Press Release

26 July 2016

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

Key points

- Funds under management (FUM) of $76.4 billion (31 December 2015: $78.7 billion)
  - Net inflows of $1.0 billion (H1 2015: net outflows $2.6 billion)
  - Gross sales of $9.8 billion (H1 2015: $10.5 billion)
  - Redemptions of $8.8 billion (H1 2015: $13.1 billion)
  - Investment movement of negative $2.2 billion (H1 2015: positive $3.8 billion)
  - FX translation and other movements of negative $1.1 billion (H1 2015: negative $1.4 billion)
- Adjusted profit before tax (PBT) of $98 million (H1 2015: $280 million)
  - Adjusted net management fee PBT of $90 million (H1 2015: $108 million)
  - Adjusted net performance fee PBT of $8 million (H1 2015: $172 million)
- Adjusted diluted EPS[1] of 4.9 cents (H1 2015: 13.9 cents); adjusted diluted management fee EPS of 4.5 cents (H1 2015: 5.4 cents)
- Statutory PBT of $55 million (H1 2015: $163 million) reflecting acquired intangibles amortisation ($47 million) and other adjusting item charges ($10 million), partially offset by a credit for revaluation of contingent consideration ($14 million); diluted statutory EPS[1] of 2.9 cents (H1 2015: 7.5 cents)
- Surplus regulatory capital[2] of approximately $470 million, after adjusting for the interim dividend, H1 2016 profits, and other reserve movements
- Interim dividend of 4.5 cents per share (H1 2015: 5.4 cents per share)
- Luke Ellis to succeed Manny Roman as Chief Executive Officer on 1 September 2016

Summary financials	Page ref.	**Six months ended 30 June 2016 $**	**Year ended 31 December 2015 $**	**Six months ended 30 June 2015 $**
Funds under management (end of period)	10	**76.4bn**	**78.7bn**	**78.8bn**
Gross management and other fees[3]	26	381m	836m	428m
Performance fees[4]	26	42m	326m	231m
Distribution costs	27	(34m)	(77m)	(35m)
Net revenues		**389m**	**1,085m**	**624m**
Compensation	27	(186m)	(462m)	(231m)
Other costs[5]	28	(100m)	(209m)	(105m)
Net finance expense	28	(5m)	(14m)	(8m)
Adjusted profit before tax	25	**98m**	**400m**	**280m**
Adjusting items[6]	25	(43m)	(216m)	(117m)
Statutory profit before tax	25	**55m**	**184m**	**163m**

[1] The reconciliation of diluted statutory EPS to adjusted diluted EPS is included in Note 12 to the financial statements (page 29)
[2] This is the surplus over the required capital as defined by the FCA
[3] Includes income from associates
[4] Includes income or gains/(losses) on investments and other financial instruments and third party share of losses relating to interests in consolidated funds
[5] Includes asset servicing costs and excludes adjusting items
[6] Adjusting items primarily relate to amortisation of purchased intangible assets. Refer to Note 2 to the financial statements (page 25) for further detail

Manny Roman, Chief Executive Officer of Man, said:

"The first half of 2016 has been a particularly challenging period for the global investment management industry. The first quarter of the year was a highly volatile period in financial markets. AHL's momentum strategies performed well, but it was a difficult time for our long only strategies. Markets reversed in the second quarter, and as a result, AHL's momentum strategies gave back the gains they had made in the first quarter. Recent volatility post-Brexit has benefitted AHL but created a difficult environment again for our discretionary strategies. In the context of this market environment, we had net inflows of $1.0 billion for the half. In particular, we saw good inflows into our quant business from institutional clients, across AHL's range of strategies and into Numeric.

Looking forward, the outlook, particularly cross border post Brexit, remains uncertain and accordingly the risk appetite of our clients has the potential to impact flows, albeit we have seen no meaningful change so far. The ongoing diversification of our business has enhanced our resilience as a firm and our ability to navigate the current economic environment. We are well-positioned to manage any subsequent regulatory changes, and assuming a stable regulatory environment, we are committed to keeping our headquarters in the UK. As previously indicated, we continue to explore opportunities to grow the business, both organically and by acquisition, to deliver long term value to shareholders.

It has been a great privilege to have led Man Group through a period of evolution and progression for the business; it is an excellent firm and I am sad to be leaving, but I have decided to accept the new, outstanding opportunity at Pimco and move back to the US where my family is based."

Dividend

Man's dividend policy is to pay at least 100% of adjusted management fee earnings per share in each financial year by way of ordinary dividend. In addition, the Group expects to generate significant surplus capital over time, primarily from net performance fee earnings. Available surpluses, after taking into account required capital (including liabilities for future earn-out payments), potential strategic opportunities and a prudent buffer, will be distributed to shareholders over time, by way of higher dividend payments and/or share repurchases. Whilst the Board continues to consider dividends as the primary method of returning capital to shareholders, it will continue to execute share repurchases when advantageous.

In line with this policy the Board has declared an interim dividend for the year to 31 December 2016 of 4.5 cents per share, being the adjusted management fee earnings per share for the six months to 30 June 2016 (refer to Note 12 to the financial statements (page 29)). The interim dividend will be paid at the rate of 3.43 pence per share.

Dates for the 2016 interim dividend

Ex-dividend date	11 August 2016
Record date	12 August 2016
Dividend paid	31 August 2016

Results presentation, audio webcast and dial in details

There will be a presentation by the management team at 10.30 am (UK time) and there will be a live audio webcast available on https://www.man.com/GB/investor-relations and video.merchantcantos.com which will also be available on demand from later in the day.

The dial-in and replay telephone numbers are as follows:

Live Conference Call Dial in Numbers:

UK Toll Number:	+44 (0) 20 3003 2666
UK Toll-Free Number:	0808 109 0700
US Toll Number:	+1 212 999 6659
US Toll-Free Number:	1 866 966 5335

30 Day Replay Dial in Numbers:

UK Toll:	+44 (0) 20 8196 1998
UK Toll Free Number:	0800 633 8453
US Toll Free Number:	+1 866 583 1035
Playback Pin Code:	8562597#

This interim report can be found on Man Group's website, www.man.com.

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About Man

Man Group is one of the world's largest independent alternative investment managers, and a leader in high-alpha, liquid investment strategies. Across its four investment managers (Man AHL, Man FRM, Man GLG and Man Numeric), Man Group has diverse strategies in hedge funds and long only products across equity, credit, managed futures, convertibles, emerging markets and multi-manager solutions. At 30 June 2016, Man Group's funds under management were $76.4 billion.

The original business was founded in 1783. Today, Man Group plc is listed on the London Stock Exchange under the ticker EMG.L and is a constituent of the FTSE 250 Index.

Man Group also supports many awards, charities and initiatives around the world, including sponsorship of the Man Booker literary prizes. Further information can be found at www.man.com.

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.

This announcement contains inside information.

CHIEF EXECUTIVE OFFICER'S REVIEW

The market environment was particularly volatile in the first half of the year, resulting in another difficult period for the global investment management industry. Against this backdrop, investment performance across our investment managers was mixed on an absolute and relative basis. Flows were positive during the period, consistent quarter on quarter, with net inflows of $1.0 billion, mainly into our quant alternative strategies. Funds under management decreased by 3% to $76.4 billion as a result of negative investment performance, mainly in Japanese equities, and other movements, partially offset by net inflows. Adjusted profit before tax decreased by 65% to $98 million, compared to H1 2015, due principally to lower gross performance fee revenue. Adjusted management fee PBT was down 17% versus H1 2015 due to the decrease in average FUM and the gradual decline in the Group management fee margin driven by the continued shift to lower margin institutional assets. Statutory profit before tax was down 66% to $55 million.

Market overview

Markets had a turbulent and difficult start to 2016, with severe weakness and volatility driven by macro concerns. Worries over growth in China and the US, as well as volatile oil prices, put significant pressure on global equities and the credit market, which had priced a full blown recession in mid-February with the FTSE 100 and S&P 500 both down over 10%. Government bonds and gold benefited from the risk-off environment. The actions of central banks and the recovery of the oil price later in the quarter contributed to the market bouncing back, ending the first quarter generally flat, with the exception of Japanese equities, which ended the first quarter down around 12% after sharp declines in January and February.

Markets made a good start to the second quarter as central banks successfully took steps to renew investor confidence, but this was largely overshadowed at the end of the quarter when the Brexit vote in the EU referendum renewed volatility in markets. The FTSE 100 and S&P 500 lost around 4% in the subsequent days, and Sterling weakened significantly against the US Dollar. Markets settled somewhat by the end of the quarter, despite the volatility after the Brexit vote, with the FTSE 100 up 4% for the six months to 30 June 2016, the FTSE 250 down 7% and S&P 500 ending up 3%, and world bonds and corporate bonds up 6.7% and 13.2% respectively. Japanese equities had a further decline in the second quarter, down over 7%, due to the sharp rise in the Yen.

Investment performance

Against this backdrop absolute and relative performance across our four investment managers was mixed.

AHL

AHL had a solid first half given the difficult market backdrop. AHL's trend following strategies had a strong start to the year, positioned bearishly through long fixed income and short commodity positions. Returns were significantly impacted in the second quarter however by the subsequent reversal in a variety of asset classes, notably equities and energy markets, causing losses to AHL's main programmes. These losses were partially offset by gains in the final week of June, after the UK's vote to leave the EU, with AHL positioned well with long fixed income and gold positions.

The AHL Evolution programme, which trades a range of non-traditional markets not typically traded by CTA managers, was up 5.4% for the half and AHL's multi-strategy quantitative programme, AHL Dimension, was up 0.1%. The AHL Diversified programme was down 0.9% for the six months to 30 June 2016 and the AHL Alpha programme, which runs at lower volatility, was up 0.6%. AHL earned $35 million of performance fees in the first half, the majority of which were from Evolution as the majority of performance fees for this strategy crystallise annually in June.

