Talent + Technology

Man Group plc
Annual Report 2022

Man Group is a technology-empowered active investment management firm

with
1,650+
employees

from
70+
countries

We trade in
800+
markets around the world

and offer
75+
alternative and long-only investment strategies

to help our
650
institutional clients meet their investment goals

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The Strategic report was approved by the Board and signed on its behalf by:
Luke Ellis Chief Executive Officer

At a glance

Our proposition is strong

Our purpose

Who we are
We are a technology-empowered active investment management firm focused on delivering outperformance for our clients and the millions of savers they represent.

What we do
We actively manage investments of $143.3 billion in alternative and long-only strategies, run on a quantitative and discretionary basis across liquid and private markets.

We drive long-term growth through our continued focus on:

Talent+ go to page 36

Technology+ go to page 8

Sustainability+ go to page 44

Our culture

We have an inclusive, meritocratic culture designed to achieve excellence through collaboration and differentiated thinking.

Our principles

Our business principles are designed to distil and define our key priorities, focus and culture.

Performance
We focus on achieving superior risk-adjusted performance.

Clients
Our clients are at the heart of everything we do.

Differentiation
We seek to be differentiated and original in our thinking.

Excellence
Good is not enough, we strive to be excellent in all we do.

Responsibility
Our people do the right thing and conduct business with the highest standards of integrity.

Meritocracy
We succeed through talent, commitment, diligence and teamwork.

AUM by product category

Absolute return
$46.0bn

Total return
$28.8bn

Multi-manager solutions
$20.2bn

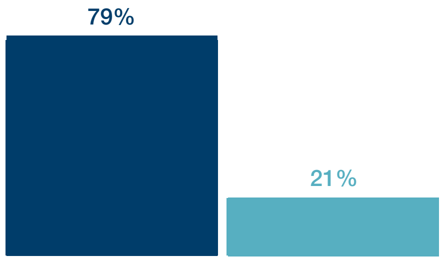
Systematic long-only
$31.6bn

Discretionary long-only
$16.7bn

AUM by strategy type

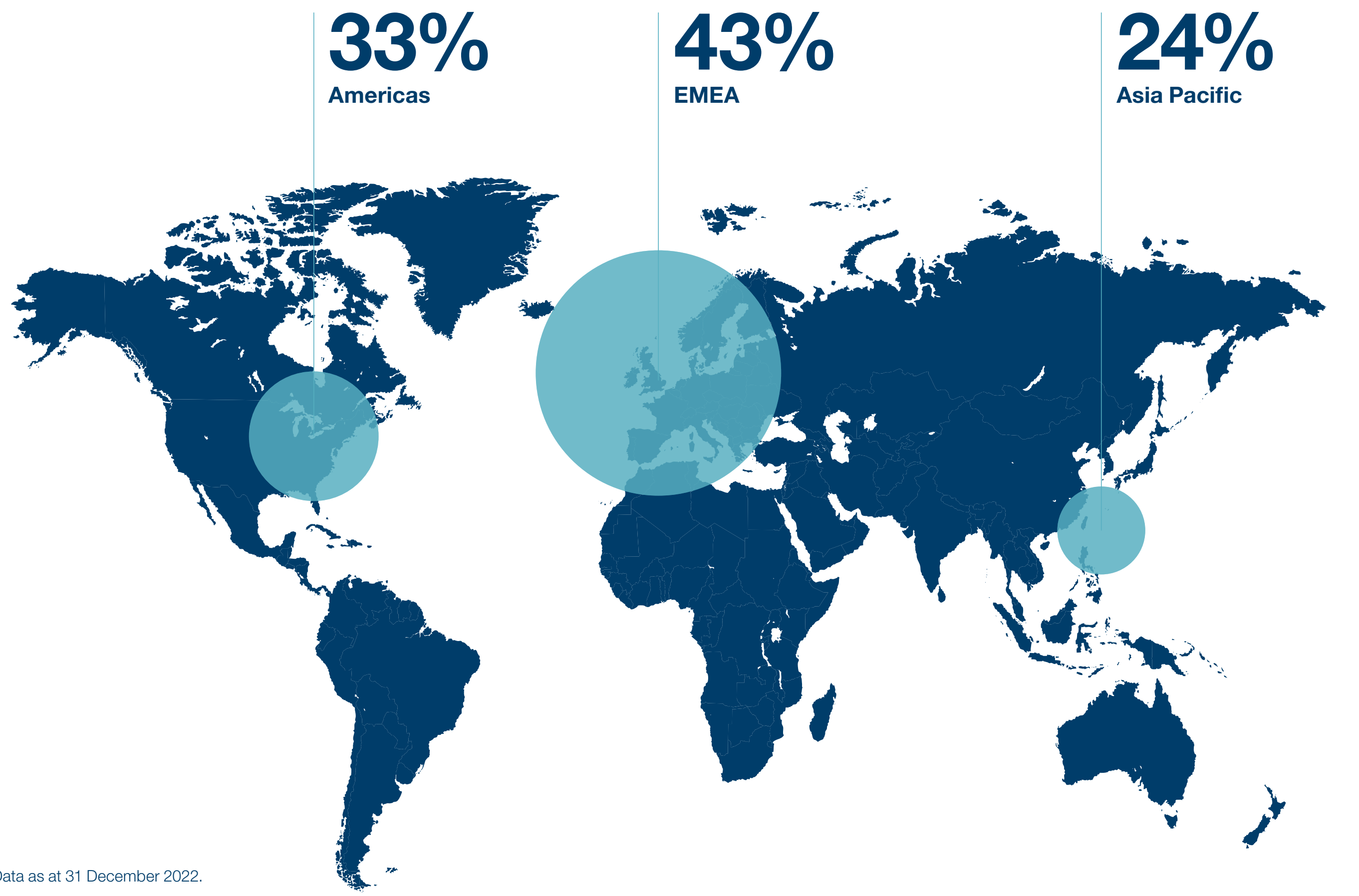
Alternative	$95.0bn
Long-only	$48.3bn

AUM by client type



Institutional	79%
Intermediaries	21%

AUM by client domicile



Data as at 31 December 2022.

Chair's statement

Assets under management

$143.3bn

2021: $148.6bn

Statutory EPS (diluted)

45.8¢

+36%

2021: 33.8¢

Core EPS (diluted)[1]

48.7¢

+26%

2021: 38.7¢

Proposed dividend per share

15.7¢

+12%

2021: 14.0¢

Female representation on our Board

50%

2021: 50%

> The Board remains justifiably proud of the resilience, dedication and commitment shown by all our staff throughout the year.

John Cryan | Chair

Our core strategic intent is to meet the needs of our clients by creating or preserving value for the many millions of individual savers and pensioners that they represent.

Overview of the year

In 2022, we managed our clients' assets in markets that were significantly impacted by inflationary pressure for the first time in decades. The onset of inflation triggered significant shifts in policy. First, in most of the major markets in which we operate, central banks reacted strongly to the emergence of price inflation by reversing almost a decade of low, zero or even negative policy rates through a series of interest rate hikes. Initial hopes were that price inflation would prove transitory, based on the belief that it was being driven in large part by supply chain bottlenecks caused by the COVID-19 pandemic and by the Russian government's decision in February 2022 to wage war on Ukraine. During the course of 2022, it became clear that price inflation, particularly in the guise of energy and food price increases, was creating upward pressure on wages and that inflation had become entrenched. The increase in policy rates impacted the interest rate markets and triggered the downward repricing of all financial assets.

Another factor driving inflation has been a significant surge in fiscal stimulus, especially in the US. Over the past two years, the US alone has announced stimulus measures totalling roughly $9 trillion in aggregate. This has, to some extent, counteracted central bank policies seeking to dampen demand in order to curb inflation. However, fiscal and direct stimulus has had the impact of buoying the real economies of the West, whilst monetary tightening has roiled the financial markets. The S&P 500 lost 20% for the year, MSCI World fell 16%, while the Barclays Global Aggregate Index lost 12%.

Against this backdrop of weak markets, Man Group has nevertheless had another successful year, even outpacing the strong financial performance achieved in 2021. When investing our clients' assets, we strive to achieve outperformance against the benchmarks mutually agreed with clients. When we succeed for our clients, we succeed for our shareholders and our staff.

In 2022, the absolute value of client funds was negatively impacted by negative beta and currency translation when reporting in USD. However, we were successful in achieving significant outperformance against benchmarks of $1.8 billion and delivered 1.4% of relative investment performance during the year. We earn performance fees based on this outperformance: core performance fees were $779 million in the year, compared with $569 million in 2021.

As a direct consequence of the relatively strong performance of the assets we manage, combined with net inflows of new money in the year, all adjusted for market beta and currency fluctuations, our assets under management ended the year at $143.3 billion, compared with $148.6 billion at the beginning of the year, a 4% decline.

The volume of client assets we manage is also a driver of our profits, as we charge fees for management of clients' funds based on the value of those funds. Our core net management fee revenue for 2022 was strong at $927 million, an increase of 6% over the commensurate amount for 2021. The increase was driven by higher average assets under management and some marginal positive impact from the underlying mix, despite ongoing, market-wide fee pressure.

Overall, profitability for the year under review was significantly impacted by the strong increase in performance fee profits year-on-year. Statutory profit before tax for the firm as a whole for 2022 rose by 26% compared to the prior year, growing from a strong $590 million in 2021 to $745 million this year.

In 2021, we made an adjustment to our dividend and capital return policy, switching to a more progressive dividend policy, which is more prevalent in the London market. Our target remains to be able to recommend annual dividends that grow year-on-year. This comes with the obvious proviso that we would only recommend increasing dividends if our performance and the capital position of the Company warranted increases. Clearly the strong performance in 2022 provides us with the opportunity to meet our dividend target. In line with our new policy, the Board has recommended a final dividend of 10.1¢ per share, which, when taken together with the interim dividend already distributed, amounts to a full-year dividend of 15.7¢ per share. This compares with the aggregate dividend for 2021 of 14.0¢ per share, a 12% increase. The final dividend recommendation is, as usual, subject to approval by shareholders at the Annual General Meeting to be held in May 2023.

In addition to our dividend distribution policy, we review periodically our reserves of retained earnings — those we have not previously distributed to shareholders as dividends or share buybacks or used for acquisitions — to determine whether or not they exceed the amounts we need to retain to ensure the safe, prudential and flexible management of the Company in all reasonable circumstances. Where we believe we have excess capital over and above those needs, we seek to return further value to shareholders beyond our regular dividends.

Recently we have done this by way of share repurchases. In December 2021, we announced a programme of buybacks totalling $250 million. Execution of the programme completed in June 2022 at which time, we announced a further $125 million of share repurchases. This was completed in September 2022. In December 2022, we announced a further $125 million of repurchases, which is nearing completion. The timing of share buybacks is, of course, subject to future prevailing market conditions, and cannot be predicted with great accuracy.

Share repurchases, taken together with the interim and proposed final dividend, result in total returns to shareholders of $444 million. This aggregate sum equates to 14% of our market capitalisation as of 31 December 2022.

Our role as an asset manager

Our core strategic intent is to meet the needs of our clients by creating or preserving value for the many millions of individual savers and pensioners that they represent. We seek to outperform the markets through active management of the funds under our stewardship. To achieve this, we employ experienced investment professionals and highly skilled technologists, combining their strengths to create strategies that we believe can generate the desired outperformance.

