Man GLG Absolute Value Fund

H1 2024 Review

The Fund seeks to provide an absolute return from an actively managed portfolio in all market conditions (net of fees) in excess of the term adjusted (3 month) SONIA plus 0.1193% ("Adjusted SONIA") (over one year calendar periods). The Fund is actively managed, meaning that the Investment Adviser will use its expertise to pick investments to achieve the Fund's objective. The Investment Adviser seeks to identify companies trading below its estimation of the value of their tangible assets (physical and measurable assets that are used in a company's operations such as property, plant, and equipment) or their replacement cost, or whose profit streams (which focuses on the cash generated for shareholders) it considers to be undervalued. Investments will be made by holding either long positions (directly holding equities in the expectations that their price will rise) or synthetic short positions (by using options in the expectation that the Fund will profit when the price of the underlying asset falls).

Marketing Communication

July 2024

Contents

1. Introduction
2. Performance Review of H1 2024
3. Patience
4. Current Fund Positioning
5. Conclusion

Introduction

This document will start by reviewing the performance of the Man GLG Absolute Value Fund ('Fund') in the first half of 2024 including attribution, the distribution of returns and the relative return of the long and short book. It will then look at how we have been working to improve the duration between doing the work on a name and its entry into the Fund, something we call 'having Patience'. Finally, we will review our current positioning, before concluding.

Performance review of H1 2024

The Fund returned +8.0% net of fees in the first half of 2024. Since inception in June 2017, the Fund has returned +63.5%, annualising at +7.3%. The performance of the Fund in the first half of the year has been slightly above our long run expectations.

Over the last 12 months, annualised daily volatility in the Fund was 4.3% compared to 5.4% since inception. We believe the last 12 months has represented a period of lower volatility than should be expected from this Fund over the medium-term and would caution investors to expect volatility to normalise towards the longer run average. Over the last 12 months, the Fund has thus delivered a Sharpe of 2.4 and since inception the Fund has delivered a Sharpe of 1.1. This is a Fund we hope will continue to generate positive non-correlated long-term performance but investors should also expect periods of low or negative performance.

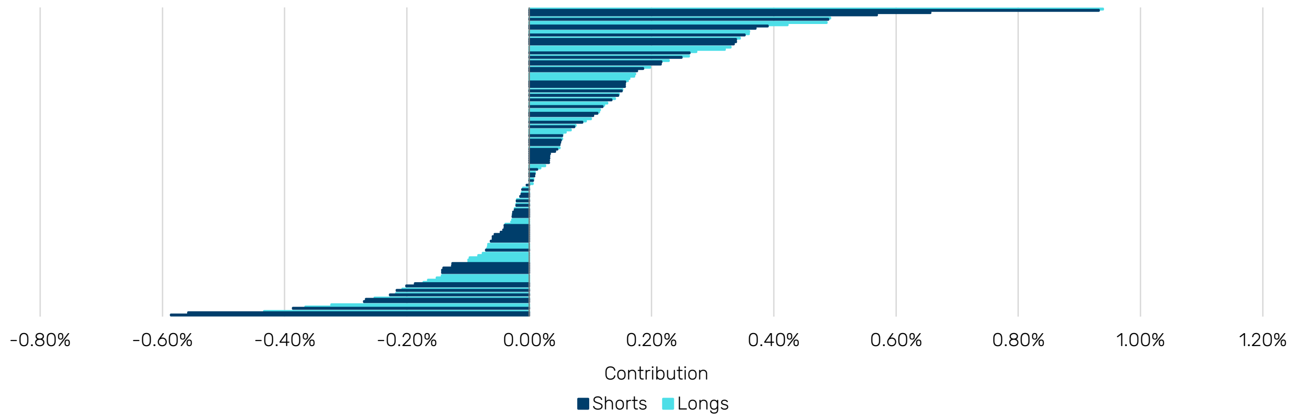
The long book generated +4.0% of performance gross of fees, while the short book generated +3.7%. Given we run a broadly market neutral Fund, an average gross of 141% and that the FTSE All Share Total Return rose +7.4% over the period, an even split of alpha from the long and short book should have been +9.1% and -1.4% respectively – suggesting the short book generated significantly more alpha during the period than the long book. Since inception, there has been a broadly equal weighting of alpha from the long and short book once adjusting for the market.

As with prior periods, returns continued to be relatively normally distributed with a positive skew. We are reassured that during periods of both below average returns and now above average returns, the makeup of Fund returns demonstrates these characteristics. This is a function of our process that seeks to stack the odds in our favour across the mid-cap space, hence somewhat normally distributed returns are to be expected. The top 5 contributors in the Fund added +3.6% of gross performance, while the bottom 5 detractors cost the Fund -2.3%. There were more positive contributors (79) than negative contributors (59) in the first half, with significantly more ideas contributing between 0 and +40bps than those costing the Fund 0 to -40bps. While performance remains normally distributed, the split between our top 5 contributors and top 5 detractors was wider than in previous years implying a stronger positive skew at the tails. The average losing idea cost the

Past performance is not indicative of future results. Returns may increase or decrease as a result of currency fluctuations.

Fund -13bps while the average winner made the Fund +19bps. In sum, we had more winners than losers in the first half, with each winner generating 6bps more than our losers and a stronger skew in the tails of the distribution.

Figure 1. Distribution of Returns

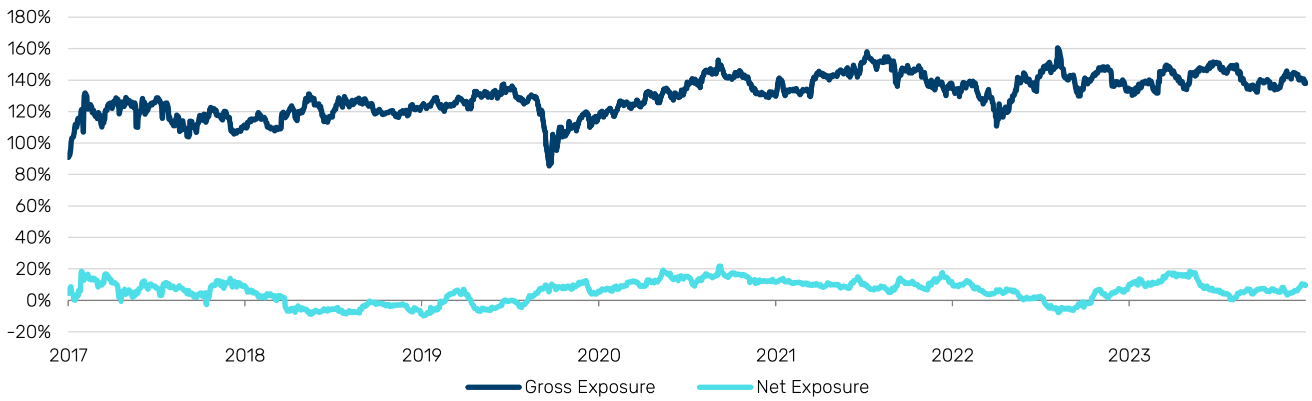


Source: Man Group database. Data as at 30 June 2024. Data is shown gross of fees.

We have written in the past (see H1 2023 Review) that we expected a rise in the volume of M&A activity in the UK market given the value opportunity on offer. In the first half of 2024, we had 7 portfolio names (3 longs, 4 shorts) subject to M&A which are still live today or have gone all the way to completion, a further 2 longs which were subject to a formal approach that didn't complete and several more subject to market speculation. This is representative of a step up in M&A across the UK market so far in 2024 (32 deals over >£100m equity value in the first half of 2024 versus the same period last year) which we believe is due to a stabilisation in the cost of capital, a more benign political outlook and compelling relative value. Despite 4 shorts being bid for during the period, the aggregate negative contribution from those 4 names was just -90bps in the period. Further still, some of those names have contributed positively since idea inception. Including the 3 longs, the Fund was an overall net beneficiary of M&A during the period, a continuation of a theme present since launch. Given we have generated significant alpha from shorts subject to takeover speculation, it provides us with the confidence to not shy away from being short perceived bid targets. We expect elevated levels of M&A to continue and given our process is naturally attracted to less favoured parts of the market where both private equity and corporates often find value too, we would expect activity to be more prevalent in our long book. We highlight some of these opportunities in the Current Positioning section below.

The gross and net exposure of the Fund continues to remain consistent with history. Importantly, the higher returns during the period are not a function of a change in the structure of the Fund. The net exposure ranged from +0.3% to +10.5% and averaged +5.7% over the first half. The Fund positioning is driven by where our process is finding opportunity and the natural output of that has been to run with a small net long position for the last 18 months. The gross exposure of the Fund ranged from 132.4% to 150.8% and averaged 141%, within a range consistent with prior periods.

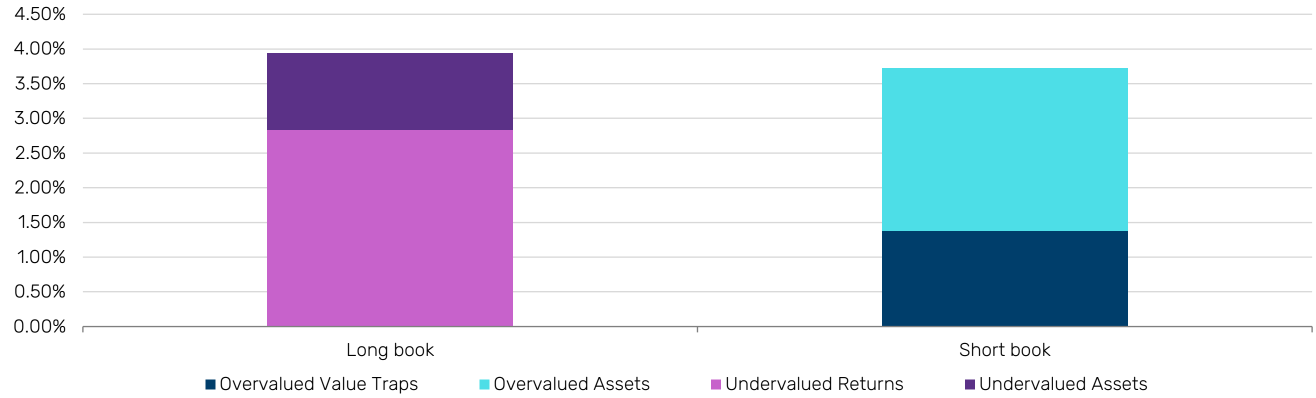
Figure 2. Gross and Net Exposure



Source: Man Group database. Data as at 30 June 2024.