Numeric

Numeric's range of strategies had a challenging first half, in contrast to previous periods, with asset weighted performance relative to benchmarks (net of fees) of approximately -2.1%[1] for the period. Despite this performance, Numeric has strong outperformance over a three and five year period, with 3 year annualised asset weighted performance relative to benchmarks (net of fees) of 2.3%[1]. The aggregate performance in the half was led by weaker alpha capture in US stocks resulting in negative performance for strategies including US Large Cap Core (underperforming its benchmark by 3.1%), and Global Core (underperforming its benchmark by 2.9%), partially offset by stronger performance for Emerging Markets Core (outperforming its benchmark by approximately 0.8%) and other international strategies. The weaker performance resulted in lower performance fees earned in the period compared to H1 2015, with $2 million of performance fees for Numeric.

GLG

GLG's discretionary alternative strategies had mixed performance on an absolute and relative basis. The stronger performing strategies included Market Neutral (+1.0%), which outperformed the HFRX RV Multi Strategy index by 3.5%, and Mid-Cap Equity Alternative (+0.6%), which outperformed the HFRX Equity Hedge index by 4.5%. The Equity Long Short strategy was down 5.0% for the period, underperforming the HFRX Equity Market Neutral index by 0.1%. This performance resulted in GLG recording lower performance fees in comparison to H1 2015, with $1 million of performance fees in the first half.

Performance was mixed across GLG's long only strategies, in both absolute and relative terms. Japan CoreAlpha was down 26.6% for the period (underperforming the Topix by 8.1% and the Russell Nomura Large Cap Value Index by 1.5%, which more closely reflects the fund's investment style), the Continental European Equity strategy was up 4.4% (underperforming the FTSE World Europe index by 0.4%), the Unconstrained Emerging Markets Equity strategy was up 6.1% (underperforming the MSCI Emerging Markets index by 0.3%), and the Strategic Bond strategy was up 2.7% in the six months to 30 June 2016.

FRM

FRM strategies also had mixed performance in the first six months of the year. Actively managed diversified portfolios with exposure across strategies, such as FRM Diversified II, had negative performance of 4.8% (underperforming the HFRX FOF Conservative index by 3.2%). FRM earned performance fees of $2 million in the six months to 30 June 2016.

Business Development

Quant (AHL)

AHL continues to make progress in innovating and building a more diversified business, with total sales of $3.6 billion and net inflows of $2.5 billion in H1 2016. In 2016, AHL launched its Institutional Solutions offering, which provides bespoke solutions for institutional clients, allowing flexible combinations of AHL's different strategies. During H1 2016, $600 million of assets were raised for Institutional Solutions and there is a good level of interest from AHL's institutional client base. AHL's multi-strategy Dimension programme has continued to grow, with sales of $400 million in the first half of 2016, following on from the $2 billion sold in 2015, with total assets now of $4.5 billion. There is still some further capacity in this strategy to sell in the remainder of the year and beyond. AHL's business in China is also progressing, with total assets doubling in the period to $200 million.

1 Numeric's net asset weighted alpha for the six months to 30 June 2016, and 3 years annualised to 30 June 2016, is calculated using the asset weighted average of the performance relative to the benchmark for all strategy composites available net of the highest management fees and, as applicable, performance fees that can be charged.

AHL's research effort continues to focus on adding new markets and models to our existing strategies, as well as developing new strategies to further diversify and broaden the quant product offering. AHL are expanding the focus of their research in machine learning and data analytics through the Oxford-Man Institute from August this year, to provide opportunities with the growth in new techniques and forms of data. In the second quarter, AHL launched a new multi-portfolio manager platform, fully dedicated to systematic strategies, which will leverage off the AHL infrastructure. We expect live trading by the end of the year and to open the strategy to external investors during the course of 2017. The Evolution Frontier programme, which was launched in mid-2015 and applies AHL's core momentum models to a new set of markets, continues to progress well with $200 million of assets at 30 June 2016.

Quant (Numeric)

The Numeric business is now well integrated onto the Man platform and continues to benefit from the Group's relationships with institutions around the world, with total sales of $1.2 billion in H1 2016.

Numeric continues to launch new comingled vehicles, leveraging Man's resources and expertise, including the new Emerging Markets Core Cayman based fund launched in Q1 2016, with $200 million of sales in H1 2016, to complement Numeric's legacy Emerging Markets strategy, launched in 2010. The sales during the period bring Numeric's overall Emerging Markets strategies close to capacity.

Discretionary (GLG)

The volatile market environment was challenging in the first half, with mixed performance and net outflows across GLG's range of alternative and long only strategies.

The Japan CoreAlpha strategy was reopened for investment in May 2015 due to capacity becoming available, but has had weak performance for H1 2016. We continue to attract talent to strengthen our discretionary investment capability. In January we hired Guillermo Osses from HSBC to run an Emerging Markets Debt strategy. Guillermo's new strategy was launched in early June and had raised $200 million by the end of the period.

Other recent launches continue to make progress in the long only business; the Unconstrained EM Equity strategy has performed well since launch in Q3 2015, UK Undervalued Assets strategy continues to raise assets with $200 million of sales in H1 2016 and FUM of around $600 million at 30 June 2016, and the Continental European Equity strategy was up 4.1% for the six months to 30 June 2016 and has raised $300 million in the period. In alternatives, the European Mid-Cap strategy has performed well since launch in April 2015 (currently +5.5% since inception), with $200 million raised in H1 2016.

Fund of Hedge Funds (FRM)

From an asset raising perspective we continue to make good progress in our managed accounts offering. In Q4 2015 and Q1 2016 we raised $2.5 billion from a large US-based State Pension Plan, and the large institutional infrastructure mandate that we won in late 2014 for $1 billion has started to fund, with $300 million received in H1 2016 and the remainder expected over the next 12 months. In H1 2016, an additional institutional mandate was confirmed for an existing client for around $750 million, which is expected to fund gradually over the next 12 to 18 months.

Redemptions from FRM's traditional fund of fund assets were $1.0 billion for the half, as these assets continue to decline as investor appetite for these products becomes more subdued, particularly in Japan. At 30 June 2016, around 65% of FRM's assets were in traditional fund of funds.

Distribution

Sales in the first half of 2016 were $9.8 billion, down 7% compared to the first half of 2015, largely as a result of lower sales for GLG alternatives following periods of mixed performance. Quant product sales were higher in the half with strong inflows across AHL's product range, including $600 million into their new Institutional Solutions offering. Redemptions were $8.8 billion in the six months to 30 June 2016, down from $13.1 billion in the first half of 2015, primarily as a result of $2.8 billion of redemptions from a single client from Japan CoreAlpha in H1 2015 and higher redemptions for GLG alternatives following weak performance in 2014.

The majority of the demand continues to come from institutions with institutional sales in the period constituting 64% of total sales. Our business is more institutional in nature (at 30 June 2016 over 77% of the Group's assets were from institutions), with larger individual mandates accounting for around 40% our inflows.

From a geographical perspective, EMEA continues to be our biggest market, with sales comprising 47% of total sales in the six months to June. However, the Americas now account for a greater percentage of our sales, contributing 33% of total sales during the period, up from 21% in the first half of 2015. We added 15 new institutional client relationships in the US in H1 2016 and a number of existing clients invested into new strategies. Sales from Asia Pacific comprised 20% or $2.0 billion of total sales, up from 19% in H1 2015.

Efficiency

Our focus remains on efficiency and ensuring that our cost base enables us to address both the opportunities and risks in our business appropriately.

Our balance sheet remains strong and liquid with net tangible assets of $0.7 billion or 42 cents per share at 30 June 2016. During the period we renegotiated the terms of our $1 billion revolving credit facility, extending the maturity to 2021, and the facility remains available and undrawn with one further one-year extension option. Fitch maintained our credit rating of BBB+ in June 2016. The Group had operating cash net outflows of $4 million for the six months to 30 June 2016 (cash net inflows of $281 million for the six months to 30 June 2015) as a result of the payment of the Group's variable compensation in February. The Group had operating cash net inflows (before working capital, interest and tax) of $144 million for the period (H1 2015: $314 million). At 30 June 2016, the Group had total cash of $434 million excluding the cash balances related to consolidated funds (30 June 2015: $435 million, 31 December 2015: $586 million).

As explained in previous periods, we have a seed capital programme to help to grow the business as we launch new products over time. The book is sized in accordance with a Value at Risk (VaR) limit of $75 million and in aggregate stood at $514 million at 30 June 2016 ($526 million at 31 December 2015, see Note 15 to the financial statements for further detail). We expect the aggregate size of the book could reach up to $700 million, but will continue to be managed within VaR limits. The seed book consists of fund investments that will be redeemed as soon as practicable, typically within 12 months, as funds are marketed to clients. These investments will be hedged whenever possible, particularly for long only funds. In addition, we include in the seed book loans to structured product funds which are made on a discretionary basis and can be called at any time ($24 million at 30 June 2016), and a small residual balance of less liquid assets that remain from the 2008 financial crisis ($21 million at 30 June 2016). The asset weighted performance of the seeding book (excluding illiquid assets) for the six months to 30 June 2016 was -0.9% (7.2% for six months to 30 June 2015).

Surplus regulatory capital at 30 June 2016 was $479 million, which is higher than the 31 December 2015 position of $453 million, primarily due to the inclusion of the H2 2015 post-tax profits once they had been independently verified by the auditors and the receipt of year-end performance fees, partially offset by payment of the final 2015 dividend and an increased regulatory capital requirement related to higher seed investments. Surplus regulatory capital is around $470 million, after taking into account the impact of interim profits and foreign currency reserve movements, which are not included in the 30 June 2016 figure until they have been verified, and the payment of the interim dividend.

KEY PERFORMANCE INDICATORS (KPIs)

The definition and calculation of our financial KPIs are presented on page 27 of our Annual Report for the year ended 31 December 2015. They illustrate and measure the relationship between the investment experience of our fund investors, our financial performance and the creation of shareholder value over time. The KPIs are used on a regular basis to evaluate progress against our four key priorities: performance, growth, distribution, and efficiency. The results of our KPIs for the six month period to 30 June 2016 reflect the recent market volatility and the uncertain macro environment in which we operate, with strong investment performance for AHL in the first quarter being largely reversed in the second quarter. Investment performance for GLG, FRM and Numeric has been mixed, with the majority of strategies underperforming their benchmarks. Net flows have been solid for the half, consistent quarter on quarter.