1 Man Group's alternative performance measures are outlined on pages 175 to 179.

Chair's statement continued

The Board spends a significant amount of time reviewing the performance of our investment strategies. We monitor the sourcing and development of business partnerships with our major clients and we ensure that management is focused on the creation of customised solutions to meet investor needs. Investment in our people and our technology is also critical to our continuing success.

We recognise that part of our fiduciary duty to our clients is the responsible investment of the funds we manage on their and their own clients' behalf. By ensuring the sound stewardship of our investors' capital we seek not only to align with our clients' values, while also considering the expectations of our shareholders, employees and the communities we operate in.

We view Environmental, Social and Governance (ESG) considerations as a natural complement to traditional financial analysis, resulting in a more comprehensive assessment of a company's long-term prospects. We take a diversified approach to Responsible Investment (RI) across our business and recognises the importance of responsible investing across all asset classes and investment styles where applicable. Each of our strategies aims to apply the best practices of RI in the way that is most relevant to their fields of research through a variety of different methods. We offer our investment managers proprietary tools to monitor and manage ESG factors, as well as maintaining a list of companies whose securities are ineligible for inclusion in our portfolios.

A significant proportion of our assets under management fall under the category of ESG-integrated funds, as determined by the Global Sustainable Investment Alliance. As of the end of 2022, ESG-integrated assets under management totalled $50.0 billion (2021: $55.2 billion), representing 35% of our total assets under management at the time. Further details are contained in the Responsible business section on page 46.

Finally, as a reflection of the growing importance of ESG considerations for all stakeholders, we have introduced explicit ESG targets in the remuneration of executive directors from 2022, further details can be found on page 123.

Working from home

Since the onset of the coronavirus pandemic in early 2020, we have responded to the various work-from-home government directives in the numerous jurisdictions in which we do business.

At times during the year, all bar a handful of essential support staff dedicated to maintenance of our premises have been forced by government directives in some of our locations to connect remotely to the Company's systems. We continue to operate remote working seamlessly, with no noticeable impact on the effectiveness of our operations or on the strength of our controls. The Board remains justifiably proud of the resilience, dedication and commitment shown by all our staff throughout the year.

In addition to responding to government directives and guidance, we believe that an element of remote working will remain in operation long after the pandemic is over, as it affords our people the opportunity to rebalance their work, family and social time. To that end, we have been operating both work-from-home and hybrid home and office working models. Under the tagline 'Hub, Club, Home and Roam', we offer staff an agile working environment, with a range of options designed to ensure all our staff feel safe and comfortable in our employment.

Management remains extremely attentive to the needs of individuals and the specific and unique challenges each member of staff faces when working from their home environment. The Board has been hugely impressed by the thoughtful and caring approach management has taken to the physical, mental and emotional well-being of each and every one at Man Group.

People and culture

Once again, I am encouraged by the contribution our people have made to the culture of our firm. Attracting, developing and retaining talent is central to our success. Our senior management and the Board champion the development of a diverse firm and an inclusive culture that our people are proud to be associated with. Man Group staff continue to contribute ideas and feedback through various channels that include the staff survey, our Board's employee engagement programme, a designated mailbox, our HR and Talent departments, line managers and our DE&I and volunteering programmes.

Career growth and development has been a focus for 2022, and we have been successful in providing opportunities for our staff to continue learning and developing. Our <develop> programme was designed to train our people across the firm to code in Python. We can continue to say that Python is our second most used language; 162 employees have completed the course, with 117 employees 'graduating' from Data Science 101, a more advanced module. Alongside this, 89% of our employees have been supported through our various talent initiatives, which include mentoring, coaching and educational programmes. As your Board, it is our duty to foster a culture of development and education to ensure we retain the very best talent and help them reach their full potential.

The Board also oversees management's alignment of our culture with the principles we embrace as a firm; meritocracy being one example. During 2022, 285 employees moved into new roles or were promoted, demonstrating the ability to align our people with new opportunities. This is a topic senior managers actively and frequently engage on, taking part in succession planning, staff mentoring or networking with staff through sponsorship of one of the DE&I or volunteering programmes. The broad range of initiatives is a reflection of the culture we have built at our firm.

Community

We are conscious of the impact our organisation has on the broader community, and we aim to give back and contribute positively to those around us. We achieve this primarily through our work with the Man Charitable Trust in the UK and our US-based Man Charitable Foundation, to which Man Group donated a total of c.$360,000 in 2022.

Our employees also continue to be actively involved in charitable initiatives and volunteering opportunities through our ManKind Programme. ManKind gives employees the opportunity to take two days' paid leave each year to volunteer with a charity of their choice. In addition, this year all staff were offered £500 each to donate to a food bank or a charity focused on homelessness or poverty, collectively donating £652,620 to their local communities.

The firm continues its work to promote diversity, equity and inclusion and this year partnered with Breaking Barriers, a charity offering support and training for refugees in London to help them towards stable and fulfilling employment. We joined 'Fuse', the network of businesses that Breaking Barriers runs, and our staff helped provide training on interview skills for a group of refugees. We look forward to building on this in the coming years. We continued our longstanding focus on promoting literacy and numeracy at a grassroots level, working with schools and universities to welcome several groups of students to our London office throughout 2022 to provide an insight into a career in finance.

You can read about how the Board considers the interests of our stakeholders when complying with the obligations of section 171 of the Companies Act 2006 on pages 70, and 80 to 87.

Board changes

Dev Sanyal and Zoe Cruz stepped down from our Board in May 2022. Dev had been an outstanding director since he joined our Board in 2013. His sage advice and strategic insights were always invaluable sources of guidance to Board and management alike.

I would like to thank him for his tremendous contribution and wish him well. I would similarly like to thank Zoe for her excellent contribution to the Board, particularly her insights on global financial markets and strong US perspective. I wish her all the best for the future.

Kate Barker has informed me that she intends to retire from our Board in April 2023, when she will have completed two full terms. She brought to the Board invaluable insights into monetary policy, the pension system and public finances. She will be sorely missed and I would like to wish her well.

In 2022, we were pleased to be able to welcome two new non-executive directors to Man Group. Jackie Hunt joined the Board with effect from 28 February 2022. Through her wealth of financial and executive management experience in both the investment management and insurance sectors Jackie has already proven herself a very strong addition to the Board.

I would also like formally to welcome Alberto Musalem to the Board. Alberto brings deep knowledge of the investment management industry, combined with unique experience of having spent a number of years working for the Federal Reserve system in the US in a range of capacities.

Finally, I am now already into my ninth year of service on the Board and, in compliance with best practice and to ensure your Chair remains independent, I shall be stepping down from the Board towards the end of 2023. It has been a privilege and a pleasure to serve on the Board. I have always been impressed by the capabilities, the skills, the industriousness and the sheer intellect of the people at Man Group. I feel confident that the Company will continue to progress from strength to strength for many, many years to come.

I am delighted that upon my retirement Anne Wade will succeed me as your Chair. Anne joined the Board in the first half of 2020 and has since amply demonstrated her ability to lead the Board. I wish her all the very best in the role. Anne currently chairs the Board's Remuneration Committee. As Chair of the Board, she will not be able to continue to do so.

We will announce the appointment of a new Remuneration Committee Chair in due course who will take over from Anne on her appointment as Board Chair.

Workforce engagement

When the Board takes important decisions, it always gives specific consideration to how those decisions might impact staff. We also monitor feedback from staff on the choices made. As part of this process, we engage formally and directly with our employees across the globe in specific fora. Dame Kate Barker and Ceci Kurzman are the Board's designated representatives, and have led this engagement. Ceci Kurzman will assume sole responsibility upon Kate's retirement in April 2023.

More generally, we encourage all Board members to engage with staff in formal or informal settings.

The post-pandemic environment has enabled us to revert to a more normal combination of face-to-face gatherings combined with video conferencing where necessary or convenient. We held the September meeting of the Board in Boston, Massachusetts and the whole Board had the opportunity to spend formal and informal time with Boston-based employees and to receive direct input. The feedback on this sort of direct engagement was very strong. Accordingly, we plan to hold the September 2023 Board meeting in New York City where there will be a similar opportunity for local staff and the Board to engage directly, extensively and locally. The Board as a whole has discussed and considered the general feedback received to date from exercises in employee engagement, and we continue to assess what may be the most effective means of incorporating the concerns of staff more explicitly into Board decision-making.

On behalf of the Board, I would like to thank all my colleagues for their dedication and hard work, and all our shareholders for their continuing support.

John Cryan
Chair

Technology+ Innovation

Overview

Technology is part of our DNA and core to our strategy. We believe in its power to spark innovation, create efficiencies and improve performance across all parts of our business, from alpha generation and portfolio management to trade execution and operations. Through early and continuous investment we have built a single, advanced technology platform that enables us to operate and grow efficiently and flexibly at speed and scale. Our open source and collaborative culture allows for the sharing of ideas between the academic and investment communities, as well as for the upskilling of our staff, and we empower our workforce to make processes more efficient and innovative throughout the firm.

+ For more information on technology, please visit: **www.man.com/technology**

600+

quantitative researchers and technologists

89%

of trades automated

750+

employees who code in Python

Spotlight
<develop> training programme

Launched in 2021, <develop> is Man Group's pioneering technology programme designed to supercharge the technical competency of all staff through bespoke Python, data science, quantitative statistics and project management training. We believe in the transformative power of technology across all teams, from human resources and legal to portfolio management and trading, and aim to upskill our workforce to create a network of developers in each business area to bring together functional, departmental knowledge with the power of technology and data. We have already seen a demonstrable impact for the business, with projects saving on average nine hours of work per month, and clients seeing better end results.

+ For more information on <develop>, please visit: **www.man.com/develop**

Our business model

Generating alpha at scale

We are a global leader in liquid alternatives and solutions with a proven track record of investment performance across our strategies, and a differentiated business model.

Client focus

We serve millions of underlying savers and retirees through the largest institutions and intermediaries in the world via our relationship-driven global sales effort.

Range of investment strategies

We offer alternative and long-only strategies run on a quantitative and discretionary basis across liquid and private markets, where each investment team has the autonomy to apply their own approach.

Bespoke solutions

We understand the unique needs of our clients and create solutions tailored to meet their individual risk, return and structuring requirements.

Single operating platform

Our infrastructure creates operating efficiencies throughout the firm and provides scalable options for growth.

Talent+

We are fundamentally a people business. Our talent and collaborative culture are vital components to ensure we deliver the best possible outcomes for all our stakeholders.

+ See page 36

Technology+

We harness the power of technology across our business, from alpha generation to fund accounting, and invest heavily to remain cutting-edge.

+ See page 8

Sustainability+

We recognise the importance of a responsible approach to investing our clients' assets and running our company in a sustainable way as we seek to grow.

+ See page 44

Positioned for long-term growth

Assets under management

We are positioned in segments of the asset management industry that are forecast to grow at 5-6%[1] over the cycle. Our global sales team has relationships with many of the largest allocators around the world and we are focused on building the most trusted long-term partnerships, with a continual push to identify what is valuable to each client, to attract net inflows and gain market share on a consistent and sustainable basis. This, together with investment performance across our alternative and long-only strategies, drives growth in our assets under management.

Revenue

Management fee revenue is typically charged as a percentage of assets under management or net asset value. The range of investment strategies we offer means our management fee revenue has relatively low exposure to equity beta. We remain focused on diversifying this earnings stream further through our innovation and research efforts.