Looking at the split of returns by Idea Type, the contribution of the long book (+4.0%) and short book (+3.7%) was broadly equal in absolute terms. However, as mentioned above, on a market adjusted basis, this suggests the contribution of alpha was significantly weighted towards the short book – something we explore in detail below. Breaking down the long book, as usual the positive contribution was weighted towards the more numerous Undervalued Returns, though the biggest single contributor was an Undervalued Asset, Beazley. Given our process requires a true Undervalued Asset to have an all-in-enterprise value trading below the value of its invested capital base and generate cash, they remain relatively rare even when UK equity market valuations are depressed. In the short book, the positive contribution was more weighted to Overvalued Assets, which is historically unusual. We have written in the past (see H1 2022 Review and H1 2023 Review) that we expected the contribution from our Overvalued Assets to improve as a rising cost of capital forced investors to re-appraise valuations. As a result, our process has naturally been finding more opportunity within Overvalued Assets and while the UK market on average remains relatively cheap, there is no shortage of these assets with negative operating momentum. We explore some of these new names in the short book in the Current Positioning section below.

Figure 3. Returns by Idea Type – H1 2024



Source: Man Group database. Data as at 30 June 2024. Data is shown gross of fees.

Turning to top contributors, given the market return during the period was positive, the fact that 5 of the top 10 contributors were shorts further demonstrates the weighting of alpha towards the short book. Pleasingly those 5 shorts are from a range of different sectors and were driven by idiosyncratic process-led theses. The long book benefited from strong performance from speciality insurance name Beazley, consolidation and early signs of recovery in the paper market through Smurfit Kappa, a private equity approach for Tyman and continued strong delivery in oil services from Hunting.

Figure 4. Top 10 Contributors

Top Contributors	Contribution (%)	Position
Beazley	0.93%	Long
Media & Entertainment	0.93%	Short
Consumer Services	0.67%	Short
Consumer Staples	0.54%	Short
Smurfit Kappa	0.50%	Long
Health Care Equipment	0.48%	Short
Plus500	0.48%	Long
Tyman	0.43%	Long
Consumer Staples	0.39%	Short
Hunting	0.37%	Long

Source: Man Group database. Data as at 30 June 2024. Data is shown gross of fees.

Perhaps less surprisingly, 6 of the top 10 detractors were also shorts during the period, given the move up in the market. The largest detractor, a Software and Services short, was bid for by Private Equity during the period at a c70% premium and represents most of the M&A headwind we wrote about above. Elsewhere, a short in a Pharmaceutical company rose during the period after upgrading guidance and we closed the position accordingly. Some parts of our long book which are more cyclically exposed weighed on performance in the first half with TI Fluid Systems falling in the wake of a shareholder placing and hints of an end market slowdown. Equally, staffer Hays fell during the period as end markets remain lacklustre.

Overall, 37 names or 59% of our long positions contributed positively and 42 or 56% of our short positions contributed positively in a market that was up during the period. Again, showing both the breadth and depth of the relative contribution from the short book during the period.

Figure 5. Top 10 Detractors

Top Detractors	Contribution (%)	Position
Software & Services	-0.67%	Short
Pharmaceuticals	-0.51%	Short
TI Fluid Systems	-0.43%	Long
Media & Entertainment	-0.40%	Short
Hays	-0.35%	Long
Ashmore	-0.32%	Long
Capital Goods	-0.27%	Short
Financial Services	-0.26%	Short
On The Beach	-0.25%	Long
Consumer Discretionary	-0.23%	Short

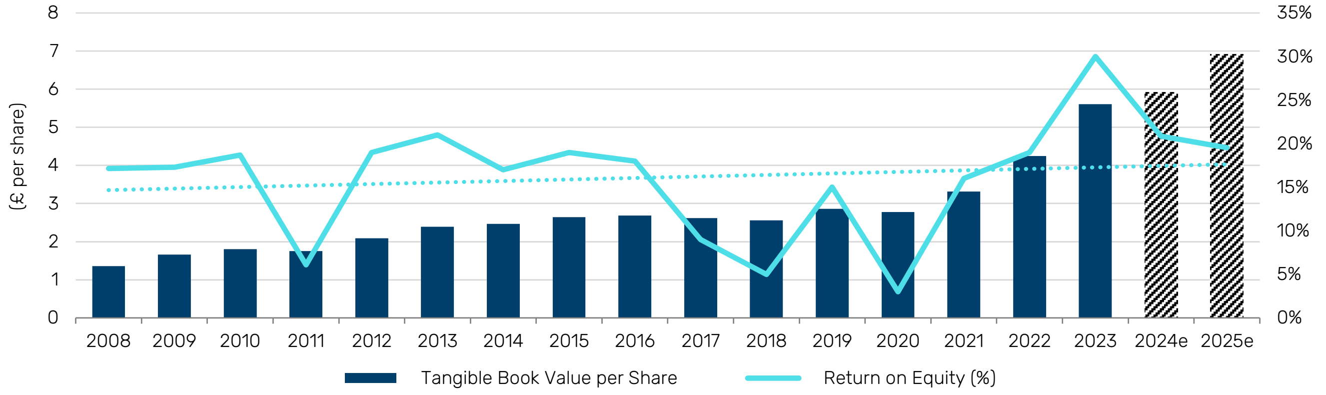
Source: Man Group database. Data as at 30 June 2024. Data is shown gross of fees.

Long book attribution

The long book added +4.0% of gross return in H1 2024, worse than simply being long the market in aggregate.

One of the largest areas of contribution was speciality insurance, with **Beazley** and **Lancashire** contributing over 110bps in aggregate. Despite a disappointing performance over 2023, we still believed Beazley's strong revenue growth, favourable end market dynamics and cash generation was not reflected in the starting valuation of c5.5x earnings. This year, the shares have risen c35% as they announced that both profits would be materially ahead of expectations and that they would be returning an additional $300m to shareholders. Despite proving itself to be a growth cyclical with a high return on capital employed for over 20 years, the company remains on just 7x profit, assuming mid-cycle margins. Similarly, Lancashire remains on a little over book value, 6x profit with a significant reserve buffer. We have also, for the first time in nearly 5 years, initiated a short in another **Speciality Insurer** on concerns their retail business will continue to disappoint and consensus fails to appropriately reflect a normalisation in margins.

Figure 6. Beazley TBV Growth & Strong Returns



Source: Bloomberg and company accounts. Data as at 30 June 2024.

In our 2023 Review (see Hidden Volume Recession) we wrote extensively about the opportunity in several cyclical parts of the market. It was our contention that while the market was worried about the outlook for earnings which appeared yet to crack, some companies had already seen a significant volume recession, which had been hidden by a higher aggregate price level. We termed it the 'Hidden Volume Recession'. We anticipated this could mean positive earnings momentum and higher earnings power in the future as volumes recovered, which from trough valuations should drive significant equity upside. So far, where there has been upgrades, shares have reacted very strongly though the Hidden Volume Recession thesis is yet to be universally confirmed.

There was strong performance from cyclical names like **Keller** and **Hunting** which both rose over 40% during the period as order book inflections led to earnings upgrades. Supported by other cyclicals like **Elementis** and **Morgan Advanced Materials** which also saw better than expected trading. Bucking this trend, we felt **TI Fluid Systems** undeservedly de-rated during the period to just 5x cash earnings in the wake of a shareholder placing despite positive earnings momentum.

Figure 7. Hunting Order Book Inflection

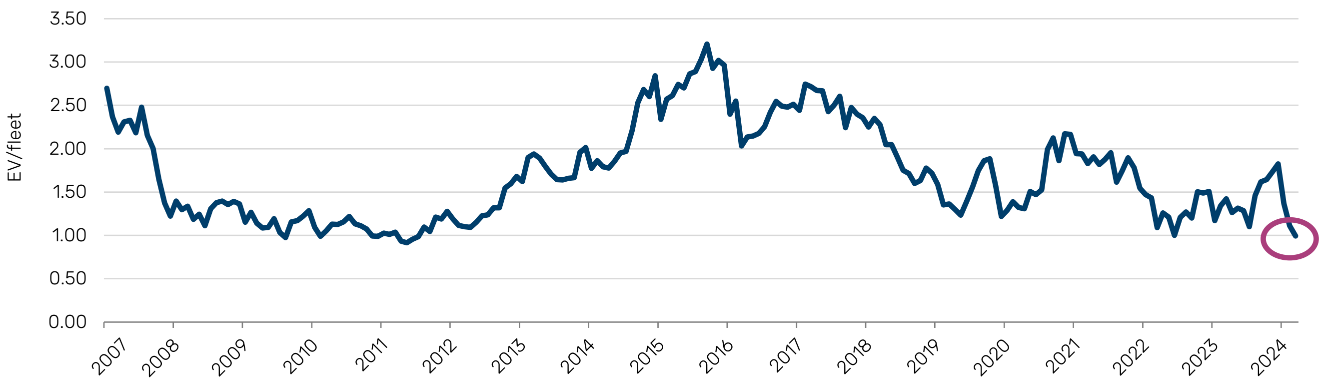
Source: Bloomberg and company accounts. Data as at 30 June 2024.

Separately, last year (see 2023 Review) we wrote that we believed we were at the trough of the paper market and were getting the opportunity to buy the equity of UK listed paper names at deep discounts to long run multiples or, in the case of **Mondi**, even at a discount to asset value. During the period we were rewarded with **Smurfit Kappa** and Mondi contributing nearly 70bps in aggregate as better trading, rising paper prices and sector consolidation drove the equity higher. They remain core Undervalued Returns.

As discussed above, M&A was a net contributor to performance during the period with Tyman, Redrow and Spirent all subject to takeover approaches by Private Equity or trade buyers, contributing over 90bps. In addition, long positions in Direct Line and XP Power benefited from rejected corporate activity during the period, contributing a further 21bps.