Investment performance

For the six months to 30 June 2016, we are not achieving any of the four performance targets as AHL's performance of -0.9% was below two of the three relevant peer benchmarks of 0.1%, -0.1% and -2.5%. GLG and FRM had performance of -4.1% and -4.8% respectively, which were both below their relevant benchmarks of -0.8% and -1.6% respectively. Numeric's asset weighted performance relative to a blend of applicable benchmark (net of fees) across Numeric's product range was approximately -2.1%[1] for the six month period.

Net flows

The target for this KPI is 0%-10% net inflows each year. Net flows are within the target range for the six months to 30 June 2016 with an annualised net inflow of 2.5%, compared to a net inflow of 0.4% for the year to 31 December 2015. Net inflows in quant alternative, quant long only and fund of funds strategies are partially offset by net outflows in discretionary alternative and discretionary long only strategies.

Adjusted management fee EBITDA margin

The target for this KPI is 25%-40%. Our adjusted management fee EBITDA margin is a measure of our underlying profitability. The adjusted management fee EBITDA margin of 28.1% is within the target range for the six months to 30 June 2016 and has remained broadly consistent with 27.2% for the year to 31 December 2015.

Adjusted management fee EPS growth

The target for this KPI is growth of 0%-20% plus RPI each year. The adjusted management fee EPS growth of -11.8% is not within the target range for the six months to 30 June 2016, as a result of a decline in management fee profits due to lower average funds under management and the associated net fee margins.

1 Numeric's net asset weighted alpha for the six months to 30 June 2016 is calculated using the asset weighted average of the performance relative to the benchmark for all strategy composites available net of the highest management fees and, as applicable, performance fees that can be charged.

FUNDS UNDER MANAGEMENT (FUM), FLOWS AND GROSS AND NET MANAGEMENT FEE MARGINS

In the six months to 30 June 2016, FUM decreased 3% from $78.7 billion to $76.4 billion with negative investment performance of $2.2 billion and negative other movements of $1.4 billion, partially offset by net inflows of $1.0 billion and positive FX movements of $0.3 billion.

Six months to 30 June 2016

$bn	FUM at 31 December 2015	Sales	Redemptions	Net inflows/ (Outflows)	Investment movement	FX	Other	FUM at 30 June 2016
Alternative	**44.6**	**6.0**	**(4.1)**	**1.9**	**(0.5)**	**0.7**	**(1.0)**	**45.7**
Quant (AHL / Numeric)	**16.4**	3.6	(1.1)	**2.5**	-	0.2	(0.1)	**19.0**
Discretionary (GLG)	**16.3**	0.9	(1.9)	**(1.0)**	(0.4)	0.1	(0.1)	**14.9**
Fund of funds (FRM)	**11.9**	1.5	(1.1)	**0.4**	(0.1)	0.4	(0.8)	**11.8**
Long Only	**32.8**	**3.8**	**(4.5)**	**(0.7)**	**(1.7)**	**(0.4)**	**0.1**	**30.1**
Quant (AHL / Numeric)	**18.6**	1.2	(0.9)	**0.3**	-	-	0.1	**19.0**
Discretionary (GLG)	**14.2**	2.6	(3.6)	**(1.0)**	(1.7)	(0.4)	-	**11.1**
Guaranteed	**1.3**	**-**	**(0.2)**	**(0.2)**	**-**	**-**	**(0.5)**	**0.6**
Total	**78.7**	**9.8**	**(8.8)**	**1.0**	**(2.2)**	**0.3**	**(1.4)**	**76.4**

In aggregate, our total gross margin has decreased from 106 basis points for the year ended 31 December 2015 to 99 basis points for the six months ended 30 June 2016. Our total net margin has decreased from 96 basis points to 89 basis points over the same period. These reductions are due to the continued mix shift towards institutional money, particularly in the alternatives quant category. This mix shift and consequent reduction in overall margin is likely to continue as we sell more open ended alternative products, particularly to institutions, and sales of guaranteed products remain negligible.

Gross and net management fee margins

	Six months ended 30 June 2016		Year ended 31 December 2015	
	Total gross margin (bps)	**Total net margin (gross margin net of external distribution costs) (bps)**	**Total gross margin (bps)**	**Total net margin (gross margin net of external distribution costs) (bps)**
Alternative	**116**	**107**	**123**	**113**
Quant (AHL / Numeric)	156	140	171	154
Discretionary (GLG)	102	96	104	98
Fund of funds (FRM)	75	70	85	80
Long only	**60**	**52**	**63**	**55**
Quant (AHL / Numeric)	35	35	34	34
Discretionary (GLG)	98	78	97	79
Total excluding Guaranteed	**93**	**84**	**97**	**88**
Guaranteed	**498**	**419**	**510**	**464**
Total	**99**	**89**	**106**	**96**

Alternatives

Funds under management in alternative strategies increased by 2% in the period to $45.7 billion.

Quant (AHL / Numeric)

Quant alternatives FUM (AHL / Numeric) increased by 16% to $19.0 billion in the six months to 30 June 2016. Net inflows of $2.5 billion in the period included $0.4 billion into Dimension, $0.4 billion into Alpha, $0.3 billion into Diversified, $0.4 billion into the US onshore 40-Act strategy, and $0.6 billion into AHL's new Institutional Solutions offering.

Performance amongst AHL's strategies was mixed on an absolute basis with Evolution up 5.4% and Diversified down 0.9% for the period, resulting in broadly flat investment performance movement. FX movements were a positive $0.2 billion for the period, primarily due to the US Dollar weakening against the Japanese Yen and Australian Dollar. Other movements primarily relate to investment exposure adjustments. As at 30 June 2016, 41% of AHL performance fee eligible open ended FUM, or $6.9 billion, was at high watermark and 34%, of $5.7 billion, was within 5% of high watermark.

The quant alternatives (AHL / Numeric) gross and net margin reduced by 15 basis points and 14 basis points respectively compared to the year ended 31 December 2015, as a result of the continued shift towards institutional money. Looking forward, we would expect the mix shift towards institutional money to continue and hence we would expect the overall margin to decline further.

Discretionary (GLG)

FUM in discretionary alternatives (GLG) decreased by 9% in the period to $14.9 billion primarily as a result of net outflows of $1.0 billion and negative investment performance of $0.4 billion. Sales were reasonably muted with $0.9 billion for the period with alternative redemptions of $1.9 billion. Net outflows were mainly from North American equity and global convertible strategies. Investment performance across the GLG range of alternative strategies was negative for the period, decreasing FUM by $0.4 billion. FX movements, mainly due to the US Dollar weakening against the Euro, increased FUM by $0.1 billion. Other movements relate to Pemba and Silvermine maturities of $0.3 billion, partially offset by internal seeding investments. Of the GLG performance fee eligible funds (including long only) of $10.2 billion, 3% were at peak at 30 June 2016 and 44% were within 5% of peak.

Gross and net margins in the discretionary alternatives category are reasonably consistent with the prior year at 102 and 96 respectively, and we would expect them to remain broadly at this level going forward.

Fund of funds (FRM)

Funds under management in the alternatives fund of fund (FRM) category remained reasonably consistent at $11.8 billion. Alternative fund of fund sales were $1.5 billion and included $0.8 billion into previously won infrastructure mandates and $0.3 billion into bespoke mandates for institutional clients. Sales into traditional fund of fund products were muted. Redemptions totalled $1.1 billion, which included $0.7 billion from legacy FRM strategies, and $0.3 billion from Pine Grove and BAML fund of funds strategies. Investment performance in the six months was mixed across FRM's strategies and decreased FUM by $0.1 billion in the period. Positive FX movements increased FUM by $0.4 billion, mainly in relation to the weakening of the US Dollar against the Japanese Yen. The negative other movements of $0.8 billion primarily relate to investment exposure adjustments.

The gross and net margin in the alternatives fund of fund category both decreased by 10 basis points in the period due to the continued mix shift towards managed account mandates and the decline in legacy fund of fund assets. We would expect this product mix shift to continue and the overall margins to decline further.

Long only

Long only funds under management declined by 8% to $30.1 billion in the six month period, representing 39% of our total FUM.

Quant (Numeric / AHL)

Quant long only assets increased by $0.4 billion to $19.0 billion, as a result of net inflows of $0.3 billion and $0.1 billion of other movements. Sales were $1.2 billion, mainly driven by flows into Numeric Emerging Markets, and redemptions were $0.9 billion, with $0.5 billion from Numeric European and Global Core. Investment performance was broadly flat across Numeric's range of strategies. The gross and net margin in this category remained reasonably stable, at 35 basis points, compared to the year ended 31 December 2015.

Discretionary (GLG)

Discretionary long only FUM decreased by 22% to $11.1 billion. Net outflows were $1.0 billion, which included $1.2 billion from Japan CoreAlpha. The main driver of the negative investment performance movement of $1.7 billion was Japan CoreAlpha. Negative FX movements reduced FUM by $0.4 billion due to the strengthening of the US Dollar against the Sterling. The gross and net margin in this category remained broadly stable at 98 and 78 basis points respectively compared to the year ended 31 December 2015.

Guaranteed products

Guaranteed product funds under management broadly halved in the six months to 30 June 2016, from $1.3 billion to $0.6 billion. Redemptions were $0.2 billion and investment movement was broadly flat in the period. Negative other movements reduced FUM by $0.5 billion, which included de-gearing of $0.1 billion and maturities of $0.4 billion. The guaranteed gross and net margin decreased by 12 basis points and 45 basis points respectively compared to the year ended 31 December 2015 due to higher margin products maturing during the period.