Performance fee revenue, which is typically charged as a percentage of investment performance above a benchmark return or previous valuation 'high-water mark', aligns our objectives with those of our clients. This is a meaningful, recurring earnings stream that generates capital to invest in organic and inorganic growth initiatives, or to return to shareholders.

Profit

We continuously invest in our talent and technology to maintain our competitive advantage. Technology underpins every aspect of our business, and we continue to add new capabilities. The strength and flexibility of our platform supports a high degree of automation, which drives efficiency and significant operating leverage across the business. If we continue to maintain the cost discipline we have in the past, this helps us grow profit faster than revenue.

Shareholder value

Our profit converts to cash quickly, and we have a clear, disciplined capital management framework. Our ordinary dividend policy is progressive, taking into account the growth in the firm's overall earnings. We assess organic and inorganic investment opportunities to support future growth on an ongoing basis and distribute any capital surplus to our requirements to shareholders.

In May 2022, we hosted an Investor Day to provide an insight to the key strengths of our business and why we believe we are well-positioned for growth in the future. More information is available at: www.man.com/investor-relations

1 See BCG's Global Asset Management 2021 report 'The $100 Trillion Machine', which denotes alternatives and solutions as higher growth segments of the asset management industry.

Delivering for all our stakeholders

Clients

Investment performance

1.4%

outperformance relative to peers + See page 17

Servicing clients' needs

$94.9bn

AUM customised for individual client needs + See page 12

Employees

Employee engagement score

82%

+ See page 38

Internal transfers

285

+ See page 39

Shareholders

Shareholder returns

$1.9bn

of dividends and buybacks in the last five years + See page 23

Dividends and share buybacks

$0.4bn

in relation to 2022 + See page 23

Communities

Employees volunteered

2,800+

hours both remotely and in-person during 2022 + See page 43

Our market

Market environment and industry trends

We believe we are well-positioned for continued growth against the backdrop of the key trends affecting the asset management industry.

Market

Macro environment

Description

- Inflation and associated monetary policy responses dominated headlines in 2022.
- The S&P 500 lost 20% in 2022 and similarly, the Barclays Global Aggregate Bond index lost 12%. US 10-year government bond yield opened the year at 1.6% and closed at 3.9%.
- This combined sell-off across equities and bonds resulted in a typical 60:40 equity and bond portfolio losing 17%, among the worst years on record.
- Unprecedented and volatile market environments emphasise the need for sophisticated risk management embedded within the investment process.

What this means for Man Group

- The difficulties faced by traditional asset management markets make a strong case for investing in alternatives where we are a market leader[1], with over 35 years of experience.
- By trading a wide range of macro instruments, as well as traditional asset classes, our strategies are able to generate diversifying alpha in varied macro regimes.
- Many of our strategies have the potential to generate alpha irrespective of the direction of prevailing market trends, positioning us well to manage client capital through turbulent periods.
- While our total return and long-only strategies were naturally impacted by the sell-off in market beta, we were able to deliver strong relative investment performance for our clients.
- Our returns in 2022 reinforce our belief that our diversified trend-following strategies are particularly well placed to perform through periods of high inflation[2].
- We continue to invest in and maintain the highest standards of risk management across our product range.
- Innovation and research are at the core of what we do, and we are constantly working to generate new sources of alpha.

Industry

Evolving client requirements

Description

- In such a strong period of market uncertainty, investors are increasingly looking for product offerings that allow them to customise based on risk appetite, ESG offering and market exposure.
- Alternative assets, including solutions, are forecast to gain a greater share of global revenue, with an estimated CAGR of 8% compared to 3% for traditional assets[3].
- Solutions offerings are gaining traction globally, with model portfolios reaching $4.9 trillion in assets as of 2021, growing by 18% on average over the previous five years[4].
- Retail clients are also increasingly drawn to liquid alternatives. Following strong performance, particularly from systematic funds, liquid alternatives had among the strongest inflows across all mutual fund and Exchange Traded Fund (ETF) products in the US over the last 12 months[5].

What this means for Man Group

- Our 250+ sales professionals in 19 different regions globally work with our clients to understand and help solve their most complex problems.
- We bring an allocator's mindset and use investment capabilities and portfolio management skills from across the firm to create a powerful combined offering: Man Institutional Solutions AUM has grown from $2.6 billion in 2017 to $14.4 billion as at 31 December 2022.
- The tailored nature of our offering solves real client need, deepening the partnership and longevity of the relationship. The average redemption rate for Man Institutional mandates over a five-year period is less than 10%.
- Our institutional resources and infrastructure can deal with scale and complexity, delivering better outcomes for clients. $94.9 billion of our total AUM relates to mandates with some level of customisation for individual client needs.
- Despite our primary emphasis on the institutional space, we have also seen considerable growth through wealth channels helped in particular by the success of the American Beacon AHL Managed Futures mutual fund in the US. American Beacon AHL Managed Futures reached $3.7 billion in AUM at December 2022.

1 Source: P&I, largest hedge fund managers in 2022.
2 See 'The Best Strategies for Inflationary Times', available via the Man Institute.
3 Source: BCG 'From Tailwinds to Turbulence: Global Asset Management 2022' report.
4 Source: McKinsey & Company 'The Great Reset: North American asset management in 2022'.
5 Industry flow data per Morningstar as at December 2022.
6 Source: P&I, largest hedge fund managers in 2008 and 2022.

Climate and ESG

- Climate continues to be at the forefront of the ESG stage: in 2022, we saw fresh challenges facing the energy transition, with concerns about rapidly rising energy prices and energy security following the Russian-Ukraine crisis.
- We saw multiple regulatory ESG developments across the globe, from further developments in Europe relating to Sustainable Finance Disclosure Regulation (SFDR) and the EU taxonomy to the SEC's proposal for new ESG disclosure rules.
- There has been continued focus on effective stewardship, with increasing focus on the quality of ESG engagements.
- In 2022 there was also greater scrutiny of ESG, with challenges to the tenets of ESG investing by different stakeholders and divergence in attitudes towards ESG across jurisdictions.

- We continue to invest significantly in our climate modelling capabilities and now have dedicated data science resource to ESG as well as 10 proprietary quant and machine learning climate tools.
- In Q4 2022, we launched AHL TargetClimate, a systematic, multi-asset climate fund classified as Article 9 under SFDR.
- We have set interim 2030 emission reduction targets for our investment portfolios under our commitment to Net Zero Asset Managers initiative.
- We have strong frameworks and control functions to ensure alignment with rapidly evolving regulatory environments. Further details on our ESG governance framework can be found on page 47.
- We continue to build out our stewardship capabilities, and strongly believe that an increased focus on active ownership will enable us to realise long-term sustainable value across our strategies and for our clients. In 2022, the Financial Reporting Council ('FRC') reconfirmed that Man Group remains a signatory to the UK Stewardship Code into 2023.
- We recognise that our clients may have different investment priorities and we consider ESG factors that support their investment objectives.

Quant and technology

- The hedge fund industry is increasingly dominated by technology. 80% of the AUM across the top ten largest hedge funds is in quant/tech capable funds[1].
- Across the long-only space, only tech-focused firms have sustained their place at the top end of the industry over the past 15 years[6].
- Financial markets offer thousands of assets, millions of instruments and tens of thousands of datasets available over decades of history from which investment decisions can be made.
- Having a platform that enables data collection, analysis and innovative systematic alpha extraction, coupled with efficient execution and post-trade operations, is a crucial competitive advantage in the investment process today.

- Quant strategies make up c.$93 billion of our AUM, across absolute return, total return and long-only strategies.
- We continue to invest heavily in developing our proprietary technology infrastructure and our trading and asset management technology platform to ensure we remain cutting-edge.
- Our trading and technology platform is supported by over 600 quants, engineers and technologists.
- Our technology drives better outcomes for clients and shareholders: it allows us to process a huge volume of market data across asset classes, steadily add to the number of markets we trade and transfer investment and risk management techniques across geographies.
- Our research partnership with Oxford University has had an extensive impact on a range of our client investment programmes, including active risk overlays for systematic investment management, intelligent algorithms for trade execution and order-routing, and sophisticated methods for monitoring transaction costs and market impact.
- Our core technology lead is clear, supported by industry partnerships (e.g. HUB, our joint venture with other industry leaders to build a cloud-based operating platform aimed at transforming asset managers' operations technology) and our active contributions to the open source community.

Our strategy

Driving sustainable growth

We leverage our 35+ years of experience investing in liquid alternatives to deliver scalable alpha and customised solutions for our clients.

Four main strategic pillars drive value for our firm.

Innovative investment strategies

Combining our exceptional talent and market-leading technology to generate superior investment returns for our clients.

Link to our key performance indicators

1 2 3 4

Through constant innovation, we find new sources of alpha, maintain our relevance with clients, diversify our revenue sources and drive organic growth.

How we performed in 2022

- Overall asset-weighted relative investment outperformance of 1.4%.
- Strong performance from absolute return and multi-manager strategies, delivering $2.8 billion and $0.8 billion, respectively.
- Exceptionally strong outperformance from long-only strategies in volatile markets, which delivered 3.9% alpha.
- Active risk overlays in AHL TargetRisk helped mitigate sharp sell-offs in periods of volatility, contributing c.6% to returns.
- Generated core performance fees[1] of $779 million, a very strong outcome and our highest since 2008.
- Continued to build our discretionary investment capabilities, hiring 20 portfolio managers.
- Onboarded 180 new datasets in 2022, identifying alpha sources in 50.
- Seeded new strategies across our business during the year, leaving our seeding book at $688 million as at 31 December 2022.

Objectives for 2023

- Generate value through expansion of our discretionary and quantitative investment offerings.
- Encourage greater collaboration across the business to develop cross-content solutions and our multi-strategy offering for clients.
- Continue to develop ESG strategies to meet client demand.

Strong client relationships

Building long-term partnerships with clients, through one point of contact, to understand their needs and offer solutions to meet their risk and return requirements.

Link to our key performance indicators

2 3 4

We aim to identify what is valuable to our clients to attract net inflows and gain market share in a consistent and sustainable way.

How we performed in 2022

- Net inflows in 2022 of $3.1 billion, outperforming the industry by 5.3%.
- Continued engagement with clients despite market volatility, resulting in $41.1 billion of subscriptions during the year, our second-best year in over a decade.
- Returned much-needed capital to our UK defined benefit pension scheme clients at very short notice during the LDI crisis. More details can be found on page 18.
- Reinforced longstanding client relationships: 52% of AUM from clients invested in four or more products.
- Continued to see clients investing across our platform: our top 50 clients invest in an average of four products.
- Focused on building new relationships: 18 new clients invested $50 million or more with us.
- Hosted our annual Man Alternative Investing Symposium in Oxford, and introduced events in Milan and Amsterdam.

Objectives for 2023

- Broaden and deepen existing client relationships and continue to develop relationships with key target clients and institutions.
- Attract and develop talent across sales regions to support future growth.

Efficient and effective operations

Harnessing technology to power investment performance and infrastructure, provide scalable options for growth and create operating efficiencies throughout the firm.

Link to our key performance indicators

3 4

Through cost discipline and the technology-embedded operating leverage inherent in our business, we can grow profits faster than revenue.

