate to maturities and leverage movements.

Asset weighted performance versus benchmark
The asset weighted performance relative to peers for the period stated is calculated using the daily asset weighted average performance relative to peers for all strategies where we have identified and can access an appropriate peer composite. The performance of our strategies is measured net of management fees charged and, as applicable, performance fees charged. As at 30 June 2020 it covers 88% of the FUM of the Group and excludes infrastructure mandates, Global Private Markets and collateralised loan obligations.

Net management fee revenue and margins
Margins are an indication of the revenue margins negotiated with our institutional and retail investors net of any distribution costs paid to intermediaries and are a primary indicator of future revenues. Net management fee revenue is defined as gross management fee revenue less distribution costs, excluding any amounts related to consolidated fund entities (Note 11). Net management fee margin is calculated as net management fee revenue, divided by FUM.

Net management fee revenues and margins $m		**Six months to 30 June 2020**		Six months to 30 June 2019
	$m	**Net margin**	$m	Net margin
Absolute return	**171**	**1.18%**	171	1.21%
Total return	**78**	**0.59%**	64	0.56%
Multi-manager solutions	**23**	**0.27%**	26	0.35%
Systematic long-only	**35**	**0.30%**	48	0.37%
Discretionary long-only	**51**	**0.63%**	64	0.67%
Core net management fee revenue	**358**	**0.66%**	373	0.68%
Guaranteed	**-**	**7.37%**	2	6.00%
Net management fee revenue[1]	**358**	**0.66%**	375	0.68%

Note:

1 The amount includes $17 million (H1 2019: $20 million) of distribution costs which have been deducted from gross management and other fees of $375 million (H1 2019: $395 million).

Core net management fee revenue and core profit before tax

Core net management fee revenue excludes net management fee revenue relating to guaranteed products. These have been excluded in order to better present the core business given the roll-off of the legacy guaranteed product FUM. Core profit before tax is defined as core management fee profit before tax plus adjusted performance fee profit before tax.

Run rate net management fee revenue and margins

In addition to the net management fee revenue and margins for the period, as detailed above, we also use run rate net management fee revenue and run rate margins as at the end of the period. These measures give the most up to date indication of our revenue streams at the period end date. The run rate net management fee margin is calculated as net management fee revenue for the last quarter divided by the average FUM for the last quarter on a fund by fund basis. Run rate net management fee revenue is calculated as the run rate net management fee margin applied to the closing FUM as at the period end.

Adjusted profit before tax and adjusted earnings per share

Adjusted profit before tax is a measure of the Group’s underlying profitability. The directors consider that in order to assess underlying operating performance, the Group’s profit period on period is most meaningful when considered on a basis which excludes acquisition and disposal related items (including non-cash items such as amortisation of acquired intangible assets), impairment of assets, costs relating to substantial restructuring plans, unrealised foreign exchange movements on lease liabilities and associated deferred tax and certain significant event driven gains or losses, or allocates them to the appropriate time period, which therefore reflects the revenues and costs that drive the Group’s cash flows and inform the base on which the Group’s variable compensation is assessed. Movements in deferred tax relating to the recognition or consumption of deferred tax assets in the US are similarly excluded from adjusted profit after tax in order to best reflect cash taxes paid. The directors are consistent in their approach to the classification of adjusting items period to period, maintaining an appropriate symmetry between losses and gains and the reversal of any accruals previously classified as adjusting items.

Adjusted earnings per share (EPS) is calculated as adjusted profit after tax divided by the weighted average diluted number of shares.

The reconciliation of statutory profit before tax to adjusted profit before tax, and the reconciliation of statutory diluted EPS to the adjusted EPS measures, are shown below:

$m	Note	**Six months to 30 June 2020**	Six months to 30 June 2019
Statutory profit before tax		**55**	110
Adjusting items:			
Acquisition and disposal related:			
Impairment of GPM goodwill	9	**55**	-
Amortisation of acquired intangible assets	9	**32**	40
Revaluation of contingent consideration	14	**(21)**	(11)
Unwind of contingent consideration discount	6	**2**	12
Gain on sale of investment in Nephila		**-**	(1)
Unrealised foreign exchange movements on lease liabilities and associated deferred tax		**(17)**	(1)
Lease surrender income	12	**(14)**	-
Other costs – legal claims	5	**2**	-
Other costs – restructuring	5	**-**	7
Compensation – restructuring	4	**-**	1
Adjusted profit before tax		**94**	157
Tax on adjusted profit		**(14)**	(25)
Adjusted profit after tax		**80**	132

Further details on adjusting items are included within the related notes to the interim financial statements.

Adjusted management fee and performance fee profit before tax

Adjusted profit before tax is split between adjusted management fee profit before tax and adjusted performance fee profit before tax to separate out the variable performance fee related earnings of the business from the underlying management fee earnings of the business.