Three months to 30 June 2016

$bn	FUM at 31 March 2016	Sales	Redemptions	Net inflows/ (Outflows)	Investment movement	FX	Other	FUM at 30 June 2016
Alternative	**45.9**	**2.9**	**(1.7)**	**1.2**	**(1.0)**	**-**	**(0.4)**	**45.7**
Quant (AHL / Numeric)	**18.7**	1.7	(0.5)	**1.2**	(0.8)	(0.1)	0.0	**19.0**
Discretionary (GLG)	**15.4**	0.5	(0.9)	**(0.4)**	(0.1)	(0.1)	0.1	**14.9**
Fund of funds (FRM)	**11.8**	0.7	(0.3)	**0.4**	(0.1)	0.2	(0.5)	**11.8**
Long Only	**31.5**	**1.8**	**(2.4)**	**(0.6)**	**(0.5)**	**(0.4)**	**0.1**	**30.1**
Quant (AHL / Numeric)	**19.0**	0.4	(0.5)	**(0.1)**	-	-	0.1	**19.0**
Discretionary (GLG)	**12.5**	1.4	(1.9)	**(0.5)**	(0.5)	(0.4)	-	**11.1**
Guaranteed	**1.2**	**-**	**(0.1)**	**(0.1)**	**-**	**(0.1)**	**(0.4)**	**0.6**
Total	**78.6**	**4.7**	**(4.2)**	**0.5**	**(1.5)**	**(0.5)**	**(0.7)**	**76.4**

Three months to 31 March 2016

$bn	FUM at 31 December 2015	Sales	Redemptions	Net inflows/ (Outflows)	Investment movement	FX	Other	FUM at 31 March 2016
Alternative	**44.6**	**3.1**	**(2.4)**	**0.7**	**0.5**	**0.7**	**(0.6)**	**45.9**
Quant (AHL / Numeric)	**16.4**	1.9	(0.6)	**1.3**	0.8	0.3	(0.1)	**18.7**
Discretionary (GLG)	**16.3**	0.4	(1.0)	**(0.6)**	(0.3)	0.2	(0.2)	**15.4**
Fund of funds (FRM)	**11.9**	0.8	(0.8)	**-**	-	0.2	(0.3)	**11.8**
Long Only	**32.8**	**2.0**	**(2.1)**	**(0.1)**	**(1.2)**	**-**	**-**	**31.5**
Quant (AHL / Numeric)	**18.6**	0.8	(0.4)	**0.4**	-	-	-	**19.0**
Discretionary (GLG)	**14.2**	1.2	(1.7)	**(0.5)**	(1.2)	-	-	**12.5**
Guaranteed	**1.3**	**-**	**(0.1)**	**(0.1)**	**-**	**0.1**	**(0.1)**	**1.2**
Total	**78.7**	**5.1**	**(4.6)**	**0.5**	**(0.7)**	**0.8**	**(0.7)**	**78.6**

FUM by manager

$bn	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015
AHL	**18.8**	**19.2**	**16.9**	**17.9**	**15.8**
AHL Diversified (inc. Guaranteed)	4.0	4.6	4.1	4.4	4.3
AHL Alpha	4.0	4.5	3.9	4.0	3.0
AHL Evolution	2.9	2.9	2.7	3.0	2.9
AHL Dimension	4.5	4.6	4.1	4.2	3.6
Europe and Asia Plus	0.8	0.9	1.2	1.1	1.2
Other specialist styles	1.8	1.7	0.9	1.2	0.8
Institutional Solutions	0.8	-	-	-	-
Numeric	**19.7**	**19.4**	**19.0**	**17.2**	**18.4**
Global	10.2	10.6	10.8	9.3	9.7
Emerging markets	2.8	2.6	2.1	1.9	2.5
US	5.2	4.9	4.8	4.6	4.7
Alternatives	1.5	1.3	1.3	1.4	1.5
GLG	**26.0**	**27.9**	**30.5**	**31.0**	**33.3**
Alternatives	**14.9**	**15.4**	**16.3**	**17.4**	**18.0**
Europe equity	3.8	4.0	3.9	4.0	3.9
North America equity	1.1	1.1	1.3	2.2	2.5
Other equity	0.6	0.6	0.5	0.6	0.6
Convertibles	3.5	3.6	4.0	4.0	4.0
Market Neutral	0.5	0.5	0.6	0.6	0.7
CLO	4.6	5.0	5.1	5.2	5.5
Multi-strategy	0.8	0.6	0.9	0.8	0.8
Long only	**11.1**	**12.5**	**14.2**	**13.6**	**15.3**
Japan equity	5.9	7.0	8.6	7.7	8.7
Europe equity*	0.8	0.9	0.7	0.5	0.3
UK equity	0.8	0.7	0.8	0.6	0.6
Other equity*	2.0	2.3	2.4	2.6	3.0
Fixed income	1.6	1.6	1.7	2.2	2.7
FRM	**11.9**	**12.1**	**12.3**	**10.7**	**11.3**
Infrastructure and direct access	4.1	3.9	3.2	1.5	2.1
Segregated	3.0	2.8	2.6	3.1	3.0
Diversified FoHF	3.9	4.2	4.6	4.2	4.6
Thematic FoHF	0.8	0.9	1.5	1.5	1.1
Guaranteed	0.1	0.3	0.4	0.4	0.5
Total	**76.4**	**78.6**	**78.7**	**76.8**	**78.8**

*Balanced and Stock Market Managed were reclassified from European equity to Other equity for presentation purposes at 30 June 2016

Investment performance

	Total Return		Annualised Return	
	3 months to Jun 16	**6 months to Jun 16**	**3 years to Jun 16**	**5 years to Jun 16**
AHL/MAN SYSTEMATIC STRATEGIES				
AHL Diversified[1]	-6.0%	-0.9%	8.9%	4.6%
AHL Alpha[2]	-3.3%	0.6%	7.8%	4.8%
AHL Evolution[3]	-2.1%	5.4%	13.5%	16.9%
AHL Dimension[4]	-3.9%	0.1%	8.3%	5.7%
GLG ALTERNATIVES				
Equity				
Europe				
GLG European Long Short Fund[5]	-2.6%*	-5.0%*	-0.3%*	2.2%*
Man GLG European Equity Alternative UCITS Fund[6]	-2.8%	-5.4%	-1.0%	n/a
Man GLG European Alpha Alternative UCITS Fund[7]	-0.9%	-1.7%	-0.5%	0.8%
Man GLG European Mid-Cap Equity Alternative[8]	0.3%	0.6%	n/a	n/a
UK				
Man GLG Alpha Select UCITS Fund[9]	-4.4%	-4.7%	2.9%	2.5%
Global				
Man GLG Cred-Eq Alternative Class[10]	1.6%	-4.1%	n/a	n/a
Man GLG Value Opportunity [11]	2.4%	-2.6%	n/a	n/a
Convertibles				
GLG Global Convertible Fund[12]	0.2%	-2.8%	0.6%	1.5%
Man GLG Global Convertible UCITS Fund[13]	-0.5%	-3.3%	2.1%	2.7%
Market neutral				
GLG Market Neutral Fund[14]	3.7%*	1.0%*	-0.3%*	2.6%*
Man GLG European Distressed Fund[15]	0.2%*	-1.6%*	0.8%*	2.5%*
Multi-strategy				
Man Multi-Strategy Fund[16]	-2.7%*	-4.8%*	0.0%*	1.1%*
GLG LONG ONLY				
Man GLG Europe Plus ETF[17]	-2.7%	-8.7%	6.1%	5.6%
Man GLG Japan Core Alpha Equity Fund[18]	-12.3%	-26.6%	1.3%	7.7%
Man GLG Global Equity UCITS Fund[19]	-0.9%	-5.5%	5.4%	5.6%
Man GLG Strategic Bond Fund[20]	0.1%	2.7%	3.3%	n/a
Man GLG Undervalued Assets Fund[21]	-4.9%	-9.1%	n/a	n/a
Man GLG European Equity Fund[22]	-3.3%	-8.9%	8.8%	6.6%
Man GLG UK Select Fund[23]	-6.1%	-8.4%	4.8%	5.7%
Man GLG Continental European Growth Fund[24]	2.7%	4.4%	18.9%	12.3%

	Total Return		Annualised Return	
	3 months to Jun 16	6 months to Jun 16	3 years to Jun 16	5 years to Jun 16
MAN MULTI-MANAGER				
FRM Diversified II[25]	-1.4%	-4.8%	0.5%	0.9%
Indices				
World stocks[26]	1.3%	-0.5%	8.7%	8.8%
World bonds[27]	2.8%	6.7%	5.7%	5.1%
Corporate bonds[28]	5.5%	13.2%	9.9%	9.4%
Hedge fund indices				
HFRI Fund of Funds Composite Index[29]	0.8%	-2.4%	2.0%	1.7%
HFRI Fund Weighted Composite Index[29]	2.3%	1.6%	3.0%	2.5%
HFRX Global Hedge Fund Index[29]	1.1%	-0.8%	-0.6%	-0.5%
HFRI Fund of Funds Conservative Index[29]	0.5%	-1.6%	1.9%	1.9%
Style indices				
Barclay BTOP 50 Index[30]	-1.8%	0.3%	3.8%	1.8%
HFRI Equity Hedge (Total) Index[29]	1.6%	-0.2%	3.1%	2.3%
HFRI EH: Equity Market Neutral Index[29]	-0.5%	0.0%	3.6%	2.6%
HFRI Macro (Total) Index[29]	2.0%	3.5%	2.7%	1.0%
HFRI Relative Value (Total) Index[29]	2.8%	2.3%	3.3%	4.1%