How we performed in 2022

- Invested roughly $120 million into our investment management and core technology capabilities, which will further support our ability to serve our clients globally.
- Reached a major milestone on the four-year rewrite of ArcticDB, the bedrock of our data science platform. The platform, rewritten in C++, is designed to process large ‘industrial-sized’ datasets.
- Executed and processed c.20 million trades across 800+ markets during 2022.
- Trained 215 employees in Python and data science skills in the year through five internally developed courses in order to technically upskill our people and create efficiencies across the business.
- Moved into a new office space in New York, designed to support our agile working model.
- Continued to foster a diverse and inclusive culture across the business through the Drive programme.

Objectives for 2023

- Continue to invest in technology and talent to build our competitive advantage.
- Maintain focus on cost and carbon footprint to run the firm efficiently and sustainably.
- Continue our efforts to make our firm and the wider industry truly representative of the populations we serve.

Link to KPIs

Our strategic pillars are linked to our financial KPIs, as set out below. Further details of how we have performed against these KPIs can be found on page 20.

1. Relative investment performance
2. Relative net flows
3. Core EPS (diluted)
4. Core management fee EPS (diluted) growth

To read more

+ For more information on how risks relate to our strategy go to page 28.

Returns to shareholders

Generating excess capital either to reinvest in our business to create long-term value or return to shareholders.

1 2 3 4

Profitable growth allows us to continue to invest in the business and return capital in excess of our requirements to shareholders.

- Proposed full year 2022 dividend of 15.7¢, 12% higher than full year 2021 dividend of 14.0¢, in line with our progressive dividend policy.
- 20+ seed investments to generate long-term growth.
- Continued to review potential acquisition opportunities during the year.
- Completed the $250 million share buyback announced in December 2021 and the $125 million share buyback announced in June 2022.
- Announced a further $125 million share buyback programme in December 2022.
- Strong, liquid balance sheet with $983 million of net financial assets[1].

- Assess capital returns alongside any organic deployment or potential acquisition opportunities.
- Maintain focus on balance sheet efficiency.

Our climate strategy

At Man Group, we are committed to reducing our impact on the environment. As stewards of capital and long-term investors, we seek to manage financially material climate-related risks and opportunities through our own investment decisions, as well as through our influence on investee companies, in line with the values of our clients.

How we address climate-related risks and opportunities

1. Broaden our range of climate-focused investment strategies.
2. Apply a rigorous, data-driven process to ESG integration.
3. Focus on our stewardship efforts to drive meaningful, positive outcomes.
4. Contribute to industry-wide initiatives and thought leadership.
5. Manage our corporate operations in a sustainable way.

As our understanding of climate-related risks and opportunities evolves and we develop a better understanding of the interdependencies among climate factors and their impact on our business, we will continue to refine our strategy to build sustainable value for all our stakeholders.

Highlights from 2022

- Launched AHL TargetClimate, an Article 9 systematic, multi-asset fund aligned with the global transition to a low-carbon economy.
- Added to our ESG data capabilities by expanding our Responsible Investment technology, as well as onboarding new ESG datasets.
- We strengthened our Proxy Voting Policy in two key areas: climate (including related risk mitigation and disclosure), and diversity.
- We produced a number of proprietary research papers, including ‘Carbon Emissions: Under the MicroScope3’, published in the Journal of Impact and ESG.
- We renewed our corporate carbon emissions targets for the next three years on our path to net zero by 2030.

We set interim targets related to the carbon emissions of our assets under management, in line with our commitment to investing aligned with net zero emissions by 2050.

ESG-integrated assets under management[2]

$50.0bn

ESG-oriented funds[3]

32

+ For our Responsible business and TCFD sections see pages 46 and 64.

1 Man Group’s alternative performance measures are outlined on pages 175 to 179.

2 ESG-integrated AUM is one of our non-financial KPIs, further details can be found on page 21.

3 ESG-oriented funds made up of 27 Article 8 funds and 5 Article 9 fund under SFDR.

Chief Executive Officer's review

Relative investment performance

+1.4%

2021: +1.9%

Relative net flows

+5.3%

2021: +9.8%

Statutory profit before tax

$745m

+26%

2021: $590m

Core profit before tax[1]

$779m

+18%

2021: $658m

> Despite the large sell-off in markets, our strategies were able to deliver significant alpha for our clients, clearly demonstrating the value liquid alternatives can add to investment portfolios.

Luke Ellis | Chief Executive Officer

Our results highlight the continued demand for our products, the benefit of the scale and diversification of the performance fee earning strategies we offer and the quality of the business we have built.

Overview[2]

One clear, dominant force drove financial markets in 2022: inflation. Following the aftershocks of the pandemic and Russia's invasion of Ukraine in February, inflation prints reached record highs across the world, prompting aggressive monetary policy tightening from central banks and heightened concerns about economic recession. This weighed significantly on financial markets throughout the year; the S&P 500 snapped a three-year winning streak, registering its worst year since the global financial crisis, with the technology sector darlings of the past decade its greatest casualty. Bond markets also endured heavy selling: by the end of the year, the US 10-year government bond yield increased to 3.9% from 1.6%, the largest annual increase in records dating back to the 1960s. Together, this resulted in 2022 becoming one of the worst years on record for a 60/40 portfolio.

This environment is the real test for active investment management. I am very proud and delighted by the exceptionally strong set of results we delivered for 2022. One of our key strengths as an active asset manager is the breadth of investment capabilities we offer, many of which aim to deliver uncorrelated returns across a range of market environments. Despite the large sell-off in markets, our strategies were able to deliver $2.9 billion of alpha for our clients and liquidity when they needed it most, clearly demonstrating the value liquid alternatives can add to investment portfolios.

While our technology-empowered active investment processes delivered significant alpha for our clients, market beta still left its mark and resulted in negative absolute investment performance of $4.3 billion overall.

Absolute investment performance across our product categories was -1.5%. Our absolute return strategies were up 8.7%, driven by positive performance from AHL Alpha (+11.0%) and AHL Dimension (+8.8%). Our total return and long-only strategies were naturally impacted significantly by the big sell-off in market beta, with overall investment performance of -8.4% and -7.6%, respectively. AHL TargetRisk performance (-16.7%) was an example of this, reflecting its exposure to fixed income and equity markets, which delivered negative returns in tandem during the year for the first time since the 1990s. AHL TargetRisk's proprietary risk overlays were active throughout most of the year and helped mitigate drawdowns during the sharpest sell-offs, significantly reducing exposure when inflation worries were at their peak, contributing c.6% to returns.

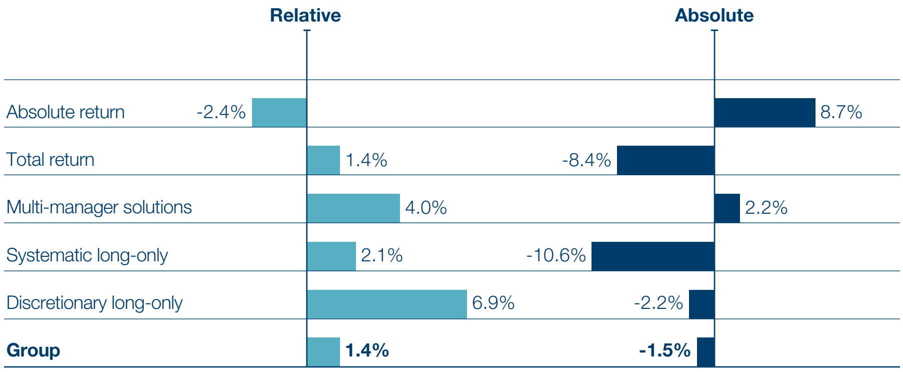
Investment performance in our systematic long-only strategies was also negatively impacted by broad exposure to global equities while performance in our discretionary long-only strategies was more mixed, with GLG Japan CoreAlpha Equity performing strongly (+18.9%), while GLG Continental European Growth suffered (-18.7%).

On an asset-weighted basis, relative investment performance across the firm was again strong at +1.4% during the year. Our total return strategies also outperformed by 1.4%, with notably strong outperformance from GLG EM Debt (+20.6%) and Man Alternative Risk Premia (+7.1%), while our long-only strategies delivered strong alpha for clients (+3.9%), with notable outperformance from GLG Japan Core Alpha (+21.3%), GLG High Yield Opportunities (+3.0%), and Numeric Global Core (+2.6%).

We also made further progress on the client front, building long-term relationships with global asset allocators and distributors while helping our existing clients navigate market volatility, recording $3.1 billion of net inflows during the year. This was offset by $8.4 billion of combined negative impacts from investment performance and FX and other movements owing to a stronger US dollar. Our assets under management (AUM) were $143.3 billion as at 31 December 2022, a 4% decrease versus 31 December 2021.

Core profit before tax increased to $779 million, compared with $658 million in 2021, reaching a 14-year high, driven by growth in management fee earnings and a strong performance fee outcome for a second consecutive year. Consistent growth in our performance fee eligible AUM has increased the performance fee potential of our business; even when we deliver investment performance in line with previous years, significantly higher performance fee eligible AUM means we have the ability to generate meaningful performance fees more regularly. Core management fee profit before tax was also up 9%, reflecting continued net management fee growth and cost discipline. Statutory profit before tax was $745 million, compared with $590 million in 2021.

Absolute and relative investment performance in 2022



1 Man Group's alternative performance measures are outlined on pages 175 to 179.

2 Past performance is not indicative of future results. Returns may increase or decrease as a result of currency fluctuations. Performance figures are shown net of representative management and performance fees.

Chief Executive Officer's review continued

Our results highlight the continued demand for our products, the benefit of the scale and diversification of the performance fee earning strategies we offer, and the quality of the business we have built. During the year, we also made significant progress on our key strategic objectives, which are core to cementing our competitive advantage and driving the long-term growth of our business.

Progress against strategic priorities

Strong client relationships

Client engagement was strong throughout the year, with $41.1 billion of subscriptions, our second-best year on record. This was despite a pick-up in redemption requests during the year as clients responded to macroeconomic conditions or other issues in their investment portfolios, all of which were honoured in full and on time. Net inflows of $3.1 billion during the year were 5.3% ahead of the industry, highlighting the continued demand for the differentiated range of strategies and solutions we offer, our judicious approach to risk management and the quality of the long-term partnerships we have built with investors across the globe.

Our clients have confidence in our ability to manage and grow their assets, and to provide access to liquidity when they need it the most. At the end of December, 82% of our AUM is from clients investing in two products or more and 52% from clients investing in four products or more, which has grown from 71% and 48% respectively five years ago. Our 50 largest clients are invested in an average of four of our strategies. This ability to provide bespoke solutions flexibly and at scale also enabled us to add a significant number of new relationships with strategically important allocators during the year, often via a dedicated investment solution. These customised mandates leverage our broad investment capabilities to meet each client's unique risk and return requirements and are delivered via our highly effective, technology-enabled operating platform. While representing only a part of the overall customised mandates we offer, our Institutional Solutions business has grown to $14.4 billion as at 31 December 2022, recording $2.6 billion of net inflows during the year.

The much-discussed UK LDI episode was a perfect manifestation of the role that liquid alternative strategies can play in portfolios. Approximately $3 billion or roughly 50% of our assets from UK defined benefit pension scheme clients were redeemed between 23 September and 31 December, primarily from absolute return and total return strategies. After several years of benign market environments, institutions rediscovered the value of liquidity in their portfolios and our ability to return much-needed capital at very short notice strengthened our longstanding relationships with these clients. Importantly, the weighted average investment performance of the assets redeemed was c.12%. This was a key driver of c.95% of these clients requesting to redeem partially, leaving them the option to reinvest with us easily in the future. As schemes revisit their asset allocations, we are seeing encouraging demand from our clients looking to reallocate to liquid alternatives.