Our travel and leisure names detracted from performance during the period, with On The Beach, Ryanair, Dalata and Jet2 collectively costing the Fund over 70bps during the half. On The Beach shares fell over 20% during the period, despite de-risking expectations with strong profit growth in H1 and normalising relations with Ryanair. At Jet2, we believe the group is well positioned for continued operating momentum supported by a much-improved package holiday mix. Furthermore, the company has 60% of its market cap in net cash and despite the fact it ran with net debt pre-Covid, trades on a cheaper 12m forward PE today. Ryanair shares have fallen on early signs of a weakening yield environment over Easter, but we remain excited by the medium-term growth in profitability and cash returns. In fact, Ryanair's expected cash build over the next 2 years means it has rarely been so cheap relative to the value of its fleet on a forward EV basis.

Figure 8. Ryanair 2 year forward EV/Fleet



Source: Bloomberg and company accounts. Data as at 30 June 2024.

Finally, our cyclical exposure that has yet to see a recovery in operating momentum continued to weigh on performance with names like Hays, the staffer, and Ashmore, the fund management business, both costing over 30bps during the period.

Overall, despite strong absolute performance, the long book was a relative drag in the first half.

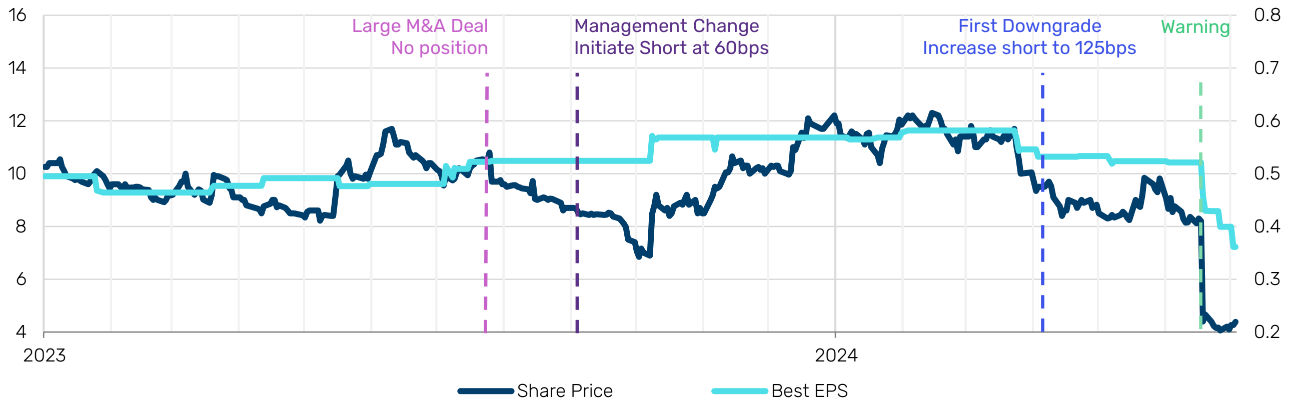
Short book attribution

The short book added +3.7% of gross return in H1 2024, materially better than simply being short the market in aggregate.

As usual, the makeup of the short book is harder to group given its more idiosyncratic nature. Performance during the period was notable in two ways. First, the Fund generated strong returns in several shorts which issued profit warnings and fell substantially. Second, only 14 shorts or 20% of the book cost the Fund more than 10bps during the period. Thus the short book offered both breadth and depth of return during a period in which the market rose.

More than 8 shorts issued material profit warnings during the period. For example, shares in a Data Provider fell over -65% in the first half after lowering guidance because of increased competition and slowing revenue trends. We believed several red flags – including a large deal, leverage, peak margins, management leaving and falling cash conversion combined with negative operating momentum – added fragility. On over 20x PE, it was an Overvalued Asset on our work when we initiated the position in August 2023. We have since reduced the position as the shares have fallen. Elsewhere, a short in a Veterinary Services company contributed almost 50bps as the shares fell over 40%. We initiated the position last year following their full year results as we believed an R&D tax benefit taken through the operational expenditure line masked a weakening in underlying trading.

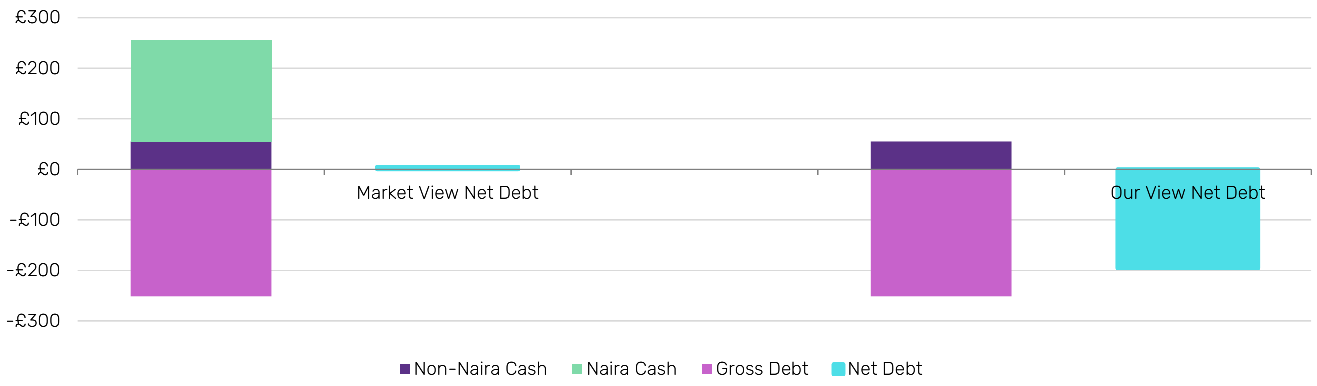
Figure 9. Data Provider Idea Timeline



Source: Bloomberg and company accounts. Data as at 30 June 2024.

An **Animal Genetics** company contributed 35bps after warning that profits would be lower than previously anticipated in 2024. We have long been concerned about the quality of accounting, lack of cash generation, the ever-growing gap to adjusted earnings and increasingly, the quantum of leverage. The most recent warning in February was the most troubling yet – until now the downgrade cycle had been driven by the highly volatile Chinese pig market though it is now becoming clear that core divisions are also seeing profit declines year on year for the first time. Finally, an **Auto Parts Retailer** fell over 30% in response to a deterioration in end markets while a **Consumer Staples** company fell over 30% as trading weakened and the balance sheet fragility from a large gross debt position was revealed.

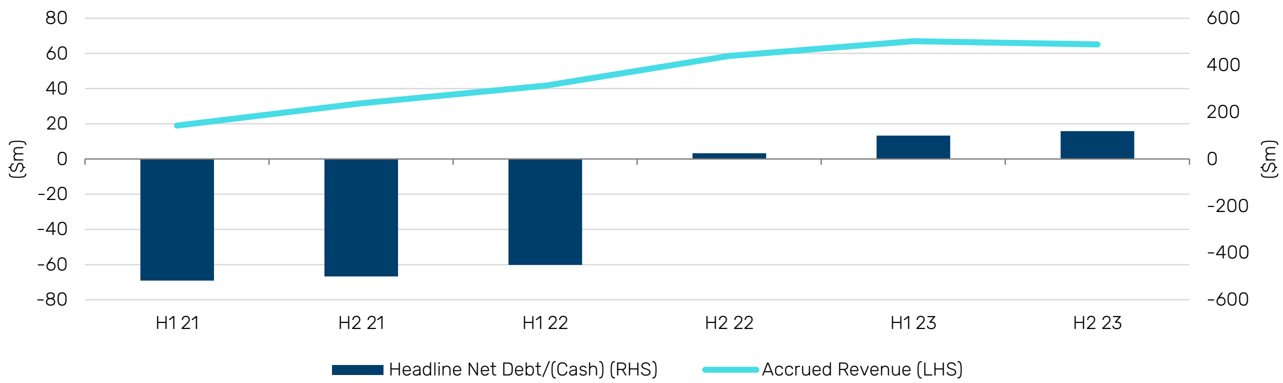
Figure 10. Consumer Staples Balance Sheet Fragility



Source: Bloomberg and company accounts. Data as at 30 June 2024.

There were several detractors during the period where we received further confirmation of our thesis but were not rewarded in the shares. For example, a legacy **Energy and Telecoms Supplier** rose 10% during the period despite continuing to downgrade expectations as customer growth slowed. A large-box **DIY Retailer** saw their shares rise over 5% during the period despite earnings estimates falling over 15% as LFL sales turned negative, providing further support to our view this business remains under structural pressure and an Overvalued Value Trap. Equally, a **Semi-Conductor Designer** rose nearly 18% over the period despite restating historic results downwards, downgrading forward expectations for earnings and free cashflow, and revising net debt higher.

Figure 11. Semi-Conductor Designer Working Capital & Net Debt



Source: Bloomberg and company accounts. Data as at 30 June 2024.

Finally, we moved quickly to exit positions in shorts that no longer fit our process. We were surprised when a **Pharmaceutical** company beat expectations with their 2023 results and upgraded forward guidance as growth in their novel injectable treatment more than offset weakness elsewhere in the portfolio and we closed the position accordingly, despite losing over 50bps. Another example is a short in an **IT Reseller** where after a weak end to last year, slowing growth in the UK and peak margins presented a good risk reward. In the end, the first half showed stronger gross profit growth than we had hoped, de-risking the full year numbers and we closed the position as operating momentum inflected at a cost of 20bps.

In summary, the short book contributed almost all of the alpha during the period. Not only were there several large contributors which saw significant profit warnings during the period, but only 14 short positions cost the Fund more than 10bps despite the market rising.

Having reviewed first half performance, we now turn to how we aim to improve performance in the future, in this case by being more Patient.

Patience

We have previously written on how we have improved our execution of process across a company's own idiosyncratic cycle (see Micro-Cyclicality) and where we have been profitably both long and short a name at different moments of despair and euphoria (see 2020 Review). However, the rather more mundane reality is that a large part of our investment universe is neither a process buy nor a process sell at any moment.