	3 months to 30 Jun 2016	6 months to 30 Jun 2016	3 years to 30 Jun 2016	5 years to 30 Jun 2016
U.S. Large Cap Equity				
Numeric Core	1.0%	1.1%	12.3%	13.5%
Russell 1000®#	2.5%	3.7%	11.5%	11.9%
Relative Return	-1.5%	-2.6%	0.9%	1.6%
Numeric All Cap Core	0.1%	0.0%	9.6%	12.2%
Russell 3000®#	2.6%	3.6%	11.1%	11.6%
Relative Return	-2.5%	-3.6%	-1.6%	0.6%
Numeric Large Cap Core	1.2%	0.8%	12.8%	13.7%
S&P 500®#	2.5%	3.8%	11.7%	12.1%
Relative Return	-1.2%	-3.1%	1.1%	1.6%
Numeric Value	3.1%	2.8%	11.5%	13.0%
Russell 1000 Value®#	4.6%	6.3%	9.9%	11.4%
Relative Return	-1.5%	-3.5%	1.6%	1.7%
Numeric Amplified Core (130/30)	0.2%	-0.7%	15.8%	16.6%
S&P 500®#	2.5%	3.8%	11.7%	12.1%
Relative Return	-2.2%	-4.6%	4.1%	4.5%
U.S. Small Cap Equity				
Numeric Small Cap Core	0.9%	-1.2%	6.3%	9.8%
Russell 2000®#	3.8%	2.2%	7.1%	8.4%
Relative Return	-2.9%	-3.4%	-0.8%	1.5%
Numeric Small Cap Growth	-0.7%	-5.2%	5.9%	9.6%
Russell 2000 Growth®#	3.2%	-1.6%	7.7%	8.5%
Relative Return	-3.9%	-3.6%	-1.8%	1.1%
Numeric Small Cap Value	2.5%	2.7%	7.3%	10.3%
Russell 2000 Value®#	4.3%	6.1%	6.4%	8.1%
Relative Return	-1.8%	-3.3%	0.9%	2.2%
Numeric SMID Growth	-0.3%	-2.9%	8.2%	10.0%
Russell 2500 Growth®#	2.7%	0.0%	9.1%	9.3%
Relative Return	-3.0%	-2.9%	-0.9%	0.8%
Global / Non-U.S. Equity				
Numeric Global Core	-0.7%	-2.3%	9.5%	n/a
MSCI World®#	1.0%	0.7%	6.9%	n/a
Relative Return	-1.8%	-2.9%	2.5%	n/a
Numeric Global Small Cap	-0.4%	-0.6%	n/a	n/a
MSCI World Small Cap®#	1.6%	2.3%	n/a	n/a
Relative Return	-2.0%	-2.9%	n/a	n/a
Numeric Global Core ex US	-1.5%	-1.8%	n/a	n/a
MSCI World ex US®#	-1.1%	-3.0%	n/a	n/a
Relative Return	-0.4%	1.2%	n/a	n/a
Numeric EAFE Core	-1.8%	-3.1%	n/a	n/a
MSCI EAFE®#	-1.5%	-4.4%	n/a	n/a
Relative Return	-0.4%	1.4%	n/a	n/a
Numeric International Small Cap	-1.4%	-1.7%	9.5%	8.5%
MSCI World ex U.S. Small Cap®#	-1.3%	-0.7%	6.3%	4.3%
Relative Return	-0.1%	-1.0%	3.2%	4.2%
Numeric Europe Core (EUR)	-0.1%	-6.5%	11.0%	10.5%
MSCI Europe®# (EUR)	-0.2%	-7.2%	7.4%	6.5%
Relative Return	0.0%	0.8%	3.6%	3.9%
Numeric Japan Core (YEN)	-8.5%	-20.2%	5.0%	11.2%
MSCI Japan®# (YEN)	-7.8%	-19.5%	3.8%	9.3%
Relative Return	-0.7%	-0.7%	1.1%	1.9%
Numeric Asia Pacific ex Japan	1.4%	3.1%	n/a	n/a
Russell Asia Pacific ex Japan®#	-0.6%	-1.0%	n/a	n/a
Relative Return	2.0%	4.1%	n/a	n/a
Emerging Markets				
Numeric Emerging Markets Alpha	2.0%	7.1%	4.5%	2.6%
MSCI Emerging Markets®#	0.7%	6.4%	-1.6%	-3.8%
Relative Return	1.3%	0.7%	6.0%	6.4%
Numeric Emerging Markets Core	2.6%	7.2%	1.8%	n/a
MSCI Emerging Markets®#	0.7%	6.4%	-1.6%	n/a
Relative Return	1.9%	0.8%	3.4%	n/a
Numeric Emerging Markets Small Cap	2.4%	4.5%	n/a	n/a
MSCI Emerging Markets Small Cap®#	0.4%	1.4%	n/a	n/a
Relative Return	2.0%	3.1%	n/a	n/a

	3 months to 30 Jun 2016	6 months to 30 Jun 2016	3 years to 30 Jun 2016	5 years to 30 Jun 2016
Numeric Asia Pacific ex-Japan	2.1%	2.8%	6.4%	n/a
Russell Asia Pacific ex-Japan	0.5%	1.9%	2.0%	n/a
Relative Return	1.6%	1.0%	4.4%	n/a
NUMERIC LONG/SHORT				
Numeric US Market Neutral	-4.1%	-4.9%	1.6%	2.8%
Numeric World Market Neutral	-1.1%	-4.4%	2.8%	3.7%
Numeric Alternative Market Neutral	-3.5%	-3.6%	2.7%	4.2%
Numeric Socially Aware Multi-Strategy	-3.1%	-3.1%	2.4%	n/a
Numeric Absolute Return	-2.8%	-0.4%	2.9%	3.6%
Numeric Integrated Alpha	-1.9%	-2.6%	n/a	n/a
ML 91-Day T-Bill®	0.1%	0.1%	0.1%	0.1%

Investment performance is being provided solely in connection with Man Group plc's interim results and for its shareholders. Nothing herein 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.

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

1) 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.

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 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 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.

5) Represented by GLG European Long Short Fund - Class D Unrestricted – EUR.

6) Represented by Man GLG European Equity Alternative IN EUR.

7) Represented by Man GLG European Alpha Alternative IN EUR.

8) Represented by Man GLG European Mid-Cap Equity Alternative IN H USD.

9) Represented by Man GLG Alpha Select Alternative IN H EUR.

10) Represented by Man GLG Cred-Eq Alternative Class IN EUR.

11) Represented by Man GLG Value Opportunity Class B USD Unrestricted.

12) Represented by GLG Global Convertible Fund - Class A – USD.

13) Represented by Man GLG Global Convertible UCITS Fund - Class IM USD.

14) Represented by GLG Market Neutral Fund - Class Z Unrestricted – USD.

15) Represented by Man GLG European Distressed Fund - Class A – USD.

16) Represented by the gross return of Man GLG Multi-Strategy Fund – Class A – USD Shares until 31 December 2012. From 1 January 2013 the performance of Man Multi-Strategy Fund – Class G – USD Shares is displayed.

17) Represented by the official performance of Man GLG Europe Plus Source ETF net of a 0.75% p.a. management fee and no performance fee. Provided by Source.

18) Represented by Man GLG Japan CoreAlpha Equity Fund - Class I JPY.

19) Represented by Man GLG Global Equity Fund - Class I T USD to Class I USD (13/05/2011).

20) Represented by Man GLG Strategic Bond Fund Class C.

21) Represented by Man GLG Undervalued Assets Fund - C Accumulation Shares.

22) Represented by Man GLG European Equity Class I EUR.

23) Represented by Man GLG UK Select Fund Class C. Accumulation Shares.

24) Represented by Man GLG Continental European Growth Fund Class C Accumulation Shares.

25) Represented by FRM Diversified II USD A.

26) Represented by MSCI World Net Total Return Index hedged to USD.

27) Represented by Citigroup World Government Bond Index hedged to USD (total return).

28) Represented by Citigroup High Grade Corp Bond TR.

29) HFRI and HFRX index performance over the past 4 months is subject to change.

30) The historic Barclay BTOP 50 Index data is subject to change.

Please note that the dates in brackets represent the date of the join in the linked track records.

*Estimated.

#The reference index listed by Numeric is intended to best represent the strategy's universe. Comparison to an index is for informational purposes only.

* Returns are based on the performance of only unrestricted accounts within each strategy. Performance is net-of-fees. Returns of accounts with client restrictions may differ.

Past or projected performance is no indication of future results. Returns may increase or decrease as a result of currency fluctuations. Please see the Net-of-Fee Return Information section of this presentation for a full listing of the fees and expenses deducted for each strategy identified.

RISK MANAGEMENT

It is a key objective of Man 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'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. Our approach is to identify, quantify and manage risk throughout the Group, in accordance with the Board's risk appetite. We maintain surplus capital and liquidity to give us strategic and tactical flexibility, both in terms of corporate and fund management.

The principal risks faced by Man are set out on pages 36 to 37 of our 2015 Annual Report. These remain our principal risks for the second half of the financial year being: investment underperformance risk; regulatory risk; balance sheet market risk; operational risk; information security risk; discretionary trading risk; credit/counterparty risk; legal risk; reputational risk; and key staff retention risk. We note the increased market volatility and regulatory uncertainty resulting from the UK Brexit vote at the end of H1 2016, but consider the associated risks to be already contained within our principal risk disclosures as described. Our risk framework operated as expected in the six months to 30 June 2016, with systems and controls functioning as designed despite volatile markets.

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 2016 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 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 2016 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 2016; and

- material related party transactions in the six months ended 30 June 2016 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 2015, with the exception of Jon Aisbitt, who retired from the Board on 6 May 2016. He was succeeded as Chairman by Lord Livingston of Parkhead.

By order of the board

Manny Roman
Chief Executive Officer
26 July 2016

Jonathan Sorrell
Co-President & CFO
26 July 2016

INTERIM FINANCIAL STATEMENTS

Group income statement

$m	Note	**Six months to 30 June 2016**	Six months to 30 June 2015
Revenue:			
Gross management and other fees	3	**381**	425
Performance fees	3	**40**	200
		421	625
Income or gains/(losses) on investments and other financial instruments	5	**(3)**	31
Third party share of losses relating to interests in consolidated funds	15	**5**	-
Revaluation of contingent consideration	2	**14**	(22)
Distribution costs	6	**(34)**	(35)
Asset servicing	7	**(17)**	(16)
Amortisation of acquired intangible assets	13	**(47)**	(45)
Compensation	8	**(186)**	(231)
Other costs	9	**(84)**	(90)
Impairment of FRM goodwill	2	**-**	(41)
Share of after tax profit of associates		**-**	3
Finance expense	10	**(15)**	(18)
Finance income	10	**1**	2
Profit before tax		**55**	163
Taxation expense	11	**(6)**	(33)
Statutory profit for the period attributable to owners of the Parent Company		**49**	130
Earnings per share:	12		
Basic (cents)		**2.9**	7.6
Diluted (cents)		**2.9**	7.5
Adjusted profit before tax		**98**	280