Innovative investment strategies

We consider innovation as key to generating alpha, cementing our competitive advantage and creating multiple dimensions for future growth. It strengthens our business by further diversifying our revenue streams, providing development opportunities for our people and, most importantly, maintaining our relevance with clients.

Our culture of collaboration across the firm allows us to bring the best out of our talent working together. A good example of this is the work we have done on Man 1783, our multi-strategy offering, which gives clients access to all of the systematic and discretionary alpha content at Man Group. We have invested a huge amount of time and energy into product development this year; we take a scientific approach and apply the same level of rigour across all our investment areas, whether it is quantitative analysis, investing in affordable housing, or vetting managers in our multi-manager business.

We also continued to grow our discretionary offerings for clients in the year, launching a series of new funds including European High Yield Opportunities, Sustainable Credit Opportunities and Dynamic Income. We hired a Global Head of Capital Markets in September, taking the opportunity of the lull in new issue activity to build a strong team that we feel can add significant value to a range of investment strategies by maximising our footprint in the IPO and secondaries market as they come back.

At Man Group, we believe the asset management industry has a role to play in fighting climate change; it is an important driver of growth and an opportunity for our business. Innovation in this area has also been a key focus for us and in February 2022, we announced our first (of what we think will be many) joint venture to build around 1,000 net zero energy build-to-rent properties across various US metropolitan areas over the next several years.

In November, we were delighted to launch one of the first systematic multi-asset Article 9 strategies, which is a truly innovative product for clients. We developed AHL TargetClimate because we saw a real opportunity to bring our risk management and quantitative expertise to a space that has traditionally been the domain of discretionary investors. Identifying securities that are climate-aligned is a complex and nuanced exercise. There is a lot of noise that requires a data-driven approach to clean, analyse and gain insights from the multiple data sources available, something we have been specialising in at Man Group for over 35 years.

Our seed capital programme continues to be a key way for us to support product launches and our pipeline of new ideas remains very strong. During the year we seeded new strategies across our business, leaving our seeding book at $688 million as at 31 December 2022, following investments into new products developed across the business.

A great further example of our commitment to research and innovation is our partnership with Oxford University, the Oxford-Man Institute (OMI), and this year, we extended our funding for a further five years, which will take it to at least 20 years. The work undertaken at the OMI has had an extensive impact on a range of Man Group's client investment programmes, including active risk overlays for systematic investment management, intelligent algorithms for trade execution and order-routing and sophisticated methods for monitoring transaction costs and market impact.

Efficient and effective operations

Due to our early and significant investment in technology, we believe we have a huge competitive advantage in an industry which, like most others, is becoming ever more technology-driven. Our technology capabilities enable us to evolve and adapt as markets and clients' needs do.

We're a global leader in quantitative investing and we also use technology to support discretionary investment teams. With 600+ quants and technologists across the firm, our advanced investment technology platform supports our investment teams at every stage of their process, from alpha generation and portfolio management to trade execution and risk management.

However, technology isn't just about making better investment decisions for us; it powers everything we do and is the foundation on which the firm operates. For our clients, it enables us to customise our offering flexibly, efficiently and at scale, and in 2022 alone, our teams successfully executed and processed nearly 20 million trades.

Women in senior management
26%
at 31 December 2022

Man Institutional Solutions AUM
$14.4bn
at 31 December 2022

Net inflows
$28.1bn
over five years (2018 to 2022)

Quants and technologists
600+
at 31 December 2022

Over the last 10 years we have grown our assets by more than 2.5 times but our headcount in operations is actually lower; this is real operational leverage and is only possible with an industry-leading technology platform. For our staff across all departments, we offer data science and Python training via our <develop> programme, equipping them with the skills to innovate and make processes less time consuming. Most importantly, for our shareholders, it delivers significant operating leverage.

In 2022, we continued to invest heavily in our technology capabilities. One of the highlights of the year was reaching a major milestone on the four-year rewrite of ArcticDB, the bedrock of our data science platform. Rewritten in C++, ArcticDB sits across the bulk of our front-to-back-office systems, and is designed to process large 'industrial sized' volumes of data, accessible by any user across the business. We have a competitive advantage that we believe is difficult to replicate because of the complexity of the research, the difficulty in execution and the power of the platform.

Our platform also offers the ability to onboard new teams and businesses efficiently and M&A continues to be a key part of our strategy. We reviewed a large number of acquisition opportunities during the year. While none met our full criteria in 2022, with price and culture often being the main reason why we walk away, we think this capability will prove valuable to shareholders in the longer term, as it has in the past.

People and culture

We are fundamentally a people business. To best serve our clients and shareholders, one of our top priorities is to attract and retain the best people, creating an environment in which they can achieve their potential. We place great importance on being an employer of choice and an organisation where all our employees can bring their authentic selves to work to learn, develop and achieve excellence. We are pleased to report that our 2022 staff survey recorded an engagement score of 82%, up from the previous year. We have continued our investment in talent development to maintain our competitive edge and our dedicated Talent function provides career development and performance support to staff at all levels.

When I read summaries of the work that is carried out within Man Group around diversity, equity and inclusion (DE&I) I feel an immense sense of pride in the team I am fortunate to lead. The financial services industry has not traditionally been renowned for its focus on DE&I, but at Man Group it is an integral part of our culture and is an important part of what I believe makes us stand out.

Paving the Way is our dedicated campaign to help address the 'pipeline' issue, encouraging a more diverse range of talent to apply for positions at Man Group and the industry. We are big believers in the benefits of combining industry work and academia, as well as the transformative power of technology in finance. We are partnering with the University of Warwick to deliver a new Masters degree apprenticeship programme, providing recent STEM graduates with the opportunity to continue their further education while transitioning into full-time employment in a technology-oriented role. This programme is a great opportunity to attract a more diverse range of talent into our firm, and we are excited to increase access to tech careers for talented graduates from a broader range of academic backgrounds.

We have signed the Social Mobility Pledge alongside roughly 700 organisations globally, pledging to promote a level playing field for people from disadvantaged backgrounds. Due to the initiatives led by our Social Mobility workstream, we were ranked in the top 75 of the Social Mobility Index in 2022 (up from 99 out of 203 in 2021) and were also very pleased to be Highly Commended for 'Championing Social Mobility' at the FT Adviser Diversity Awards. We have also become a founding partner of Progress Together, the City of London initiative to improve social mobility.

Fostering a working environment and culture where all our employees feel that they belong takes time. While there is a huge amount of work still to be done to make our firm, and the wider industry, truly representative of the populations we serve, I want everyone to know that we stand for an absolute and unequivocal commitment to inclusiveness.

Delivering growth

2022 was another strong year of growth for Man Group. Our intensely client-centric approach coupled with excellent risk management and our technology leadership has allowed us to grow significantly during a challenging period for our industry. This, however, isn't a one-year phenomenon. Since the beginning of 2018, we have seen $28.1 billion of net inflows from clients, increased our core management fee profitability by 63% to $290 million, grown our core management fee EPS (diluted) by 96%, and increased our performance fee eligible assets under management by 28%. This has allowed us to return $1.9 billion or 57% of our current market capitalisation to shareholders over the last five years, an average of 11% of our market capitalisation in dividends and share buybacks every year during that period. Over the past few years, we have built a business that is fundamentally resilient and run for long-term growth and success. It is during difficult market environments that the merit of having such a resilient business model shines through.

Outlook

The difficulties faced by traditional asset management markets during 2022 make a strong case for investing in alternatives, where we are a market leader with over 35 years of experience. There are few alternative asset managers with the range of compelling solutions we offer, a longstanding track record of investment performance across a range of market environments, excellent risk management skills and a flexible operating platform underpinned by cutting-edge technology. I have great confidence in our ability to continue to generate alpha at scale for clients, irrespective of the direction of prevailing market trends. This presents a significant runway for growth in the future.

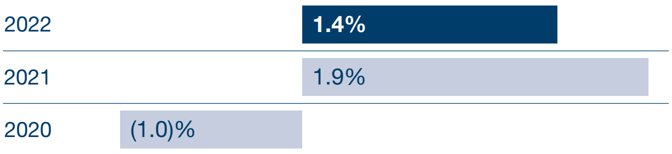
Luke Ellis
Chief Executive Officer

Key performance indicators

Measuring our success

Our financial KPIs illustrate and measure the relationship between the investment experience of our clients, our financial performance and the creation of shareholder value over time.

Relative investment performance



Relative net flows

Why it matters

The asset-weighted performance of Man Group's strategies in comparison with peers gives an indication of the competitiveness of our investment performance against similar strategies offered by other investment managers.

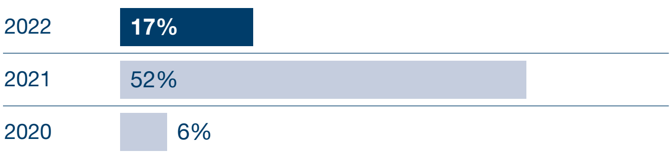
Relative net flows are a measure of our ability to attract and retain investor capital in comparison with our industry peers. Growth in the assets we manage for clients drives our financial performance via our ability to earn management and performance fees.

How we performed

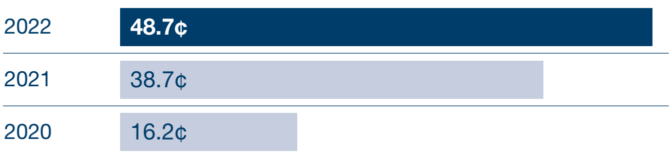
We had asset-weighted relative investment outperformance of 1.4% in 2022, with outperformance across multi-manager, total return and long-only strategies. For further discussion on investment performance see page 17.

Relative net flows in 2022 were 5.3%, remaining positive despite market volatility, indicating the strength of our global client relationships and diverse product offering.

Core management fee EPS (diluted) growth[1]



Core EPS (diluted)[1]



Why it matters

Core management fee EPS (diluted) growth in the year measures the overall effectiveness of our business model and reflects the value generation for shareholders from our earnings, excluding performance fees.

Core EPS (diluted) is a measure of the earnings that drive our cash flows. This metric includes core performance fee profits, which are profits generated through outperformance for our clients and are a key earnings stream for the business, as well as a significant component of value creation for shareholders over time.

How we performed

Core management fee EPS (diluted) increased by 17% to 18.4¢. Increased management fee profitability was supplemented by $386 million of capital returned through our share repurchases in the year, which reduced total share count.

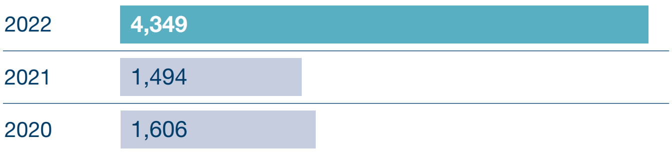
Core EPS (diluted) of 48.7¢ for 2022 is an increase of 26% compared with 2021, and a 10-year high, reflecting another period of very strong performance fee generation and the operating leverage inherent in our business model.