$m	**Six months to 30 June 2020**	Six months to 30 June 2019
Gross management and other fees[1]	**375**	395
Sub-lease rental and lease surrender income	**7**	7
Less:		
Distribution costs	**(17)**	(20)
Asset servicing	**(27)**	(27)
Compensation (management fee)	**(175)**	(180)
Other costs[1]	**(72)**	(88)
Net finance expense	**(5)**	(4)
Adjusted management fee profit before tax	**86**	83
Exclude: Net management fees from guaranteed products	**-**	(2)
Core management fee profit before tax	**86**	81
Performance fees[1]	**29**	125
Gains on investments and other financial instruments[1]	**3**	17
Less:		
Compensation (performance fee)	**(24)**	(63)
Finance expense	**-**	(5)
Adjusted performance fee profit before tax	**8**	74
Core profit before tax	**94**	155

Note:

1 Gross management and other fees and other costs exclude amounts for line-by-line consolidated fund entities of $1 million and $2 million respectively, with these reclassified to gains on investments and other financial instruments, together with the third-party share.

Core profit before tax and core management fee profit before tax

Core management fee profit before tax is adjusted management fee profit before tax, excluding net management fees relating to guaranteed products which relate to our legacy business. Core profit before tax is core management fee profit before tax plus adjusted performance fee profit before tax, equivalent to adjusted profit before tax excluding net management fees relating to guaranteed products.

Adjusted tax rate

The impact of adjusting items on the Group's tax expense is outlined below:

$m	**Six months to 30 June 2020**	Six months to 30 June 2019
Statutory tax expense	**16**	20
Less tax credit on adjusting items:		
Amortisation of acquired intangible assets	**3**	5
Unrealised foreign exchange movements on lease liabilities and associated deferred tax	**(3)**	-
US profits - deferred tax asset consumption	**(2)**	-
Tax expense on adjusted profit before tax	**14**	25
Made up of:		
Tax expense on adjusted management fee profit before tax	**13**	10
Tax expense on adjusted performance fee profit before tax	**1**	15

The adjusted tax rate is the effective tax rate on adjusted profit before tax is equal to the tax on adjusted profit divided by adjusted profit before tax. As outlined above adjusted profit before tax is a measure of the Group's underlying profitability. The tax expense on adjusted profit before tax is calculated by excluding the tax benefit/expense related to adjusting items from the statutory tax expense, except for any tax relief recognised as a result of available US tax assets (Note 7). Therefore the tax on adjusted profit best reflects the cash taxes payable by the Group. The adjusted tax rate is 15% for H1 2020 compared with 16% in H1 2019.

Certain adjusting items are included within the notes to the interim financial statements, which can be reconciled to their adjusted equivalents as outlined below:

$m	Note	**Six months to 30 June 2020**	Six months to 30 June 2019
Total compensation costs	4	**199**	244
Adjusting items (as above)		**-**	(1)
Total compensation costs excluding adjusting items		**199**	**243**
Made up of:			
Fixed compensation (includes salaries and associated social security costs, and pension costs)		**96**	99
Variable compensation (includes variable cash compensation, share-based payment charge, fund product payment charge and associated social security costs)		**103**	144

$m			
Total other costs	5	**76**	95
Adjusting items (as above)		**(2)**	(7)
Total other costs excluding adjusting items		**74**	**88**

$m			
Total finance expense	6	**9**	25
Total finance income	6	**(2)**	(4)
Net finance expense, including adjusting items		**7**	21
Adjusting items (as above)		**(2)**	(12)
Net finance expense excluding adjusting items		**5**	**9**

Adjusted management fee EPS

Man's dividend policy is disclosed on page 8. Dividends paid to shareholders (or adjusted management fee EPS) are determined based on the adjusted management fee profit before tax. Adjusted management fee EPS is calculated using post-tax profits excluding performance fees and adjusting items, divided by the weighted average diluted number of shares.

The reconciliation from EPS (Note 8) to adjusted EPS is provided below:

	Six months to 30 June 2020			Six months to 30 June 2019		
	Basic and diluted post-tax earnings $m	**Basic earnings per share cents**	**Diluted earnings per share cents**	Basic and diluted post- tax earnings $m	Basic earnings per share cents	Diluted earnings per share cents
Statutory profit after tax	**39**	**2.7**	**2.6**	90	5.9	5.8
Adjusting items	**39**	**2.7**	**2.7**	47	3.1	3.1
Tax adjusting items	**2**	**0.1**	**0.1**	(5)	(0.3)	(0.3)
Adjusted profit after tax	**80**	**5.5**	**5.4**	132	8.7	8.6
Less adjusted performance fee profit	**(7)**	**(0.5)**	**(0.5)**	(59)	(3.9)	(3.9)
Adjusted management fee profit after tax	**73**	**5.0**	**4.9**	73	4.8	4.7

Compensation ratio

The compensation ratio measures our compensation costs relative to our revenue. The Group's compensation ratio is generally between 40% and 50% of net revenue, depending on the mix and level of revenue. It is calculated as total compensation divided by net revenue.

Net financial assets/liabilities

Net financial assets/liabilities is considered a proxy for Group capital, and is equal to the Group's cash and seed book less borrowings, contingent consideration payable and payables under repo arrangements, made up as follows:

$m	Note	**At 30 June 2020**	At 31 December 2019
Seeding investment portfolio	11	**442**	514
Cash and cash equivalents[1]	10	**202**	220
Contingent consideration payable	14	**(3)**	(24)
Payables under repo arrangements		**(30)**	(36)
Net financial assets		**611**	674

Notes:

1 Cash and cash equivalents excludes $34 million (2019: $61 million) of cash relating to line-by-line consolidated fund entities (Note 11).