In fact, most of our work on companies never actually touches the Fund in terms of an investment. Most of our management meetings, model updates, writeups and discussions end up with a decision to go neither long nor short. We believe that is the way it should be, but it requires a surprising amount of discipline and is something we must keep working on improving. We call this 'being in the 90%', reflecting the notion that only 5% of the market needs to be a buy and 5% a short at any time, with the remaining 90% in neither camp. We identified that we had not been putting enough emphasis on this point, thus we often failed to appropriately separate the analysis done on a company from the most efficacious moment to open a position. Something we talk of internally as having Patience.

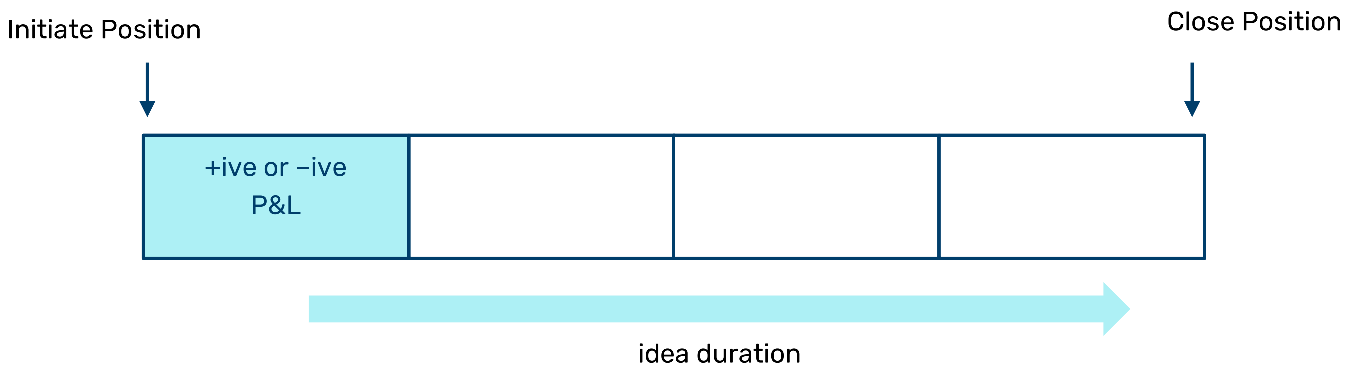
In the following section we outline some examples of where we were making sub-standard decisions historically and how our work on continuous improvement identified it, how we put in checks and reinforced our process to make us incrementally more patient over time, and finally, give some examples of that in practice today.

Impatience and identifying it

As with all of our gradual improvements, there is not one single moment where it becomes clear that change is needed. Instead, we have several on-going opportunities to identify how we can be better and with our impatience there were at least 4 different contributors.

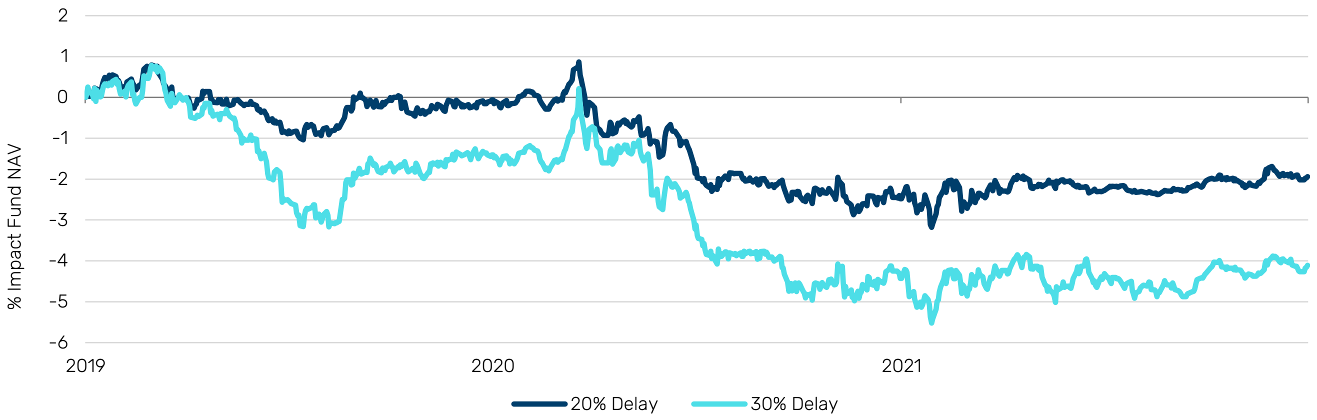
First, having a database of almost 600 'Questions' going back over 6 years we increasingly see patterns in our behaviour that can help us improve (see 2019 Review). We group common patterns across sectors and time, and over the past couple of years a potential lack of what we define here as Patience was a key pattern. Secondly, we also post-mortem many of our positions after we close them as well as go through each position with the relevant team-lead on a name at the end of a year to see what drove returns. On a significant number of occasions, we had initiated a position in the immediate aftermath of having done the work, whereas our analysis highlighted we could have been better with timing. Thirdly, every quarter we also score our short book on over 20 different red flags that feed into process, comparing their scores with our position sizing. We found a high efficacy on a short moving up this score list with subsequent returns. Yet again the position frequently entered the portfolio when we did the work, rather than when it moved up this conviction list. Clearly, we needed to do more to separate the investment from undertaking the analysis.

Finally, at this point we went back to Man Group's Performance Lab team to see if this was a statistically significant issue. Using all of our trading history since inception, the team divided every position into different sections based on its holding period. The contention being that insufficient Patience would result in losses in the first phase of each idea.



Their work showed that over the period 2019-2021, the first 20% or 30% of an idea generated a negative performance of 2.5% and 4.5% respectively versus being invested in the wider Fund. In other words, had we been Patient and entered our ideas later than we did we would have saved the Fund a meaningful amount of negative P&L.

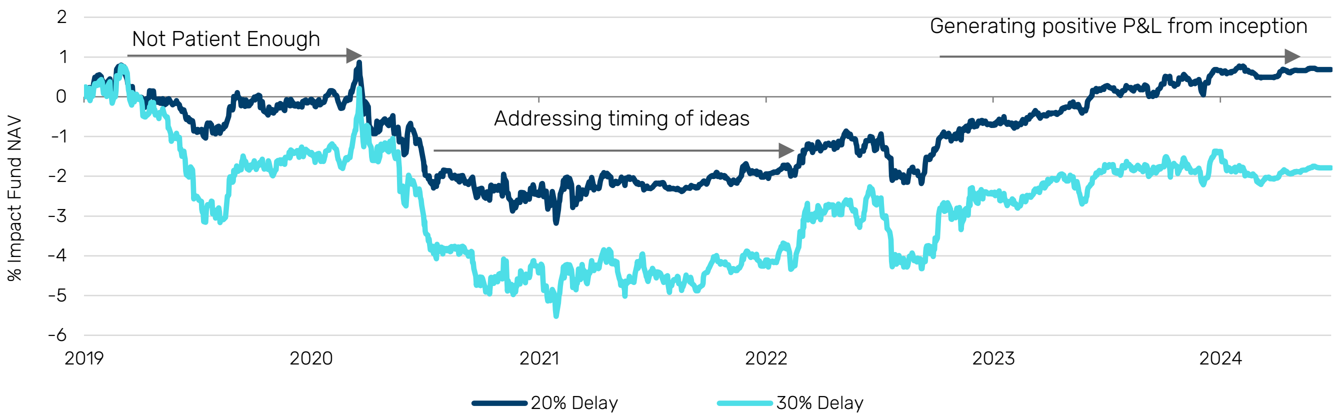
Figure 12. Cumulative P&L Impact of the first 20% and 30% of Idea Life



Source: Man Group Performance Lab. Data as at 26 June 2024.

Pleasingly since 2021, as we started to notice this behaviour, we arrested that decline and then over the period from 2022 to 2024 we began to generate positive P&L from idea inception. We are beginning to pick better entry points for our ideas, we are becoming more Patient. We now generate positive P&L relative to the wider Fund in the first 20% and 30% of our idea duration.

Figure 13. Impact of Clipping the Start of Ideas 2019-2024



Source: Man Group Performance Lab. Data as at 26 June 2024.

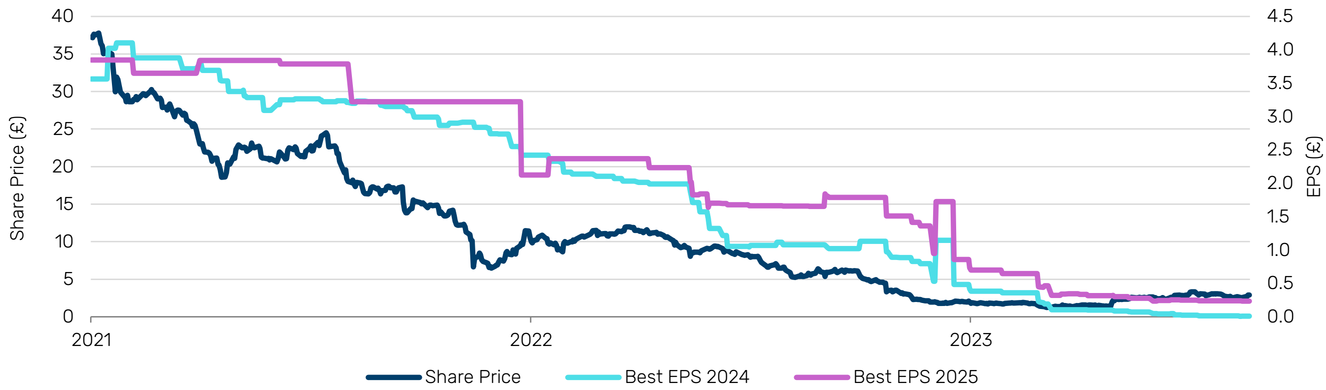
We still have a long way to improve and wanted to give 3 examples below to highlight that. The first of which is our investment in UK Brick Companies in the past 2 years. Our excitement in the potentially significant demand recovery, market structure, pricing power and returns through capacity expansion saw us initiate a position in late 2021. Whilst all our enthusiasm still held for the medium-term, the shares drifted down over 20% in the following 2.5 years as industry returns came under acute pressure as the housing market slowed and estimates had to be materially reset with 2024 earnings estimates falling -60% since we first initiated the position. Waiting for a bottoming in estimates first would have saved us material lost P&L.