Group statement of comprehensive income

$m	**Six months to 30 June 2016**	Six months to 30 June 2015
Statutory profit for the period attributable to owners of the Parent Company	**49**	130
Other comprehensive (expense)/income:		
Remeasurements of post-employment benefit obligations	**12**	(4)
Deferred tax (debited)/credited on pension revaluation	**(3)**	1
Items that will not be reclassified to profit or loss	**9**	(3)
Cash flow hedges:		
Valuation (losses)/gains taken to equity	**(20)**	6
Transfer to Group income statement	**5**	8
Deferred tax credited on cash flow hedge movements	**3**	-
Net investment hedge	**-**	6
Foreign currency translation	**1**	(9)
Recycling of FX revaluation on liquidation of subsidiaries	**1**	-
Items that may be subsequently reclassified to profit or loss	**(10)**	11
Other comprehensive (expense)/income for the period (net of tax)	**(1)**	8
Total comprehensive income for the period attributable to owners of the Parent Company	**48**	138

Group balance sheet

$m	Note	**At 30 June 2016**	At 31 December 2015
Assets			
Cash and cash equivalents	14	**477**	607
Fee and other receivables		**326**	303
Investments in fund products and other investments	15	**667**	598
Pension asset		**59**	48
Investments in associates		**29**	30
Leasehold improvements and equipment		**44**	44
Goodwill and acquired intangibles	13	**1,452**	1,497
Other intangibles		**16**	14
Deferred tax assets		**51**	59
		3,121	3,200
Non-current assets held for sale	15	**213**	188
Total assets		**3,334**	3,388
Liabilities			
Trade and other payables		**560**	660
Provisions	16	**52**	58
Current tax liabilities		**9**	32
Third party interest in consolidated funds	15	**221**	136
Borrowings	14	**149**	149
Deferred tax liabilities		**60**	69
		1,051	1,104
Non-current liabilities held for sale	15	**106**	69
Total liabilities		**1,157**	1,173
Net assets		**2,177**	2,215
Equity			
Share capital and reserves attributable to the owners of the Parent Company	17	**2,177**	2,215

Group cash flow statement

$m	Note	**Six months to 30 June 2016**	Six months to 30 June 2015
Cash flows from operating activities			
Profit for the period		**49**	130
Adjustments for:			
Income tax		**6**	33
Net finance expense		**14**	16
Share of after tax profits of associates		**-**	(3)
Revaluation of contingent consideration		**(14)**	22
Depreciation and impairment of leasehold improvements and equipment		**6**	8
Amortisation of acquired intangible assets		**47**	45
Amortisation of other intangible assets		**2**	2
Share-based payment charge		**12**	8
Fund product based payment charge [1]		**17**	17
Impairment of FRM goodwill		**-**	41
Defined benefit pension plans		**(3)**	(3)
Other non-cash movements		**8**	(2)
		144	314
Changes in working capital:			
(Increase)/decrease in receivables		**(14)**	68
Decrease in other financial assets [2]		**25**	20
Decrease in payables [1,3]		**(126)**	(84)
Cash generated from operations		**29**	318
Interest paid		**(5)**	(9)
Income tax paid		**(28)**	(28)
Cash flows from operating activities		**(4)**	281
Cash flows from investing activities			
Purchase of leasehold improvements and equipment		**(6)**	(1)
Purchase of other intangible assets		**(4)**	(3)
Acquisition of subsidiaries and other intangibles, net of cash acquired		**-**	(38)
Payment of contingent consideration in relation to acquisitions [3]		**(21)**	(3)
Interest received		**1**	2
Dividends received from associates		**1**	2
Cash flows from investing activities [2]		**(29)**	(41)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		**5**	5
Purchase of own shares by the Employee Trusts and Partnerships		**(19)**	(35)
Share repurchase programme (including costs)		**-**	(176)
Dividends paid to Company shareholders		**(83)**	(104)
Cash flows from financing activities		**(97)**	(310)
Net decrease in cash		**(130)**	(70)
Cash at beginning of the period		**607**	738
Cash at period end [4]	14	**477**	668

Notes:

1 The fund product based payment charge has been separately identified as a non-cash charge, which reflects a change in presentation within operating cash flows in the year ended 31 December 2015 compared to prior periods when this was included within changes in working capital. The directors consider that this better reflects the nature of these movements.

2 The net cash inflow from third party interests in consolidated funds was presented within investing activities in the comparative period and has been reclassified to changes in working capital within operating activities, consistent with the presentation for the year ended 31 December 2015. The directors consider that this better reflects the nature of these cash flows and matches these with the related underlying transactions.

3 The payment of contingent consideration in relation to acquisitions has been reclassified to investing activities from changes in working capital within operating activities, consistent with the presentation for the year ended 31 December 2015. The directors consider that this better reflects the nature of these cash flows and matches these with the related underlying transactions.

4 Cash balances at 30 June 2016 include $43 million of restricted cash relating to consolidated fund entities (30 June 2015: $233 million), as outlined in Note 15.

Group statement of changes in equity

Six months to 30 June 2016		**Equity attributable to owners of the Parent Company**		
$m	Note	**Share capital and capital reserves**	**Revaluation reserves and retained earnings**	**Total**
As at 1 January 2016		**1,200**	**1,015**	**2,215**
Profit for the period		**-**	**49**	**49**
Other comprehensive expense		**-**	**(1)**	**(1)**
Total comprehensive income for the period		**-**	**48**	**48**
Share-based payments		**5**	**7**	**12**
Deferred tax debited to reserves - share-based payments		**-**	**(1)**	**(1)**
Purchase of own shares by Employee Trusts		**-**	**(14)**	**(14)**
Dividends [1]		**-**	**(83)**	**(83)**
At 30 June 2016	17	**1,205**	**972**	**2,177**

Six months to 30 June 2015	Equity attributable to owners of the Parent Company		
$m	Share capital and capital reserves	Revaluation reserves and retained earnings	Total
As at 1 January 2015	1,193	1,241	2,434
Profit for the period	-	130	130
Other comprehensive income	-	8	8
Total comprehensive income for the period	-	138	138
Share-based payments	5	5	10
Purchase of own shares by Employee Trusts	-	(32)	(32)
Share repurchase programme (including costs)	-	(176)	(176)
Dividends [1]	-	(104)	(104)
At 30 June 2015	1,198	1,072	2,270

Note:

1 Relates to the final dividend paid for the year ended 31 December 2015 of 4.8 cents per share (six months to 30 June 2015: final dividend paid for year ended 31 December 2014 of 6.1 cents).

1. Basis of preparation

The interim financial statements for the six months ended 30 June 2016 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and the Disclosure and Transparency Rules of the Financial Conduct Authority.

The Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the interim financial statements.

The financial information contained herein is unaudited and does not constitute statutory accounts as defined by Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2015, 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 and which contained no statement under Section 498 of the Companies Act 2006, have been delivered to the Registrar of Companies and were posted to shareholders on 9 March 2016.

The accounting policies applied in these interim financial statements are consistent with those set out and applied in Man's Annual Report for the year ended 31 December 2015. There has been no significant impact due to new and amended international financial reporting standards during the period.

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 and therefore consolidated into the Group's results. Assessment of the control characteristics for all relationships with fund entities led to the consolidation of twelve fund entities for the six months ended 30 June 2016 (31 December 2015: nine), which are either classified as held for sale or consolidated on a line by line basis. Based on their nature, the interests of third parties in funds that are consolidated are classified as liabilities, as further detailed in Note 15.

The areas of significant judgement are: the determination of fair values for contingent consideration in relation to recent acquisitions and the valuation of goodwill and acquired intangibles (Note 13), whether the Group controls certain funds through its investments in fund products and is required to consolidate them (Note 15), and classifications of adjusting items (Note 2).

The income statement and cash flow statement presentation in these interim financial statements shows the six months ended 30 June 2016 (H1 2016) together with the six months ended 30 June 2015 (H1 2015). The balance sheet is presented as at 30 June 2016 together with comparatives as at 31 December 2015.

The standalone parent entity financial statements of Man Group plc will be prepared under Financial Reporting Standard 101 for the year ending 31 December 2016, consistent with the year ended 31 December 2015.

2. Adjusted profit before tax

Statutory profit before tax is adjusted to give a better understanding of the underlying profitability of the business. The directors consider that the Group's profit is most meaningful when considered on a basis which excludes acquisition and disposal related items (including non-cash items such as amortisation of purchased intangible assets and deferred tax movements relating to the recognition of tax losses in the US), impairment of assets, restructuring costs, and certain non-recurring gains or losses, which therefore reflect the recurring revenues and costs that drive the Group's cash flow. 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.

$m	Note	**Six months to 30 June 2016 2016**	Six months to 30 June 2015
Statutory profit before tax		**55**	163
Adjusting items:			
Acquisition and disposal related:			
Amortisation of acquired intangible assets	13	**47**	45
Revaluation of contingent consideration		**(14)**	22
Unwind of contingent consideration discount	10	**9**	8
Recycling of FX revaluation on liquidation of subsidiaries		**1**	-
Impairment of FRM goodwill		**-**	41
Other costs - professional fees and integration costs		**-**	5
Litigation, regulatory and other settlements		**-**	(4)
Adjusted profit before tax		**98**	280
Tax on adjusted profit		**(15)**	(39)
Adjusted profit after tax		**83**	241

Amortisation of acquired intangibles primarily relates to investment management contracts and brands recognised on the acquisition of GLG, Numeric and FRM.

The revaluation of contingent consideration credit of $14 million during the period largely relates to a $12 million decrease in the Numeric earn-out payment (Note 19) as a result of slightly lower flows and performance compared to that forecast at 31 December 2015, which partially offsets the $61 million increase in the Numeric earn-out which was recognised for the year to 31 December 2015 ($17 million of this relating to the six months to 30 June 2015).

3. Adjusted net management and performance fee profit before tax

$m	**Six months to 30 June 2016**	Six months to 30 June 2015
Gross management and other fees	**381**	425
Share of after tax profit of associates	**-**	3
Less:		
Distribution costs	**(34)**	(35)
Asset servicing	**(17)**	(16)
Compensation	**(156)**	(176)
Other costs	**(83)**	(89)
Net finance expense	**(1)**	(4)
Adjusted net management fee profit before tax	**90**	108
Performance fees	**40**	200
Income or gains/(losses) on investments and other financial instruments[1]	**2**	31
Less Compensation	**(30)**	(55)
Finance expense (Note 10)	**(4)**	(4)
Adjusted net performance fee profit before tax	**8**	172
Adjusting items (Note 2)	**(43)**	(117)
Statutory profit before tax	**55**	163

Note:
1 Includes the adding back of third party share of losses relating to interests in consolidated funds (Note 15).