Link to strategy

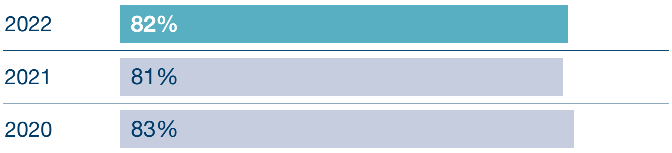
Ⓡ Executive Director Remuneration

Our non-financial KPIs reflect our core values and demonstrate our commitment to our people, wider society and the environment.

Carbon footprint (tCO_2e) Ⓡ



Employee engagement



Why it matters

In order to monitor and decrease our carbon footprint, we measure total market-based greenhouse gas emissions (tCO_2e) using the GHG-Protocol guidance for the Scope 1, Scope 2, Scope 3 travel and Scope 3 upstream leased asset categories.

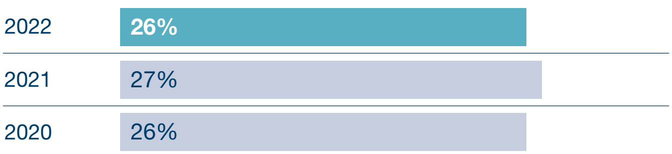
Each year, we conduct a staff survey to help us monitor and understand employee engagement and identify any areas for action. Alongside our engagement survey, we continue to provide various mechanisms for staff to provide feedback.

How we performed

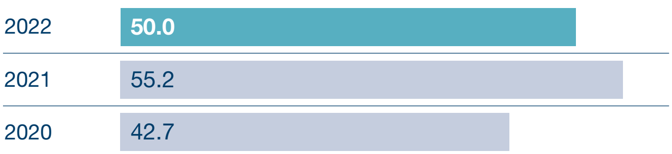
In 2022, total carbon emissions increased in comparison to 2021, owing to a significant increase in business travel post-pandemic. However, our 2022 total emissions were 18% below our baseline year of 2019. Further information on how we seek to minimise our impact on the environment can be found on pages 48 to 51.

Our 2022 staff survey recorded an engagement score of 82%, with a response rate of 76% (a 2% decrease compared to 2021). More information on how we implement their feedback and support our staff can be found on page 38.

Women in senior management roles Ⓡ



ESG-integrated AUM ($bn) Ⓡ



Why it matters

As part of our efforts to encourage greater diversity across the investment management industry, we measure the number of women in senior management positions at the firm. This is defined as those who are, or report directly to, members of our Executive Committee.

Our goal is to meet the RI needs of our clients and this can be measured by the amount of our AUM that is invested responsibly. We calculate ESG-integrated AUM in line with the Global Sustainable Investment Alliance definitions, which have emerged as the global standard of classification. Further details on this metric can be found on pages 54 and 55.

How we performed

In 2022, the number of women in senior management roles decreased slightly to 26%, from 27%. We are committed to working, both internally and externally with the industry, to increase the number of women in senior management and we are confident that we are on the right longer-term trajectory. Further information on our initiatives to develop a diversified pool of talent can be found on pages 40 and 41.

ESG-integrated assets under management have decreased to $50.0 billion in 2022, largely because of market beta and currency translation movements. In 2023, we will continue to aim to launch new sustainable funds and strategies to support the diverse investment objectives of our clients.

1 Details of the calculation of our alternative performance measures are provided on pages 175 to 179.

Chief Financial Officer's review

Core management fee EPS (diluted)

18.4¢

+17%
2021: 15.7¢

Core EPS (diluted)

48.7¢

+26%
2021: 38.7¢

Statutory EPS (diluted)

45.8¢

+36%
2021: 33.8¢

Capital returns to shareholders in 2022

$0.4bn

> It has been another year of excellent results for Man Group. Our net management fee revenue continued to grow, and we generated our strongest performance fees since 2008, leading to core profit exceeding the previous 10-year peak achieved in 2021.

Antoine Forterre | Chief Financial Officer

Overview

$m	Year ended 31 December 2022	Year ended 31 December 2021
Core net management fee revenue	**927**	877
Core performance fees	**779**	569
Core (losses)/gains on investments	**(15)**	27
Core sub-lease rental and lease surrender income	**5**	13
Core net revenue	**1,696**	1,486
Asset servicing costs	**(58)**	(58)
Compensation costs	**(678)**	(596)
Core other costs	**(170)**	(161)
Net finance expense	**(11)**	(13)
Core profit before tax	**779**	658
Core management fee profit before tax	**290**	266
Core performance fee profit before tax	**489**	392
Core profit	**647**	557
Non-core items (before tax)	**(34)**	(68)
Statutory profit	**608**	487
Statutory EPS (diluted)	**45.8¢**	33.8¢
Core EPS (diluted)	**48.7¢**	38.7¢
Core management fee EPS (diluted)	**18.4¢**	15.7¢
Proposed dividend per share	**15.7¢**	14.0¢

It has been another year of excellent results for Man Group, with statutory profit increasing to $608 million from $487 million in 2021. Our net management fee revenue continued to grow, and we generated our strongest performance fees since 2008, leading to core profit exceeding the previous 10-year peak achieved in 2021. We have continued to take a disciplined approach to cost management while investing in the areas which will drive our future success. This cost discipline, along with the reduction in the number of shares in issue as a result of our share buyback programmes in the year, has resulted in core diluted EPS growing by 26% to reach a recent high of 48.7¢ in 2022. Statutory EPS on a diluted basis increased from 33.8¢ to 45.8¢. In spite of net inflows of $3.1 billion in the year, negative absolute investment performance and adverse FX and other movements decreased closing AUM from a record high of $148.6 billion at the end of 2021 to $143.3 billion at 31 December 2022, although average AUM across the year remained higher than during 2021. Net flows and investment performance were mixed across the various product categories, with a decrease in long-only AUM of $8.7 billion in the year partially offset by an increase in alternative AUM of $3.4 billion.

Management and other fees increased by 4% to $954 million for the year due to the higher average AUM, which also drove the 6% increase in core net management fee revenue to $927 million. The average net management fee margin of 65 basis points for the year was one basis point lower than in 2021 due to higher net inflows into lower margin strategies. The run rate net management fee margin at 31 December 2022 stood at 64 basis points compared with 63 basis points at the end of 2021. Run rate core net management fee revenue was $917 million at the end of the year, down from $939 million at the end of 2021 as a result of the decrease in closing AUM, movements in foreign exchange rates and the impact of changes in product mix.

Core performance fee generation was strong, with $779 million earned in the year compared with $569 million in 2021. Our asset-weighted relative investment outperformance was 1.4% across all categories, in comparison with 1.9% in 2021. We outperformed our peers across multi-manager, total return and long-only strategies. Although the majority of performance fees were earned from systematic macro strategies, all our investment engines contributed positively. Core losses on investments of $15 million, compared with gains of $27 million in 2021, were predominantly due to mark-to-market losses on our CLO risk retention assets.

Core costs were $906 million, up from $815 million in 2021, driven by higher performance fee-related variable compensation and a return to more normalised levels of expenditure on travel and entertainment as COVID-19 restrictions eased.

Our sub-lease rental income in 2022 was broadly in line with 2021 on a statutory basis, as we continued to market the remaining vacant space in our London office for sub-let. In early 2023, we signed a sub-lease with a new tenant for a substantial portion of the vacant space. This will reduce future depreciation, following the derecognition of the associated portion of our right-of-use lease asset, and occupancy costs which are met by Man Group in the absence of sub-tenants. In 2022, we also signed a lease for new office premises in New York, with the newly refitted space now fully operational.

Non-core items (excluding tax) decreased from a net expense of $68 million in 2021 to $34 million in 2022, primarily due to FX gains of $22 million and some of our acquired intangible assets becoming fully amortised during the year.

We continue to deliver strong cash conversion of our profits and have again increased our returns to shareholders in 2022. Our total proposed dividend for the year of 15.7¢ per share represents an increase of 12% from 14.0¢ in 2021, reflecting the ongoing growth in the business and our progressive dividend policy. After completing the $250 million share buyback announced in December 2021, we announced a further $250 million of share buybacks during 2022, of which $152 million had been completed at 31 December 2022. Together with an estimated $194 million of dividends in relation to 2022, the total announced returns to shareholders for 2022 is over $0.4 billion, and $1.9 billion over the last five years.

Our balance sheet remains strong and liquid and allows us to navigate periods of stress while continuing to invest in the business to support our long-term growth prospects. Alongside the ongoing return of capital to shareholders, we continue to allocate capital to seed investments and invest heavily in technology to ensure we remain leaders in active investment management. We had net tangible assets of $1,022 million at 31 December 2022 and net financial assets of $983 million, including $349 million of cash (excluding amounts held by consolidated fund entities). We continue to be strongly cash-generative, with core cash flows from operations excluding working capital movements of $810 million in the year.

Core metrics

Core metrics are each alternative performance measures (APMs) and exclude the impact of fund consolidation, acquisition and disposal-related items, significant non-recurring items and volatile or uncontrollable items, as well as profits or losses generated outside of our investment management business. These core metrics reflect the way in which performance is monitored by the Board and present the profits or losses which drive our cash flows and inform the way in which our variable compensation is assessed. Further details on our APMs, including reconciliations between statutory measures and their core equivalents, are set out on pages 175 to 179.

Chief Financial Officer's review continued

Impact of foreign exchange rates

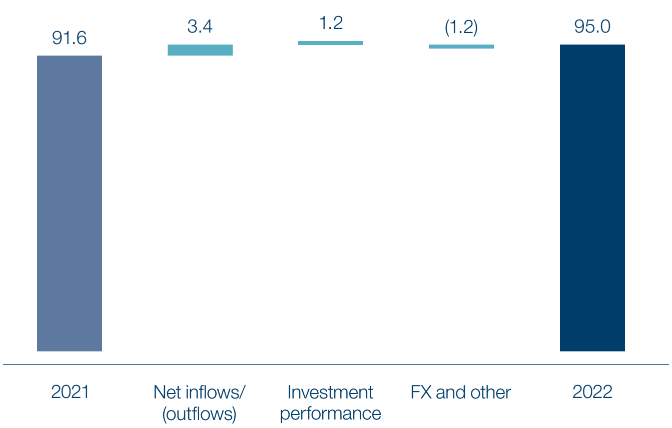
The portion of our AUM which is denominated in currencies other than the US dollar was adversely impacted by the strengthening of the US dollar against most currencies over the course of the year. This reduced our reported AUM by $6.6 billion and had a knock-on impact on our management fee revenue.

However, the weakening of sterling against the US dollar in 2022 also contributed to a partially offsetting decrease in core costs of around $26 million compared with 2021.