Figure 14. Ibstock Operating Momentum

Source: Bloomberg and company accounts. Data as at 30 June 2024.

This was not just true of momentum in the P&L, with Patience needed across the financial statements. Take for example our identification of potentially significant upside in chemical company Synthomer in the middle of last year. We were not patient enough to wait for the inflection in the balance sheet through stabilisation in cash generation, a capital raise and asset sales. Thus, the shares fell from c550p on initiation in 2023 to sub 150p at their trough at the start 2024. Our view of the returns their assets could generate and thus the upside to the all-in enterprise value remained unchanged throughout the period, but by failing to wait for a proper inflection in net debt estimates, the Fund lost 50bps in the position.

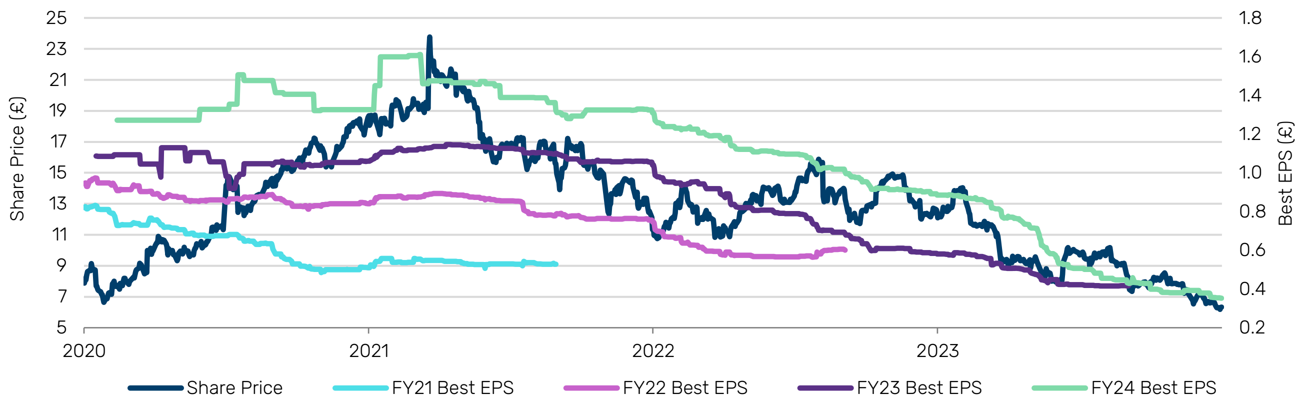
Figure 15. Synthomer Operating Momentum



Source: Bloomberg and company accounts. Data as at 30 June 2024.

This is also true in the short book. In fact, impatience can be potentially more painful here given our exposure to name rises as the shares go against us. Take for example a short in a UK Gambling Business we initiated in 2021. Management change, leverage, poor cash conversion, downgrades and a history of large deals made it a process Overvalued Value Trap on our work. Yet what was driving the shares was the potential around the re-opening of the American market. Thus, despite short-term estimates continuing to come down, the shares rallied strongly on the hope of much bigger returns in the future. The particularly galling outcome in this instance was that the moment we closed the short on the narrative momentum was the moment the shares peaked, and a multi-year bear story emerged of high-leverage, over optimistic estimates and an increasingly strained relationship with their US partner. Having lost over 200bps in the short, the shares have now roundtripped to the level that we first shorted them. Had we been patient and waited for the forward narrative momentum to inflect, the outcome would have been very different.

Figure 16. UK Gambling Company Operating Momentum



Source: Bloomberg and company accounts. Data as at 30 June 2024.

Our impatience is by no means universal. Where we do separate the analysis from the timing of the investment decision, the results can be powerful. Having identified several red flags and Overvalued Asset characteristics at an Animal Genetics company, we waited 4 years for the inflection in momentum, initiating a short position at the end of 2021. We continue to be conviction short the shares today, having generated over 100bps of alpha since. The key was that we were more consistent with our application of this discipline.

Figure 17. Animal Genetics Operating Momentum

Source: Bloomberg and company accounts. Data as at 30 June 2024.

Becoming more patient

Having identified a lack of patience in our decision making, we then put checks in place to try and improve whilst at the same time being cognizant of unintended consequences of changing our behaviour on performance elsewhere. That is why we always talk about introducing heuristics or 'speedbumps' rather than having hard and fast rules, and always reverting to the primacy of core process if ever in doubt. We outline 4 examples below:

1. UNDERSTANDING CYCLES – As we have written before (see Micro-Cyclicality), asking 'where is a company/industry in its own capital cycle' helps us stay patient. If a potential short is substantially under-earning against its long run returns, the hurdle to us initiating the position is greater. Separately we rely more on long run returns and margin profiles than we have in the past. If returns only fall from 'materially above' to 'inline' with long run averages the long case is less compelling than if they've fallen to trough. The converse is also true and recent retail shorts fit this perfectly, we have held off initiating shorts until margins become very stretched vs history, delaying the initiation of a short by over a year after having done the work in some cases.
2. SHELVING – We have changed the framework around doing the work on a company and initiating ideas. Encouraging us to think about doing the work and putting the potential idea 'on the shelf' with a set of criteria for what we are waiting for to go long or short. We are hopeful that by separating the analysis from the trading decision in our daily workflow we can generate more alpha from our process by being more patient with our timing.
3. HAS IT HAPPENED BEFORE – As part of our analysis for each company we ask if our thesis has ever played out before; for this company (the best), for the sector (good), for sectors like it (okay) or very rarely (the least good). We also codify what we think is driving the shares currently, even if it is opposed to our view of fundamentals. If we are asking for something that hasn't happened before, and if we can't get comfortable that what is driving the shares is going to lose momentum, we will often force ourselves to be more patient. The idea goes back on the shelf.
4. SIZING – Working with the data on our historical trading helped us improve our sizing on position initiations. Once we have initiated a position, particularly on the short side, we are better moving to a larger initial position and reducing more aggressively if things change. Patience is not about being tentative, it is important to have conviction at the right moment.

Finally, we believe process itself acts as a bulwark against impatience. The checks within our process – cash generation for Undervalued Assets, positive momentum for Undervalued Returns, negative momentum for Overvalued Assets and falling incremental returns, cash consumption and negative operating momentum for Overvalued Value Traps – help us enormously with timing. A short could flag for a long time as overvalued but it is only when it is overvalued and disappointing that it becomes process. A potential long could be well below the value of its assets, but only when it starts to generate cash does it become an Undervalued Asset. This requires us to wait (be Patient) until hopefully nearer the moment where such a position begins to be rewarded. Below we give some recent instances of how we believe we are executing better.

Being patient

Our recent investment in DCC is a good example. In its 3 decades as a listed company, incremental returns on our work have averaged north of 15% and operating profit growth has compounded at low-teens. Although there has been some deviation over time, we have always respected the track record of significant capital deployed at a high incremental return. In 2017, that was widely known and arguably more than priced into the shares on 22x earnings with compound double digit growth in estimates and 85% of analysts as buyers with no sellers. The shares flagged as an Overvalued Asset on our work in that moment.

It might have been tempting to 'buy the dip' in the shares as they de-rated to 18x from 21x in 2018, or fell further on concerns around large deals in Technology and Health Care in 2021 when the shares were on 16x with lower leverage. Or as the shares de-rated even further to 11x earnings in 2023 as people fretted about their answer to the energy transition process. We stayed patient.

Figure 18. DCC De-Rating

Source: Bloomberg and company accounts. Data as at 30 June 2024.

A detailed checklist of what was required to make DCC a process buy – and give it the best chance of sustaining that over a number of years – gave us a template of what to wait for: (1) a framework for significant capital deployment at a high iROIC with a long runway ahead of it, (2) a troughing of estimates forward as analysts capitulate on downgrades, (3) evidence that a portion of the business was at trough, or the majority was no longer at peak, (4) the first sign of earnings momentum.

In the last 9 months we believe we have now got all 4:

CAPITAL DEPLOYMENT PLATFORM – Having done nearing 20 deals they now believe they have a platform and coherent strategy to grow their energy transition and LPG business across Europe. This was outlined in their Energy Insights Day in September last year with the CEO describing it to us as "by far the biggest opportunity DCC has ever had."

TROUGHING OF FORWARD ESTIMATES – After nearly 2 years of downgrades as their Health Care and Technology businesses came off supernormal Covid trading, analysts have finally taken out almost all growth from numbers with only 2-3% organic growth in estimated numbers forward.

NOT AT PEAK – Having invested in both Health Care and Technology over the past 2 years, profits in each of these businesses are probably 20% below peak on a like-for-like basis on our work, with signs in both that the end market destocking is over.

MOMENTUM – A combination of increased M&A and a solid Energy performance led to analysts raising their earnings forecasts for DCC at a group level for the first time in November of last year despite a continued troughing of the other divisions. It was upgrades for the first time.

Figure 19. DCC First Turn in Operating Momentum

Source: Bloomberg and company accounts. Data as at 30 June 2024.

And thus, in April 2024 the shares made it into the Fund at a moment where we believe the risk reward is now firmly tipped in our favour.

Figure 20. DCC Then & Now

	2017	2024
Trailing PE	20x	10x
Cons Forward Organic Growth	12%	3%
Unannounced Deals in Numbers	Yes	No
Average Analyst Price Target	8400p	6800p

Source: Bloomberg and company accounts. Data as at 30 June 2024.

The DCC example took 6 years to play out, but it can often happen much more quickly. Close Brothers – like DCC – has a long history of value creation and growth, and for much of its listed life has enjoyed trading at a significant premium to the wider sector and its own book value. Yet a combination of management change, slowing loan growth, a poorly judged acquisition and the underperformance of their highly cyclical Winterfloods business led to the de-rating of the shares over 2021 to 2023. With the shares still trading at a premium to book value and with negative momentum, we stayed patient.