The decrease in adjusted net management fee profit before tax compared to the comparative period primarily relates to a decrease in net management fees partially offset by a reduction in variable compensation.

Adjusted net performance fee profit before tax has largely decreased as a result of weaker investment performance in H1 2016.

4. Revenue

Revenue for the six months to 30 June 2016 was $421 million, which is 33% lower than the $625 million in H1 2015.

Gross management and other fees for the period were $381 million, compared to $425 million in H1 2015, as a result of a decrease in average FUM as well as a decrease in net management fee margins due to the continued mix shift towards institutional money, particularly in the alternatives quant category, and reduced guaranteed product FUM.

Revenue from performance fees has decreased from $200 million in H1 2015 to $40 million in the six months to 30 June 2016, as a result of weaker investment performance achieved across each of our four investment managers over the period.

5. Income or gains/(losses) on investments and other financial instruments

Income or gains/(losses) on investments and other financial instruments of $3 million primarily relate to losses on seeding investments (H1 2015: $31 million gains).

6. Distribution costs

Distribution costs were $34 million for the period (H1 2015: $35 million), comprising investor servicing fees of $32 million (H1 2015: $33 million) and product placement fees of $2 million (H1 2015: $2 million).

7. Asset servicing

Asset servicing includes custodial, valuation, fund accounting and registrar functions performed by third parties under contract to Man, on behalf of the funds. Asset servicing costs for the period were $17 million (H1 2015: $16 million).

8. Compensation

$m	**Six months to 30 June 2016**	Six months to 30 June 2015
Salaries	**78**	78
Variable cash compensation	**61**	109
Share-based payment charge	**12**	8
Fund product based payment charge	**17**	17
Social security costs	**13**	17
Pension costs	**5**	2
Total compensation costs	**186**	231

Salaries have remained flat in H1 2016 compared to H1 2015 due to an increase in headcount to grow the business being offset by the more favourable Pound Sterling to US Dollar fixed costs hedged exchange rate in H1 2016 (1.51) compared to the rate secured in H1 2015 (1.66). Variable compensation and social security costs have decreased as a result of lower management and performance fee related bonus accruals in the period.

The unamortised deferred compensation at 30 June 2016 was $76 million (31 December 2015: $49 million), which has a weighted average remaining vesting period of 2.0 years (31 December 2015: 2.1 years).

Pension costs for H1 2015 include a one-off credit of $3 million relating to a change in the contribution structure of the Swiss plan.

9. Other costs

$m	**Six months to 30 June 2016**	Six months to 30 June 2015
Occupancy	**17**	16
Technology and communication	**14**	16
Temporary staff, recruitment, consultancy and managed services	**10**	10
Legal fees and other professional fees	**8**	8
Benefits	**7**	8
Travel and entertainment	**5**	5
Audit, accountancy, actuarial and tax fees	**4**	4
Insurance	**3**	4
Marketing and sponsorship	**3**	3
Other cash costs, including irrecoverable VAT	**5**	5
Total other costs before depreciation, amortisation and adjusting items	**76**	79
Depreciation and amortisation	**7**	10
Other costs - before adjusting items	**83**	89
Acquisition and disposal related (Note 2)	**-**	5
Recycling of FX revaluation on liquidation of subsidiaries (Note 2)	**1**	-
Litigation, regulatory and other settlements (Note 2)	**-**	(4)
Total other costs	**84**	90

Other costs before depreciation, amortisation and adjusting items were $76 million, compared to $79 million in H1 2015 and $82 million for H2 2015. The decrease of $3 million largely reflects the impact of the more favourable fixed costs Pound Sterling to US Dollar hedged exchange rate in H1 2016 (1.51) compared to the rate secured in 2015 (1.66).

10. Finance expense and finance income

$m	**Six months to 30 June 2016**	Six months to 30 June 2015
Finance expense:		
Interest payable on borrowings	**(4)**	(4)
Revolving credit facility costs and other	**(2)**	(6)
Total finance expense - before adjusting items	**(6)**	(10)
Unwind of contingent consideration discount (Note 2)	**(9)**	(8)
Total finance expense	**(15)**	(18)
Finance income:		
Interest on cash deposits and US treasury bills	**1**	2
Total finance income	**1**	2

In the current and prior period the interest payable on borrowings of $4 million relates to the fixed rate reset callable guaranteed subordinated notes issued in September 2014 (Note 14). The $4 million reduction in the revolving credit facility and other costs compared to the prior period reflects the reduction and renegotiation of the revolving credit facility in June 2015.

11. Taxation

The tax charge for the period is $6 million (H1 2015: $33 million). The effective tax rate on profits before adjusting items of 15% (H1 2015: 14%) reflects the estimated rate for the year ending 31 December 2016. 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.

As a result of available deferred tax assets in the US, Man does not expect to pay federal tax on any taxable profits it may earn in the US for a number of years. Based on the Group's three year forecast US taxable profits, a deferred tax asset of $19 million is recognised on the balance sheet at 30 June 2016 (31 December 2015: $19 million).

12. Earnings per share (EPS)

The calculation of basic earnings per ordinary share is based on: a basic post-tax profit for the period of $49 million (H1 2015: post-tax profit of $130 million); and ordinary shares of 1,680,269,040 (H1 2015: 1,710,748,723), being the weighted average number of ordinary shares in issue during the period after excluding the shares owned by the Man Employee Trusts. 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 1,694,811,481 (H1 2015: 1,728,015,531). The decrease in the weighted average number of shares relates to the execution of the share repurchase in the latter part of H1 2015.

The reconciliation of basic and diluted weighted average number of shares is provided below:

	Six months to 30 June 2016 (million)	Six months to 30 June 2015 (million)
Basic weighted average number of shares	**1,680.3**	1,710.7
Dilutive potential ordinary shares		
Share awards under incentive schemes	**13.1**	12.9
Employee share options	**1.4**	4.4
Dilutive weighted average number of shares	**1,694.8**	1,728.0

The reconciliation from EPS to adjusted EPS is given below:

	Six months to 30 June 2016		
	Basic and diluted post-tax earnings $m	**Basic earnings per share cents**	**Diluted earnings per share cents**
Earnings per share	**49**	**2.9**	**2.9**
Items for which EPS has been adjusted (Note 2)	**43**	**2.6**	**2.6**
Tax adjusting items	**(9)**	**(0.6)**	**(0.6)**
Adjusted Earnings per share	**83**	**4.9**	**4.9**
Adjusted net performance fee profit before tax (Note 3)	**(8)**	**(0.5)**	**(0.5)**
Tax on adjusted net performance fee profit	**1**	**0.1**	**0.1**
Adjusted management fee earnings per share	**76**	**4.5**	**4.5**

	Six months to 30 June 2015		
	Basic and diluted post-tax earnings $m	Basic earnings per share cents	Diluted earnings per share cents
Earnings per share	130	7.6	7.5
Items for which EPS has been adjusted (Note 2)	117	6.9	6.8
Tax adjusting items	(6)	(0.4)	(0.4)
Adjusted Earnings per share	241	14.1	13.9
Adjusted net performance fee profit before tax (Note 3)	(172)	(10.1)	(10.0)
Tax on adjusted net performance fee profit	25	1.5	1.5
Adjusted management fee earnings per share	94	5.5	5.4

13. Goodwill and acquired intangibles

$m	Goodwill	IMCs and other acquired intangibles	Total
Net book value at 1 January 2016	**907**	**590**	**1,497**
Currency translation	**2**	**-**	**2**
Amortisation	**-**	**(47)**	**(47)**
Net book value at 30 June 2016	**909**	**543**	**1,452**
Made up as follows:			
AHL	**456**	**-**	**456**
GLG	**222**	**358**	**580**
FRM	**97**	**34**	**131**
Numeric	**134**	**151**	**285**

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

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

Goodwill must be tested for impairment annually, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of the Group's CGUs are assessed each year using a value in use calculation.

An assessment of the key assumptions used in the value in use calculation for each CGU has been undertaken at 30 June 2016. Despite recent market volatility and uncertainty, including the impact of the UK's vote to leave the European Union, and weak performance for GLG in H1 2016, the directors consider that given the short time period elapsed there is not currently sufficient evidence to suggest a change in key assumptions is required. The directors will continue to monitor this throughout the remainder of the year.

AHL cash generating unit

For the six months to 30 June 2016, AHL's FUM is largely in line with that modelled in the value in use calculation at 31 December 2015. As there was significant headroom as at 31 December 2015, it was deemed that there were no indicators of impairment.

GLG cash generating unit

For the six months to 30 June 2016, GLG's FUM is lower than the modelled FUM in the value in use calculation at 31 December 2015 as a result of lower than forecast performance and net flows. Therefore, the directors consider it appropriate to lower their H2 2016 flows assumption in order to incorporate the most recent outlook. The forecast cost base of GLG has decreased due to the more favourable Pounds Sterling to US Dollar exchange rate and lower variable compensation costs as a result of the decrease in forecast net revenue. Given the headroom of $269 million at 31 December 2015 and the overall balance of movements in the GLG CGU since 31 December 2015, it was deemed that there were no significant changes in the key assumptions and hence no indicators of impairment.

FRM cash generating unit

For the six months to 30 June 2016, as FRM's FUM and margins are largely in line with that modelled in the value in use calculation at 31 December 2015 and forecast fixed costs have decreased due to a more favourable Pounds Sterling to US Dollar exchange rate, it was deemed that there were no indicators of impairment.

Numeric cash generating unit

For the six months to 30 June 2016, Numeric's FUM and costs are slightly lower than that modelled in the value in use calculation at 31 December 2015. As margins are largely as expected, it was deemed that there were no indicators of impairment.

Despite there being no indication of impairment of the Numeric CGU, the fair value of the Numeric contingent consideration creditor has decreased by $12 million in the period (Note 2). Numeric FUM is slightly lower than the forecast at 31 December 2015, hence the reduction in the contingent consideration creditor, however is higher than the original forecast at the acquisition date (on which the Numeric goodwill value was determined).