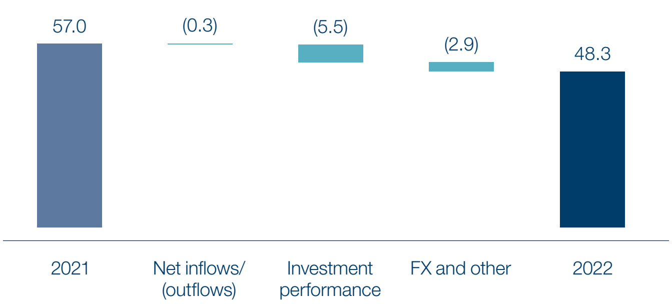
Assets under management (AUM)

$bn		31 December 2021	Net inflows/ (outflows)	Investment performance	FX and other	**31 December 2022**	Change $bn	Change %
Alternative	Absolute return	41.2	1.4	2.8	0.6	**46.0**	4.8	12%
	Total return	35.4	(1.8)	(2.4)	(2.4)	**28.8**	(6.6)	(19)%
	Multi-manager solutions	15.0	3.8	0.8	0.6	**20.2**	5.2	35%
	Total	91.6	3.4	1.2	(1.2)	**95.0**	3.4	4%
Long-only	Systematic	36.1	1.2	(4.6)	(1.1)	**31.6**	(4.5)	(12)%
	Discretionary	20.9	(1.5)	(0.9)	(1.8)	**16.7**	(4.2)	(20)%
	Total	57.0	(0.3)	(5.5)	(2.9)	**48.3**	(8.7)	(15)%
Total		148.6	3.1	(4.3)	(4.1)	**143.3**	(5.3)	(4)%

Alternative AUM ($bn)



Long-only AUM ($bn)



Absolute return

The increase in absolute return AUM was driven by net inflows of $1.4 billion, primarily into Man Institutional Solutions and American Beacon AHL Managed Futures, partially offset by outflows from AHL Alpha. Positive absolute performance of $2.8 billion was driven by a number of strategies in the product category, in particular systematic macro strategies.

Total return

Total return AUM decreased by $6.6 billion. Net outflows of $1.8 billion were primarily from Alternative Risk Premia and AHL TargetRisk. Negative absolute performance of $2.4 billion was primarily due to losses in AHL TargetRisk reflecting its long-only exposure to fixed income and equity markets. Negative FX and other movements resulted in a further reduction of $2.4 billion.

Multi-manager solutions

The increase in multi-manager solutions AUM was primarily driven by net inflows of $3.8 billion. Positive absolute performance of $0.8 billion was driven by a number of strategies.

Systematic long-only

Net inflows of $1.2 billion and negative FX and other movements of $1.1 billion were primarily from Numeric Global. Negative absolute performance of $4.6 billion was driven by multiple strategies in the product category, reflecting broad exposure to global equities.

Discretionary long-only

Discretionary long-only AUM decreased by $4.2 billion. Net outflows of $1.5 billion were primarily from GLG Emerging Markets Debt and GLG Continental Europe, partially offset by inflows into GLG High Yield. Negative performance of $0.9 billion was driven by market beta across multiple strategies and weaker performance in strategies with a growth focus e.g. GLG Continental Europe. This was partially offset by strong absolute performance in GLG Japan CoreAlpha.

Revenue

As a result of higher average AUM and strong performance fee generation, statutory net revenue increased by $241 million from $1,486 million in 2021 to $1,727 million in 2022, whilst core net revenue increased from $1,486 million to $1,696 million for the same reasons.

	Core net management fees ($m)		Net management fee margin (bps)		Run rate core net management fees ($m)		Run rate net management fee margin (bps)	
	Year ended 31 December 2022	Year ended 31 December 2021	**Year ended 31 December 2022**	Year ended 31 December 2021	**Year ended 31 December 2022**	Year ended 31 December 2021	**Year ended 31 December 2022**	Year ended 31 December 2021
Absolute return	**515**	451	**112**	119	**526**	474	**114**	115
Total return	**201**	198	**63**	62	**177**	220	**61**	62
Multi-manager solutions	**34**	30	**20**	22	**38**	36	**19**	24
Systematic long-only	**75**	82	**25**	27	**77**	89	**24**	25
Discretionary long-only	**102**	116	**57**	58	**99**	121	**59**	58
Total	**927**	877	**65**	66	**917**	939	**64**	63

Management fees

Core net management fee revenue increased by 6% to $927 million in 2022 (2021: $877 million), driven by higher average AUM. Net management fee margin decreased from 66 basis points in 2021 to 65 basis points in 2022, driven by net inflows into lower margin systematic long-only and multi-manager solutions categories. This was partially offset by net inflows into Man Institutional Solutions, which are typically higher margin, and an increase in average AUM from positive investment performance in absolute return strategies.

The absolute return net management fee margin decreased by 7 basis points to 112 basis points, as a result of mix shift towards lower margin Man Institutional Solutions mandates within the product category. The total return net management fee margin increased by one basis point to 63 basis points, driven by the increase in AHL TargetRisk average AUM. The multi-manager net management fee margin decreased to 20 basis points in 2022 from 22 basis points in 2021 as a result of the ongoing shift towards infrastructure solutions from traditional fund of funds. The net management fee margin of long-only strategies declined due to margin pressure and mix effects in recent years, with systematic long-only margins decreasing from 27 basis points to 25 basis points and discretionary long-only margins decreasing from 58 basis points in 2021 to 57 basis points in 2022.

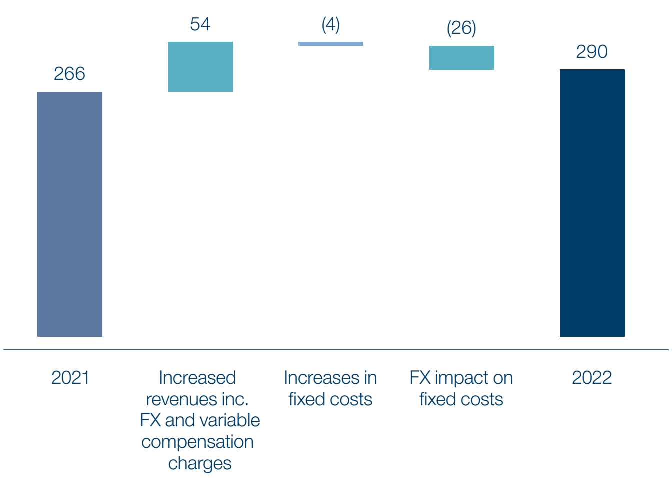
Run rate core net management fee revenue was $917 million at 31 December 2022 (2021: $939 million). The decrease in the year was largely as a result of the decrease in AUM in total return and long-only strategies, which were negatively affected by market beta and FX.

The run rate net management fee margin at 31 December 2022 was 64 basis points (2021: 63 basis points) as a result of the growth in higher margin Man Institutional Solutions mandates towards the end of the year, with movements in the run rate net management fee margin for individual strategies broadly driven by the same factors as those impacting the actual margins in the year.

Performance fees

Core performance fees for the year were $779 million (2021: $569 million), including $761 million from alternative strategies (2021: $533 million) and $18 million from long-only strategies (2021: $36 million). We have strong performance fee optionality and diversity, with $57.9 billion of performance-fee-eligible AUM at 31 December 2022, a substantial portion being at high-water mark, and a broad range of strategies having contributed to our performance fee earnings in recent years. More than 50 of our strategies are performance fee-eligible.

Core management fee profit before tax ($m)



Investment gains and losses

Core losses on investments of $15 million (2021: gains of $27 million) primarily relate to losses on our CLO risk retention assets. The seed book totalled $688 million at 31 December 2022, up from $648 million in 2021, as we continue to deploy our capital to support new strategies, grow the business, and increase returns to shareholders. We had $138 million of additional seed investment exposure via total return swaps at year end (2021: $108 million).

Sub-lease rental income

Sub-lease rental income was broadly flat year-on-year on a statutory basis. Core sub-lease rental income decreased from $13 million in 2021 to $5 million in 2022 as the residual portion of the lease surrender gain arising on the early termination of the lease of our principal sub-tenant in 2020 was recognised through non-core items in 2021. The sub-lease we signed in early 2023 for a substantial portion of the vacant space in our London office will reduce future depreciation and occupancy costs, following the derecognition of the associated portion of our right-of-use lease asset.

Chief Financial Officer's review continued

Costs

Asset servicing

Asset servicing costs vary depending on transaction volumes, the number and mix of funds, and fund NAVs. Asset servicing costs were $58 million (2021: $58 million), which equates to around 5 (2021: 6) basis points of average AUM excluding systematic long-only and Man GPM strategies.

Compensation costs

Total compensation costs were $678 million for the year, up by 14% from $596 million in 2021, as a result of higher revenues increasing the associated variable compensation, partially offset by the impact of the strengthening of the US dollar against sterling. Our compensation ratio is generally between 40% and 50% of core net revenue, depending on the mix and level of revenue. We expect to be at the higher end of the range in years when performance fees are low or driven predominantly by discretionary strategies. Conversely, we expect to be at the lower end of the range when performance fees are high or driven by systematic strategies. The overall compensation ratio of 40% remained in line with 2021, reflecting the strong performance fee revenue earned in 2022, primarily from systematic macro strategies.

Other costs

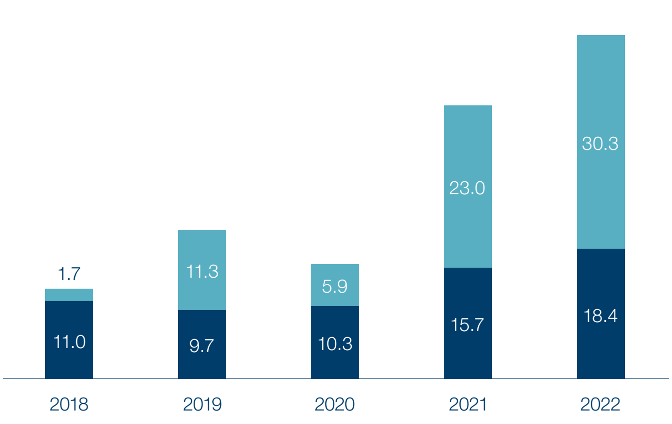
Core other costs increased to $170 million in 2022 from $161 million in 2021, partly as a result of the return to more normalised levels of expenditure on travel and entertainment as COVID-19 restrictions lifted. This was partially offset by sterling weakening against the US dollar, as the majority of our cost base is denominated in sterling.

Tax

The majority of our profits are earned in the UK, with significant profits also arising in the US, where our cash tax rate is effectively nil as a result of available deferred tax assets, and in Switzerland, which has a lower rate than the UK. A higher weighting of profits in the UK, where the applicable statutory tax rate is 19%, drove an increase in the statutory effective tax rate from 17% in 2021 to 18% in 2022. Tax on statutory profit for the year was $137 million (2021: $103 million).

This increase in the UK profits weighting also led to an increase in the core tax rate from 15% in 2021 to 17% in 2022.

Core earnings per share (diluted) (¢)



In the US, we have accumulated tax losses and tax deductible goodwill and intangibles of $82 million (2021: $85 million) which can be offset against future US profits, thereby reducing taxable profits. We have recognised $64 million of the available $82 million US deferred tax assets at 31 December 2022 (2021: $74 million and $85 million respectively) as some state and city tax losses are expected to expire before utilisation. The US core tax rate will remain at nil until cash taxes are payable in the US, with movements in the deferred tax asset classified as a non-core item. We currently expect these assets to be fully consumed by 2024.

The principal factors influencing our future underlying tax rate are the mix of profits by tax jurisdiction, the rate of consumption of US deferred tax assets and changes to applicable statutory tax rates, in particular an increase in the UK rate from April 2023. The global minimum tax rate anticipated to come into effect in 2024 is not expected to have a significant impact on our future tax charges.

Profit

Statutory profit increased from $487 million in 2021 to $608 million in 2022, with core profit increasing from $557 million to $647 million over the same period. This increase in profitability, together with a decrease in share count as a result of the $386 million of shares repurchased during the year, led to an increase in statutory EPS (diluted) from 33.8¢ in 2021 to 45.8¢ in 2022 (38.7¢ and 48.7¢ respectively on a core basis).