Figure 21. Close Brothers Price to Book Value

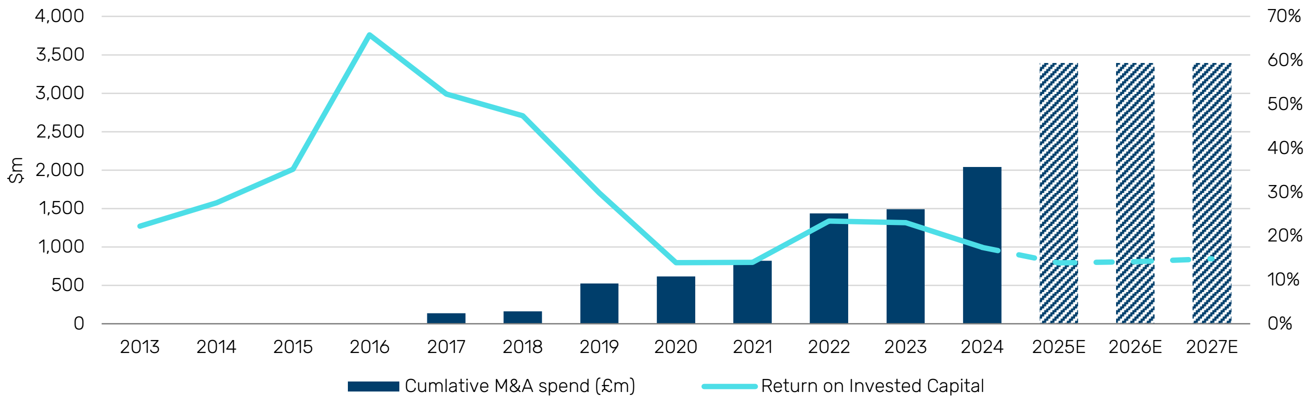
Source: Bloomberg and company accounts. Data as at 30 June 2024.

Then in early 2024 it became clear that they would face financial redress from the historical practice of providing variable compensation to their partners in motor finance. The market took fright and having fallen -50% since 2021, they then fell another -50% in the first 2 months of this year. Troughing on sub-0.4x tangible book and only 3x the earnings number it delivered in '18, '19 and '21. Appreciating the wide range of outcomes, we got as comfortable as we needed to be on (1) the size of the potential fine, (2) the levers that management had available to them to pull in a realistic worst-case scenario and (3) the impairment or lack thereof in the ongoing earnings power of the business. After continually monitoring and modelling the company over the past 5 years, meeting management regularly, the halving in the shares tipped the balance of risk reward in our favour. At that moment the amount of work we do on the name accelerates, we sought numerous meetings with management, paid close attention to the regulators pronouncements on the issue and brought in experts and analysts to understand the potential moving parts. When we had then got comfortable, we had the opportunity to build a position as an Undervalued Asset stock in a name that has continued to exhibit loan growth at a high return over a long period of time.

On the short book even more patience is often required. By being increasingly disciplined around momentum, differentiating between where a company is in its own cycle and doing the work to make sure we are ready to act when we see signs of the narrative changing, hopefully we can avoid costly mistakes like that of the listed Gambling company outlined above.

Take the example of a UK, and increasingly global, Sports Apparel Retailer. Our first ever 'Question' in 2018 was around their entry to the US market with a big acquisition. We were sceptical of the complex structure of the transaction which we thought created perverse incentives to do further deals at falling returns in the US as well as their right-to-win in that market. Core momentum however remained strong, and the balance sheet had significant capacity for further deals, so we remained on the sidelines. In the 6 years since, we have had significant governance concerns around internal controls, wholesale management change and they have spent their balance sheet expanding into 18 further countries via M&A. The short case was becoming more compelling, but we were staying patient. Then in January this year they downgraded profit guidance for the first time on a slowing US consumer. We had the short case built, we had been patient, the business was now at the peak of its own cycle and we had the negative momentum to make it an Overvalued Value Trap on our work. Even after the -25% fall on the day of the warning, the shares were still 80% above when we had first asked our question back in 2018.

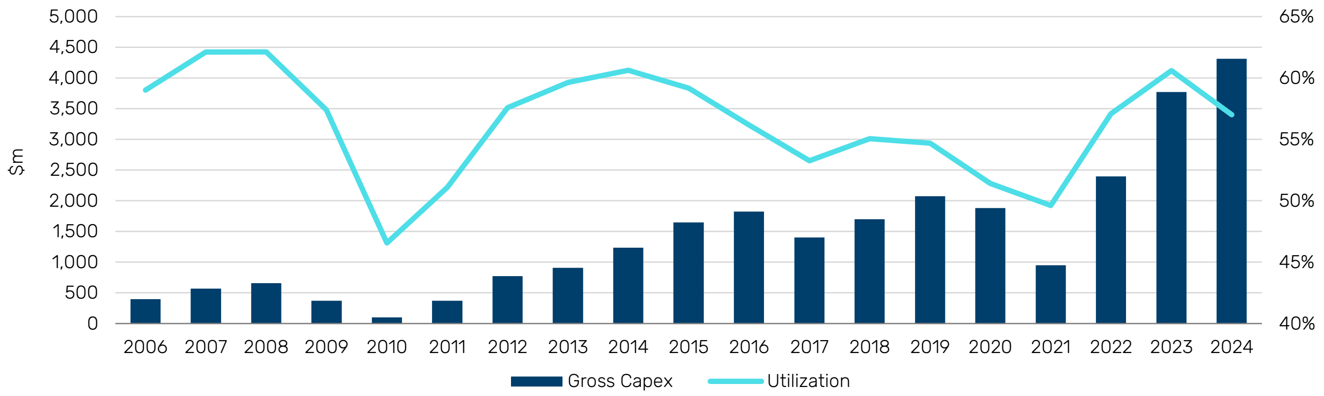
Figure 22. Sports Retailer Cumulative M&A and Falling ROIC



Source: Bloomberg and company accounts. Data as at 30 June 2024.

Or finally a short we recently initiated in an Equipment Rental Business. Pre-2022 our analysis indicated incremental returns were falling and to keep momentum positive, the business was having to grow its fleet by ever-larger increments at the expense of a rapidly expanding debt pile. Although it was beginning to exhibit the hallmarks of an Overvalued Value Trap, we stayed on the sidelines as momentum remained positive.

Figure 23. Equipment Rental Business Capex vs. Utilisation



Source: Bloomberg and company accounts. Data as at 30 June 2024.

Then in the final quarter of 2023 the balance shifted. The company warned that utilisation would fall below expectations and analysts for the first time were forced to downgrade their expectations. Our contention was that this company and its peers had over-spent in the hope of US stimulus driving supernormal demand and the result was a prisoner's dilemma where the combination of individual rational decisions to increase fleet resulted in an overall market that became saturated with equipment. In March 2024 the company again downgraded expectations for rental growth, flagging over-capacity in the industry for the first time. Despite this, consensus has this business sustaining margins, holding high utilisation and continuing to deploy 50% more capex than they did before the pandemic. The conditions for being short had been building since 2019, but it was only in 2023 that they were sufficient to put the short on, over which time the shares had risen over 150%.

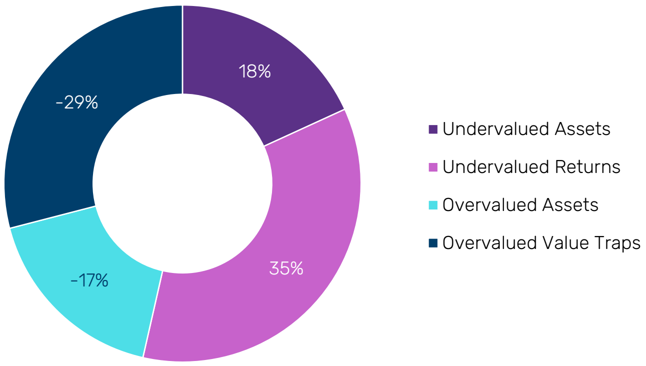
Conclusion

Disconnecting the amount and timing of work done on a company and when to put the idea into the Fund – and when we add a name, doing so with conviction – has added to overall Fund performance in the past 18 months. We hope it serves as a good example of how we seek to continuously identify gaps in the quality of our decision making and then address them whilst staying true to process. In this case through learning to be more Patient.

Current fund positioning

Trading activity in the period was in line with the long run averages for this Fund. We closed 8 longs and opened 13 new ones while we closed 12 shorts and opened 12 new ones. The split by idea type is broadly unchanged since the start of the year. We have slightly more exposure to Undervalued Assets in our long book across a pleasingly diverse number of sectors; housebuilding, insurance, banking, real estate, basic materials and travel and leisure. In the short book we have one of the largest weightings to Overvalued Assets we have ever had. As the consensus view that we have moved away from the zero-bound for rates becomes more entrenched, the opportunity for de-rating of the highly valued part of the market grows. The analysis of our historical trading performance in these names, which has a good hit rate, has compounded our conviction to be short Overvalued Assets, particularly a slightly larger market capitalisation.

Figure 24. Current Portfolio by Idea Type



Source: Man Group database. Data as at 30 June 2024.

The long book is broadly unchanged over the period. There has been some rotation within individual names, but we continue to believe that the opportunity to invest in both domestically and internationally focused cyclicals near the trough in their cycles remains compelling. As outlined previously (see Hidden Volume Recession) we think the earnings power of these businesses remains under-estimated in a world that has lived through higher nominal inflation since 2021. However, many of these markets have remained difficult during 2024, hence we have not yet been rewarded for our exposure here. It has given us the opportunity to add Smurfit Kappa, Coats, Jet2, Travis Perkins, Marshalls, Paragon, Barratt Developments and Balfour Beatty to the Fund. When the first green shoots appear, the equity returns from these valuations even back to mid-cycle could be compelling. And our work leads us to believe the returns on the assets of these companies could end up far higher than mid-cycle.

As outlined in the Performance Review section, the short book continues to work very hard to deliver alpha whilst we have not yet been rewarded for the attractive risk reward we see in our more cyclical longs. We go into the second half as enthused as ever about the prospects for the idiosyncratic names that make it up. We remain sceptical of the momentum and capital generation in the Life Insurance sector. We have added a Specialty Insurance short which somewhat balances our longs elsewhere in the sector. We have initiated a position in a number of large-cap Overvalued Assets in Industrials, Staples, Support Services and Financials where we have seen momentum inflect for the first time. Finally, we have been given the opportunity – we believe – to materially increase shorts in legacy Overvalued Value Trap names across Retail, Media, Education and Travel and Leisure where share price strength has been at odds with deteriorating fundamentals.