14. Cash, liquidity and borrowings

Cash and cash equivalents at period end comprises $193 million (31 December 2015: $250 million) of cash at bank on hand, $191 million (31 December 2015: $336 million) in short-term deposits and $50 million in treasury bills (31 December 2015: $nil). In addition, $43 million (31 December 2015: $21m) of cash at bank on hand held on the balance sheet relates to the cash and cash equivalents held by funds which have been consolidated into the Group at 30 June 2016 (Note 15).

Total liquidity resources were $1,434 million at 30 June 2016 (31 December 2015: $1,586 million) and comprised cash and cash equivalents of $434 million (31 December 2015: $586 million), and the undrawn committed revolving credit facility of $1,000 million (31 December 2015: $1,000 million).

During the period the maturity date of the $1 billion revolving credit facility was extended to June 2021, with one further one year extension option remaining.

During 2014 the Group issued $150 million ten year fixed rate reset callable guaranteed subordinated notes (Tier 2 notes), with associated issuance costs of $1 million. The Tier 2 notes were issued with a fixed coupon of 5.875% until 15 September 2019. The notes may be redeemed in whole at the Group's option in September 2019 at their principal amount, subject to FCA approval. If the notes are not redeemed at this time then the coupon will reset to the five year mid-swap rate plus 4.076% and the notes will be redeemed in September 2024 at their principal amount.

The net cash position, excluding cash relating to consolidated fund entities of $43 million (Note 15), at 30 June 2016 was $434 million, compared to $586 million at 31 December 2015. The movement in cash is analysed in the cash flow statement. The decrease of $152 million in net cash position during the period is primarily the result of the payment of the final dividend for 2015 of $83 million and a decrease in working capital of $115 million largely due to payment of the 2015 bonuses, partially offset by cash profits generated during the period.

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

$m	**As at 30 June 2016**	As at 31 December 2015
Borrowings: 2024 fixed rate reset callable guaranteed subordinated notes	**149**	149
Cash and cash equivalents [1]	**434**	586
Undrawn committed revolving credit facility	**1,000**	1,000
Total liquidity	**1,434**	1,586

Note:
1 Excludes $43 million of cash held by fund entities which have been consolidated (31 December 2015: $21 million), as outlined in Note 15.

15. Investments in fund products and other investments

$m	At 30 June 2016	At 31 December 2015
Investments in fund products and other investments comprise:		
Loans to fund products	**24**	41
Other investments in fund products	**208**	224
Other investments	**4**	4
Investment in funds relating to line-by-line consolidated funds	**431**	329
	667	598

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 2016	At 31 December 2015
Loans to fund products	**24**	41
Other investments in fund products	**208**	224
Less those used to hedge deferred compensation awards	**(77)**	(71)
Consolidated investments in funds - held for sale	**107**	119
Consolidated investments in funds - line-by-line consolidation	**252**	213
Seeding investment portfolio	**514**	526

Other investments in fund products, excluding those which are held against outstanding deferred compensation arrangements, relate to seeding investments made to grow the business as we launch new products.

Seed capital invested into funds may at times be significant, and therefore the fund may be deemed to be controlled by the Group. Where the Group acquired the controlling stake and actively markets the products to third party investors, allowing the Group to redeem their share,and it is considered highly probable that it will relinquish control within a year, the investment in the controlled fund is classified as held for sale.

The seeded funds are recognised in the Group balance sheet as non-current assets and liabilities held for sale, with the interests of any other parties included within non-current liabilities held for sale.

The non-current assets and liabilities held for sale are as follows:

$m	At 30 June 2016	At 31 December 2015
Non-current assets held for sale	**213**	188
Non-current liabilities held for sale	**(106)**	(69)
Investments in fund products held for sale	**107**	119

If a held for sale fund remains under the control of the Group for more than one year, and it is unlikely that the Group will reduce or no longer control its investment in the short-term, it will cease to be classified as held for sale and will be consolidated on a line-by-line basis. There are two investments previously classified as held for sale at 31 December 2015 which have been consolidated on a line by line basis at 30 June 2016 (30 June 2015: nil).

Seed investments which are controlled and where it is not expected that control will be relinquished within one year from the date of initial investment relate to five funds at 30 June 2016 (31 December 2015: three, H1 2015: one), which have therefore been consolidated on a line-by-line basis as follows:

$m	**At 30 June 2016**	At 31 December 2015
Balance Sheet		
Cash and cash equivalents	**43**	21
Accounts receivable	**11**	-
Transferrable securities [1]	**431**	329
Accounts payable	**(12)**	(1)
Net assets of line-by-line consolidated fund entities	**473**	349
Third party interest in consolidated funds	**(221)**	(136)
Net investment held by Man	**252**	213

$m	**Six months to 30 June 2016**	Six months to 30 June 2015
Income statement		
Net losses on investments [2]	**(3)**	-
Management fee expenses [3]	**(4)**	-
Other costs	**(1)**	-
Net losses of line-by-line consolidated fund entities	**(8)**	-
Third party share of losses relating to interests in consolidated funds	**5**	-
Losses attributable to net investment held by Man	**(3)**	-

Notes:
1 Included within Investments in fund products and other investments.
2 Included within Income or gains/(losses) on investments and other financial instruments.
3 Relates to management fees paid by the funds to Man during the year, and is eliminated within Gross management and other fees in the Group income statement.

16. Provisions

$m	**Onerous property lease contracts**	**Litigation**	**Restructuring**	**Total**
As 1 January 2016	**32**	**24**	**2**	**58**
Credited to the income statement:				
Exchange differences	**(3)**	**-**	**-**	**(3)**
Used during the period / settlements	**(1)**	**-**	**(2)**	**(3)**
At 30 June 2016	**28**	**24**	**-**	**52**

The onerous property lease contracts largely relate to the Riverbank House office premises.

17. Share capital and reserves

$m	**As at 30 June 2016**	As at 31 December 2015
Share capital	**59**	59
Share premium account	**19**	14
Capital redemption reserve	**4**	4
Merger reserve	**491**	491
Reorganisation reserve	**632**	632
Revaluation reserves and retained earnings	**972**	1,015
	2,177	2,215

The capital redemption reserve represents the notional value of the shares repurchased to offset the reduction in share capital.

The final dividend for the year to 31 December 2015 of $83 million was approved and paid in May 2016 and was therefore deducted from the retained earnings reserve in the six months ended 30 June 2016.

18. Related party transactions

The related party transactions during the period are consistent with the categories disclosed in the Annual Report for the year ended 31 December 2015. Related parties comprise key management personnel and associates. All transactions with related parties were carried out on an arm's length basis.

Commission income relating to sales of Nephila Capital Ltd (an associate) products totalled $6 million for the six months ended 30 June 2016 (H1 2015: $7 million), and is included within gross management and other fees in the Group income statement.

19. Fair value of financial assets/liabilities

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

	30 June 2016			
$m	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets held at fair value:				
Investments in fund products and other investments	**4**	**153**	**55**	**212**
Investment in funds relating to consolidated fund entities	**-**	**431**	**-**	**431**
Derivative financial instruments	**-**	**2**	**-**	**2**
	4	**586**	**55**	**645**
Financial liabilities held at fair value:				
Derivative financial instruments	**-**	**25**	**-**	**25**
Contingent consideration	**-**	**-**	**180**	**180**
	-	**25**	**180**	**205**

	31 December 2015			
$m	Level 1	Level 2	Level 3	Total
Financial assets held at fair value:				
Investments in fund products and other investments	4	162	62	228
Investment in funds relating to consolidated fund entities	-	329	-	329
Derivative financial instruments	-	2	-	2
	4	493	62	559
Financial liabilities held at fair value:				
Derivative financial instruments	-	8	-	8
Contingent consideration	-	-	206	206
	-	8	206	214

Level 1, 2 and 3 financial assets and liabilities are defined in Note 28 to the financial statements in the 2015 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 16 in the Annual Report for the year ended 31 December 2015.

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

	Six months to 30 June 2016		
$m	**Financial assets at fair value through profit or loss**	**Financial liabilities at fair value through profit or loss**	**Total**
Level 3 financial assets/liabilities held at fair value			
At beginning of the period	**62**	**(206)**	**(144)**
Purchases	**-**	**-**	**-**
Total (losses)/gains in comprehensive income	**(1)**	**5**	**4**
Included in profit for the period	**(1)**	**5**	**4**
Included in other comprehensive income	**-**	**-**	**-**
Sales or settlements	**(6)**	**21**	**15**
At period end	**55**	**(180)**	**(125)**
Total (losses)/gains for the period included in the Group statement of comprehensive income for assets/liabilities held at period end	**(1)**	**5**	**4**

The financial liabilities in Level 3 relate to the contingent consideration payable at 30 June 2016, largely relating to the former owners of Numeric ($159 million), with the remaining $21 million relating to contingent consideration for other smaller acquisitions.

For Numeric the contingent consideration relates to an ongoing 18.3% equity interest in Numeric held by management in the business and profit interests of 15.5%, pursuant to a call and put option arrangement. The call and put options structure means that it is virtually certain that Man will elect to, or be obliged to, purchase the interests held by Numeric management at five (call option) or five and a half (put option) years post-closing. The maximum aggregate amount payable by Man in respect of the option consideration is capped at $275 million.

The fair values are based on discounted cash flow calculations, which represent the expected future profits of each business as per the earn-out arrangements. The fair values are determined using a combination of inputs, such as weighted average cost of capital, net management fee margins, performance, operating margins and the growth in FUM, as applicable. The discount rates applied are 11% for management fees and 17% for performance fees.

The most significant inputs into the valuations at 30 June 2016 are as follows:

	Numeric
Weighted average net management fee margin	0.5%
Compound growth in average FUM	12%

Changes in inputs would result in the following increase/(decrease) of the contingent consideration creditor at 30 June 2016:

Weighted average net management fee margin	
0.1% increase	35
0.1% decrease	(35)
Compound growth in average FUM	
1% increase	5
1% decrease	(5)

20. Other matters

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.

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 2016 which comprises the group income statement, the group statement of comprehensive income, the group balance sheet, the group cash flow statement and the group statement of changes in equity and related notes 1 to 20. 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.

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 Auditing Practices Board. 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.

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 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 Auditing Practices Board 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 Ireland) 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.

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 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

Deloitte LLP
Chartered Accountants and Statutory Auditor
London, UK
26 July 2016