Figure 25. Top 10 Long and Short Positions

Top 10 longs	Net exposure
Lancashire	2.88
Workspace	2.81
Breedon	2.68
Beazley	2.56
TI Fluid Systems	2.47
Grafton	2.43
Barratt Developments	2.35
Hays	2.24
Bellway	2.14
Morgan Advanced Materials	2.10

Top 10 Shorts	Net exposure
Consumer Staples	-2.33
Capital Goods	-2.04
Consumer Discretionary	-2.01
Consumer Services	-2.01
Utilities	-1.81
Household Products	-1.81
Insurance	-1.80
Media & Entertainment	-1.68
Consumer Services	-1.61
Consumer Discretionary	-1.55

Source: Man Group database. Data as at 30 June 2024.

Since the beginning of the year, 7 of our top 10 positions in the long book are unchanged with the new additions being 2 housebuilders, Bellway and Barratt Developments, and industrial Morgan Advanced Materials. We have written previously of our diminished view of the returns for housebuilders in the next cycle (see 2023 Review) absent house price inflation or significant government support of the planning system. With the help of Man Group's internal quant teams, we have been able to get a clearer picture of the supply demand dynamics that might lead to such house price inflation and, combined with a Labour Government committed to unlocking the planning system, we believe both house price inflation and state support could be in place to drive positive surprises in the short to medium-term. Thus, with the shares below our exit price at the back of last year, both Bellway and Barratt make their way into the top 10. We added to Morgan Advanced Materials in the period following an analysis of their latest capital expenditure plans and what it might mean for returns, something we believe is simply not reflected in its sub-10x starting multiple.

Of the 7 that have remained in the top 10 throughout, auto supplier TI Fluid Systems continues to deliver positive operating momentum on the back of significant order wins in the past 18 months despite a slowdown in that end market. The increased popularity of hybrid vehicles over pure battery EVs plays strongly to their strengths. Specialist insurers Lancashire and Beazley remain in the top 10 despite a reduction in Beazley on the back of a strong first half performance. Both trade on near-record low valuations at a little over tangible book despite posting high teens sustainable returns on tangible equity with solid growth. Our enthusiasm for the potential recovery in end markets at Hays, Grafton and Breedon remains undimmed (see Hidden Volume Recession) and with the latter launching a new platform in America for the first time, we are particularly enthused about the value creation from the opportunity to deploy significant capital there at sensible incremental returns. Finally, flexible office provider Workspace remains in the top 10. Recent full year numbers underpin our excitement, as the value creation of 3-5% core rental growth, 1-2% development growth, and a 5% dividend yield is very attractive, and something not reflected in a multiple of sub-0.7x trailing NAV struck on a yield of 7%.

In the short book, only 4 of the top 10 from the start of the year remain. Our largest short remains a UK Food Retailer, as it has been for several years now. We did somewhat reduce the position on share price weakness in the period but remain enthused about the short. Elsewhere we got further confirmation of downgrades at a UK Utility Company as their supernormal growth over the pandemic begins to unwind and we can understand why the CEO is leaving and the founder selling shares. A recent capital markets day at a Life Insurance short underlined our view that this business has too much leverage and not enough levers of growth to pull as analysts were forced to take their profit numbers down and highlight the company's capital consumption in coming years. Finally, it is pleasing to get continued confirmation of deteriorating returns at the large US Equipment Rental business that we spoke about in the previous section. Despite falling iROIC, rising leverage and deteriorating supply demand dynamics in its end market as well as forecast downgrades, it only fell -3% in the period and thus the risk reward of the short continues to improve.

Three names have that have been shorts in the past, a legacy Big Box RMI Retailer, an Education Provider and a Legacy Broadcaster all make the top 10 as we have taken the opportunity to add on share price strength as the core value trap thesis was confirmed in the period. Our short in a Sports Apparel retailer is the one mentioned in the above section on Patience, having watched it closely since 2018, it is only now that we have the right combination of factors to make it an Overvalued Value Trap on our work and we moved quickly to build a position. A short in a Food Delivery Chain makes it into the top 10 for the first time. We have concerns about how hard the old management has pushed the operating model, governance concerns about recent M&A with the new management and believe that incremental returns have been falling for a few years. On 15x with negative momentum, a significant second half weighting and leverage, it is an Overvalued Value Trap on our work. Finally, a short in a Consumer Healthcare business made the top 10. A starting multiple of 18x, near 3x leverage and continued downgrades make it a relatively straightforward Overvalued Asset according to process.

Our current gross exposure is 138% and our net position ends the period at +9%. We provide the split of our long and short book by GICS sector below, though as ever caution that many mid-caps do not fit perfectly into one sector nor is the sector the predominate driver of return.

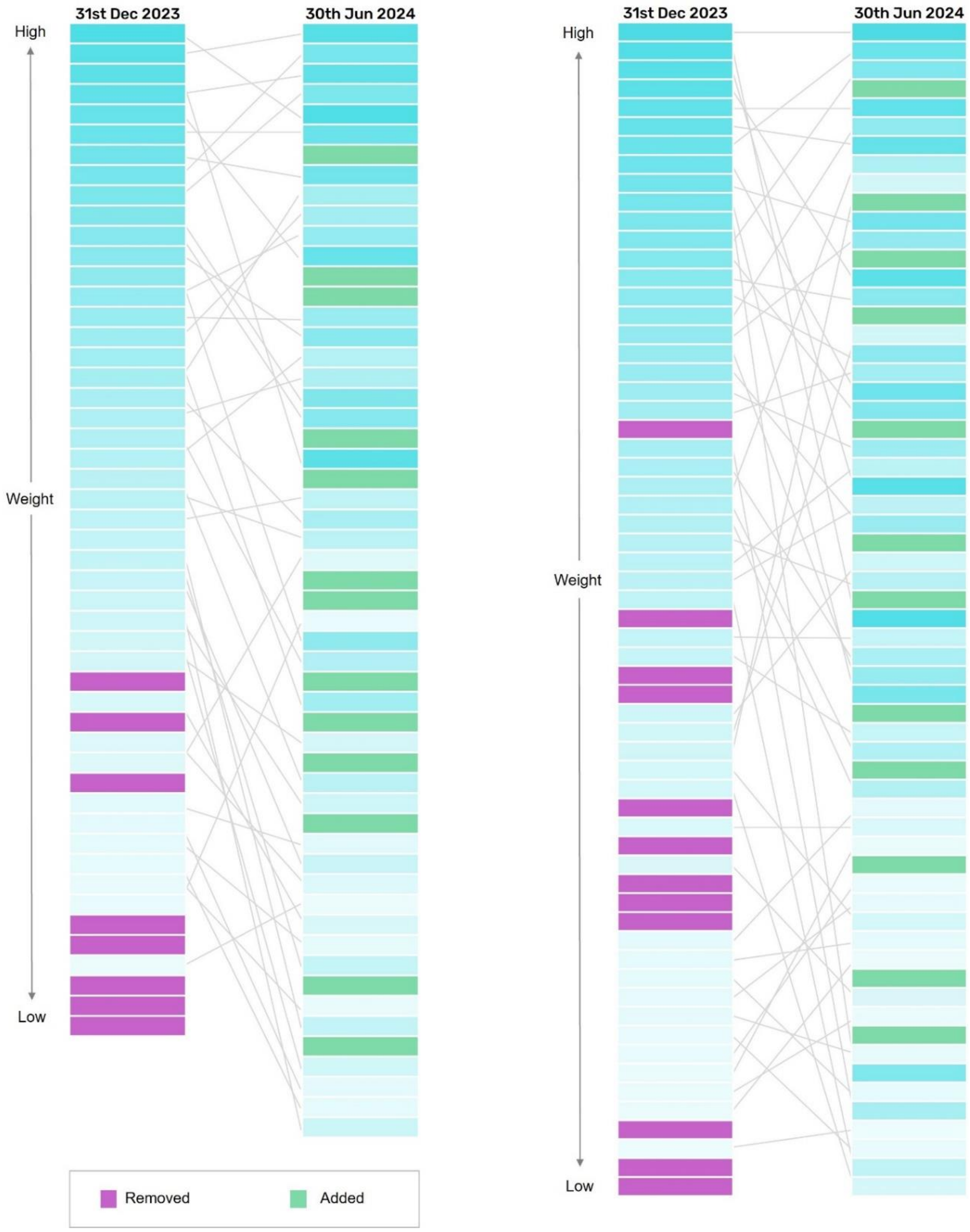
Figure 26. Sector Breakdown

Sector	Long	Short	Net
Communication Services	0.00%	-2.39%	-2.39%
Consumer Discretionary	13.84%	-15.46%	-1.62%
Consumer Staples	1.89%	-7.93%	-6.04%
Energy	0.59%	-1.53%	-0.94%
Financials	14.92%	-14.15%	0.77%
Health Care	0.00%	-3.91%	-3.91%
Industrials	21.00%	-9.44%	11.56%
Information Technology	0.00%	-2.40%	-2.40%
Materials	14.11%	-1.30%	12.81%
Real Estate	7.54%	-2.77%	4.77%
Utilities	0.00%	-2.77%	-2.77%

Source: Man Group database. Data as at 30 June 2024.

Finally, we provide the movement of positions in the Fund during the year. A green box represents a new name and a purple box represents a position we have closed over 2023. As mentioned, we have closed 8 positions in our long book over the course of the 6 months and opened 13 new ones. In the short book we closed 12 ideas during the period and opened 12 new ones, leading to 117 positions overall.

Figure 27. Position Movement in Long and Short Books



Source: Man Group database. Data as at 30 June 2024.

Conclusion

The Fund rose +8.0% in the first half of 2024, above our long run expectations. Hopefully we have highlighted how through becoming more Patient we are improving our timing. The enhanced returns of that, particularly when coupled with our other endeavours to consistently do better, should compound over time. After a period where the short book delivered the majority of the alpha, we enter the second half of 2024 with the portfolio in good balance, excited about the potential return of our more cyclical long exposure should the latent earnings power of the businesses we own start to show itself.

We thank investors for their continued support.

Jack, James, Henry, Erin and Hannah.

Past performance is not indicative of future results. Returns may increase or decrease as a result of currency fluctuations.

Performance represented by Man GLG Absolute Value Fund. Performance of CX GBP share class with 0.75% management fee and 20% performance fee, and does not take into account sales and redemption charges where such costs are applicable. Other share classes may charge higher fees.

Authors

Jack Barrat, CFA
Portfolio Manager

Jack Barrat is a portfolio manager at Man GLG. He joined Man GLG in October 2013 from Matterley. Before that, he worked at UBS for four years. Jack holds a First-Class degree in Politics and History from Cambridge University. He is also a CFA charterholder.

James Houlden, CFA
Portfolio Manager

James Houlden is a portfolio manager at Man GLG, focusing on UK equities. James joined Man GLG in 2017 from UBS, where he had worked for four years. At UBS, James specialised in European small- and mid-cap equities. James holds a First-Class degree in Accounting & Finance from the University of Bath. He is also a CFA charterholder.

Henry Dixon, CFA
Portfolio Manager

Henry Dixon is a Portfolio Manager on the UK Equities team at Man GLG, having joined in October 2013. Prior to joining Man GLG, Henry was a Portfolio Manager and Founder of Matterley where he ran their flagship fund of the same strategy. Prior to that he worked at New Star, and The Family Charities Ethical Trust. Henry has over 15 years' experience in equity investment management.

Erin Ennis, CFA
Analyst

Erin Ennis is an analyst at Man GLG, focused on UK equities. She has been in this role since January 2020. She joined Man Group in 2016 and has worked in different roles, including with the Man GLG Europe materials team and with the US institutional sales team. Before joining Man Group, Erin worked for Barclays. Erin holds a BA in Economics and a minor in Mathematics from the University of Virginia. She is also a CFA charterholder.

Hannah Burrows
Analyst

Hannah Burrows is an analyst at Man GLG in the UK equities team. She joined Man GLG in July 2022. Hannah previously worked as an analyst at Credit Suisse in equity research. She holds a Masters degree in Chemistry from the University of Oxford.

Past performance

	2017*	2018	2019	2020	2021	2022	2023	2024***
Net return[1]	8.7%	5.7%	8.1%	4.1%	6.4%	0.7%	9.2%	8.0%
Benchmark**	0.2%	0.7%	0.8%	0.3%	0.1%	1.2%	4.6%	2.7%

Past performance is not indicative of future results. Returns may increase or decrease as a result of currency fluctuations.

1. Performance represented by Man GLG UK Absolute Value Fund. Performance of CX GBP share class with 0.75% management fee and 20% performance fee, and does not take into account sales and redemption charges where such costs are applicable. Other share classes may charge higher fees. *Date of inception: 29 June 2017. Data as at 30 June 2024. **The term-adjusted (3 month) SONIA plus 0.1193% is the official benchmark for this Fund. Please consult the Prospectus or KIID for more information. ***Part year.

Investment Policy

Short description - Man GLG Absolute Value Fund (the 'Fund') employs a repeatable process designed to identify undervalued and overvalued companies in lesser researched parts of the UK mid-cap market by investing predominantly in equities and derivative instruments relating to equities of listed UK companies.

Type of assets - The Fund will invest at least 80% of its assets in equities or financial derivative instruments (as explained below) relating to equities of companies with market capitalisations of between £100 million and £10 billion that have their registered office in the UK, carry out a predominant proportion of their business activity in the UK market, and/or have their equities listed on a UK stock exchange. The Fund may also invest in units or shares in collective investment schemes (which may include those managed by the ACD or one or more of its associates), fixed and floating rate government and corporate bonds, bonds convertible into common stock and derivative and forward positions, money market instruments, deposits, cash and near cash and may use currency transactions, including forward currency contracts, currency swaps and foreign currencies. In exceptional market conditions and/or for liquidity management purposes the Fund may, subject to and in accordance with the FCA Rules, hold a significant amount in cash and near cash (non-cash assets which are highly liquid), deposits and government and public securities.

Benchmark degree of freedom - The Fund is actively managed and seeks to provide an absolute return from an actively managed portfolio in all market conditions (net of fees) in excess of the term-adjusted (3 month) SONIA plus 0.1193% ("Adjusted SONIA") (over one year calendar periods).

Important Considerations

Prior to investing in the Fund investors should carefully consider the risks associated with investing, whether the Fund suits their investment requirements and whether they have sufficient resources to bear any losses which may result from an investment in the Fund. Investors should only invest if they understand the terms on which the Fund is offered. Investors should consider the following risks and where appropriate seek professional advice before investing:

Investment Objective Risk – There is no guarantee that the Fund will achieve its investment objective.

Market Risk - The Fund is subject to normal market fluctuations and the risks associated with investing in international securities markets. Therefore, the value of your investment and the income from it may rise as well as fall and you may not get back the amount originally invested.

Counterparty Risk - The Fund will be exposed to credit risk on counterparties with which it trades in relation to on-exchange traded instruments such as futures and options and where applicable, 'over-the-counter' ("OTC", "non-exchange") transactions. OTC instruments may also be less liquid and are not afforded the same protections that may apply to participants trading instruments on an organised exchange.

Currency Risk - The value of investments designated in another currency may rise and fall due to exchange rate fluctuations. Adverse movements in currency exchange rates may result in a decrease in return and a loss of capital. It may not be possible or practicable to successfully hedge against the currency risk exposure in all circumstances.

Liquidity Risk -The Fund may make investments or hold trading positions in markets that are volatile and which may become illiquid. Timely and cost efficient sale of trading positions can be impaired by decreased trading volume and/or increased price volatility.

Concentration Risk - The Fund may invest in a limited number of investments which can increase the volatility of performance.

Financial Derivatives Instruments - The Fund will invest financial derivative instruments ("FDI") (instruments whose prices are dependent on one or more underlying asset) to achieve its investment objective. The use of FDI involves additional risks such as high sensitivity to price movements of the asset on which it is based. The extensive use of FDI may significantly multiply the gains or losses.

Leverage Risk -The Fund's use of FDI may result in increased leverage which may lead to significant losses.

Total Return - While the Fund aims to provide capital growth, a positive return is not guaranteed over any time period and capital is in fact at risk.

Single Region/Country Risk - The Fund is a specialist country-specific or geographic regional Fund, the investment carries greater risk than a more internationally diversified portfolio.

A complete description of risks is set out in the Fund's Prospectus.

Important Information

This material is of a promotional nature.

The Fund is a sub-fund of Man UK ICVC, domiciled in the United Kingdom and registered with the Financial Conduct Authority. Full details of the Fund objectives, investment policy and risks are located in the Prospectus which is available with the Key Investor Information Document (KIID) and the Report and Accounts of the UK UCITS in English. The Fund's documentation is available free of charge from the local information/paying agent, from authorised distributors and from www.man.com/documents.

In order to fulfil the Fund's objectives the Prospectus allows the manager the ability to invest principally in units of other collective investment schemes, bank deposits, derivatives contracts designed with the aim of gaining short term exposure to an underlying stock or index at a lower cost than owning the asset, or assets aiming to replicate a stock or debt securities index.

The value of an investment and any income derived from it can go down as well as up and investors may not get back their original amount invested. Alternative investments can involve significant additional risks.

For a summary of investor rights please see www.man.com/investor-relations and for guidelines for individual or collective redress mechanisms, please consult the Fund's prospectus and its key information document, as well as the complaints handling policy found here www.man.com/complaints-handling-policy.

This material is for information purposes only and does not constitute an offer or invitation to invest in any product for which any Man Group plc affiliate provides investment advisory or any other services. It is not contractually binding nor does it represent any information required by any legislative provision. Prior to making any investment decisions, investors should read and consider the Fund's offering documents.

Opinions expressed are those of the author as of the date of their publication, and are subject to change.

Some statements contained in these materials concerning goals, strategies, outlook or other non-historical matters may be "forward-looking statements" and are based on current indicators and expectations at the date of their publication. We undertake no obligation to update or revise them. Forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those implied in the statements.

Distribution of this material and the offer of shares may be restricted and the minimum subscription amount may be higher in certain jurisdictions. The product(s) mentioned within this material (i) may not be registered for distribution in your jurisdiction, and (ii) may only be available to professional or otherwise qualified investors or entities. It is important that distributors and/or potential investors are able to ensure compliance with local regulations prior to making a subscription. Please refer to the offering documentation for additional information.

Unless stated otherwise the source of all information is Man Group plc and its affiliates as of the date on the first page of this material.

Prepared by GLG Partners LP ("Investment Adviser / Investment Manager") (company number LP006776). The Fund's Authorised Corporate Director is Man Fund Management UK Limited (company number 03418585). The companies are registered in England and Wales at Riverbank House, 2 Swan Lane, London, EC4R 3AD. Authorised and regulated in the UK by the Financial Conduct Authority. This material is distributed pursuant to global distribution and advisory agreements by subsidiaries and consultants of Man Group plc ("Marketing Entities"). Specifically, in the following jurisdictions:

United Kingdom: Unless indicated otherwise this material is communicated in the United Kingdom by Man Solutions Limited ('MSL') which is a private limited company registered in England and Wales under number 3385362. MSL is authorised and regulated by the UK Financial Conduct Authority (the 'FCA') under number 185637 and has its registered office at Riverbank House, 2 Swan Lane, London, EC4R 3AD, United Kingdom.

Recipients of this material are deemed to be investment professionals and/or qualified investors that have employed appropriately qualified individuals to manage their financial assets and/or are a financial services entity appointed by an investor to provide fiduciary advisory and/or portfolio management services in respect of their financial assets. Information provided in response to queries regarding investment strategies and products managed by the Investment Manager will not be deemed to be provision of investment advice or personal investment recommendations, or assessment of the suitability or appropriateness of any investment products or consideration of the particular circumstances specific to any individual recipient to whom this material has been sent.

Please note that at any time the Manager or the Management company retains the right to terminate arrangements for the marketing of this product.

This material is not suitable for US persons.

Benchmarks disclaimers:

SONIA - The term adjusted (3 month) SONIA plus the applicable industry fallback spread are calculated by Bloomberg Index Services Limited (or a duly appointed successor) and as may be published by authorised distributors.

See https://www.man.com/indices-disclaimer for the full list of data providers' benchmarks disclaimers.

MKT012246/NS/UK/1-1/311224