Cash earnings

Due to our strong conversion of profits into cash, we believe that core profit is a good measure of our cash flow generation, although the timing of cash conversion is impacted by the cyclical movements in our working capital position and the size of our seed book. Core cash flows from operations excluding working capital movements were $810 million for the year.

As at 31 December 2022, our cash balance, excluding amounts held by consolidated fund entities, was $349 million. The $500 million committed revolving credit facility, which matures in 2026, was undrawn.

$m	**Year ended 31 December 2022**	Year ended 31 December 2021
Opening available cash and cash equivalents	**323**	289
Core cash flows from operations excluding working capital movements	**810**	700
Working capital movements (excluding seeding)	**(65)**	(45)
Working capital movements – seeding	**(52)**	(173)
Dividends paid	**(179)**	(160)
Share repurchases (including costs)	**(386)**	(180)
Investment in associate (HUB)	**–**	(19)
Other movements	**(102)**	(89)
Closing available cash and cash equivalents	**349**	323

Balance sheet

We have a strong and liquid balance sheet. Fees and other receivables have increased largely as a result of the higher level of performance fees earned in December compared with the prior year. Payables have similarly increased due to an increase in related compensation accruals. The increase in investments in funds is driven by an increase in our seed portfolio, as outlined below.

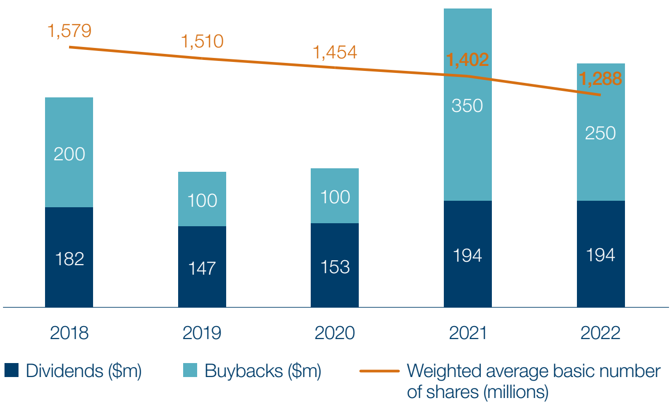
$m	31 December 2022	31 December 2021
Available cash and cash equivalents	**349**	323
Seeding investments portfolio	**688**	648
Payables under repo arrangements	**(54)**	(64)
Net financial assets	**983**	907
Other tangible assets and liabilities	**39**	21
Net tangible assets	**1,022**	928
Goodwill and intangibles	**677**	723
Shareholders' equity	**1,699**	1,651

Seed investments

We use our balance sheet to invest in new products, aiming to redeem as client AUM grows in the funds. At 31 December 2022, our seed investments were $688 million, an increase from $648 million at 31 December 2021. This is due to targeted deployment of capital to invest in new strategies and grow the business to ultimately generate future returns to shareholders. In addition, we held $138 million of total return swap exposure at 31 December 2022 (2021: $108 million), allowing us to increase our seed portfolio without utilising large portions of our cash balances.

Capital management and shareholder returns

Shareholder returns



Our balance sheet and liquidity position remains robust, allowing us to invest in the business, support our long-term growth prospects and maximise shareholder value. It also enables us to withstand periods of stress. We continue to return capital that we consider to be in excess of our medium-term requirements to our shareholders. In 2022, we completed the $250 million share repurchase announced in December 2021 and the subsequent $125 million repurchase announced in June 2022. In December 2022, we announced our intention to repurchase a further $125 million of shares of which $27 million had been repurchased at 31 December 2022.

Our 2022 proposed total dividend of 15.7¢ per share represents an increase of 12% on 2021. Our business is highly cash-generative, and these cash flows support our progressive dividend policy, under which dividends are expected to grow over time. We actively manage our capital to maximise value to shareholders by either investing that capital to improve shareholder returns in the future or by returning it through higher dividends or share buybacks. We ensure we maintain a prudent balance sheet at all times by taking into account capital requirements before investing capital, considering potential strategic opportunities or returning it to shareholders. Over the past five years, we have returned $0.9 billion to shareholders through dividends and announced $1.0 billion of share buybacks. Our weighted average share count has decreased by 18% to 1,288 million over that period.

Our $500 million revolving credit facility, which matures in 2026, provides additional liquidity and was undrawn at 31 December 2022. We have maintained prudent capital and available liquidity throughout the year and have deployed our capital to support investment management operations and new investment products, utilising the revolving credit facility when appropriate. We monitor our capital requirements through continuous review of our regulatory and economic capital, including regular reporting to the Risk and Finance Committee and the Board.

The Board is proposing a final dividend for 2022 of 10.1¢ per share, which together with the interim dividend of 5.6¢ per share equates to a total dividend for the year of 15.7¢ per share. The proposed final dividend of around $125 million is adequately covered by our available liquidity and capital resources. Key dates relating to the proposed final dividend are provided in the Shareholder information section.

Planning for the impacts of climate change

Whilst climate change has not significantly impacted our financial performance and position to date, consideration of the potential future impacts of climate change on our business is embedded in our financial planning and reporting processes. Under our strategy, we seek to minimise the carbon emissions of our office premises, reduce inter-office travel or use lower-carbon modes of transport where possible, and proactively plan for our ambitions in the future. As part of our ongoing commitment to reduce our carbon footprint and to reach net zero by 2030, we introduced carbon emissions targets into our directors' long-term incentive plans from 2022, as set out in the Directors' Remuneration report. We have also embedded targets to reduce our Scope 3 carbon emissions from business travel into our annual budgeting process for 2023. Further detail on our carbon emissions targets can be found on page 48.

The directors have also considered potential climate-related impacts on the Group financial statements, and do not expect them to be material in the short to medium term. In particular, in performing their assessment the directors have considered the impact of climate change on our going concern and viability, the cash flow forecasts used in the impairment assessments of our non-current assets, and the assumptions relating to future life expectancies used in the valuation of the net pension asset. We continue to monitor the potential longer-term impacts of climate change risks on the judgements and estimates used in the preparation of the Group financial statements.

Antoine Forterre
Chief Financial Officer

Risk management

A robust and integrated approach

Risk management is unified and embedded into both the management of funds on behalf of our investors and the management of Man Group's business on behalf of our shareholders.

The Board has ultimate responsibility for risk governance and management. However, our risk management framework embeds day-to-day accountability throughout the business to ensure that we operate within acceptable risk tolerances, as defined by the Board's risk appetite, with our governance structure and three lines of defence providing a foundation for continuous oversight. In addition, independent fund boards are responsible for protecting the interests of fund investors.

The Risk Governance framework

Man Group's risk management framework and internal control systems aim to safeguard assets, maintain proper accounting records and provide assurance that the financial information used in the business and published externally is robust and reliable. The framework is designed to manage key risks but cannot eliminate the risk of failure to achieve business objectives and can only provide reasonable assurance against material misstatement or loss.

Whilst the Board retains overall responsibility for Man Group's risk management and internal control systems, it has delegated oversight to the Audit and Risk Committee and the Senior Executive Committee, as summarised in the diagram below.

The risk management framework and internal control systems, which have been in place throughout 2022 and up until the date of this report, comply with the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. In addition, the Board has conducted a specific annual review of their effectiveness. This included a robust assessment of Man Group's principal and emerging risks, significant operational risk events, Internal Audit findings and an assessment of any risks identified by the business or ARCom. Following this review, the Board concluded that Man Group's risk management processes were effective and that there were no significant weaknesses or failings in the system of internal controls.

Risk appetite

The governance framework and control environment within Man Group have been designed to manage corporate and investment management risks in accordance with a risk appetite set by the Board. The risk appetite statements express the Board's appetite to each principal risk, promote a risk-aware culture and set out objectives and boundaries for Man Group's business.

The primary goal of risk management is to support the achievement of Man Group's objectives by encouraging an appropriate balance between risk and benefit, in a controlled and regulatory compliant context.

The Board and ARCom receive regular reporting on Man Group's risk profile and adherence with risk appetite. During the year, the Board reviewed and approved the annual refresh of Man Group's Risk Governance and Appetite Framework. There were no material changes to the risk tolerances of the business, however the qualitative risk appetite statements were updated to recognise potential harm to clients, markets or firm, in line with the FCA's Investment Firms Prudential Regime (IFPR). Summary risk appetite statements are available on our website.

The three lines of defence

The overall risk management framework at Man Group is based on the three lines of defence model which is overseen by the ARCom. The framework instils the principles of direct responsibility for risk management in each business unit with independent functions monitoring and challenging them. A description of each line is provided at the bottom of the diagram below.

Board of Man Group plc

The Board sets Man Group's appetite for risk and ensures that risk management measures and internal controls are appropriate and effective. In doing so, it delegates to certain committees which provide assurance to the Board that risk has been managed according to the risk appetite statements.

Audit and Risk Committee (ARCom)

The ARCom is a committee of the Board that has oversight of financial reporting, risk management and the assurance functions (see pages 92 to 99 for further detail).

Senior Executive Committee (Senior ExCo)

The Senior Executive Committee is accountable for all risks assumed in the business, and is responsible for the execution of appropriate risk management discipline.

Risk and Finance Committees (RAF)

The committees oversee the operational and regulatory risks and the internal control environment. The committees also monitor balance sheet financial risks and the adequacy of capital and liquidity buffers. There are three committees covering Global, UK/EEA and Rest of World Man Group entities, and these are chaired by the CFO and the Global Head of Compliance and Business Operational Risk.

First Line of Defence:	Second Line of Defence:	Third Line of Defence:	External Audit
Embedded accountability with each employee at the business level.	Monitoring and training by risk, compliance, information security and other control functions.	Independent review and oversight, by Internal Audit, incorporating best practices.	

Developments in 2022

Investment underperformance remains the biggest risk facing Man Group. Driven by the sudden return of inflation and geopolitical tensions in Eastern Europe and Asia, markets in 2022 were challenging with falls across both equity and bond markets globally.

In that context, overall investment performance in 2022 was strong. Many of our trend-following quantitative strategies performed well on an absolute basis in the challenging markets of 2022, but faced sudden trend reversals caused by unexpected news or central bank actions. Our long-only strategies carry a beta to the falling markets, but the majority outperformed their benchmarks. The combined equity and bond market falls led to poor absolute performance for our TargetRisk product range however.

Core performance fees were up 37% compared with 2021 and up 335% compared with 2020. Assets under management fell by \$5.3 billion in 2022, as described on page 24.

Net inflows and alternative fund performance were offset by USD strengthening (on our non-USD AUM) and market beta on our long-only fund range.

Innovation and supporting the development of new products is an important way to increase and diversify future revenues. We continue to utilise our balance sheet to support the firm's seeding programme with 23 new investments in 2022 spanning Man Group's investment managers. The core seeding book, net of benchmark hedges, performed positively in 2022, but we saw mark-to-market losses on our CLO risk retention and real estate private markets positions.

We continued to develop our ESG analytics toolkit and products. Regulator fines in 2022 against financial services peers for greenwashing highlights the importance of us building out strong controls and having appropriate and measured communications.

The UK/EEA sub-group is regulated on a consolidated prudential basis by the FCA. The first Internal Capital and Risk Assessment (ICARA) submission under the new Investment Firms Prudential Regime will be as of 31 December 2022. The ICARA brought a 'harms' focus into our risk governance framework but there have not been material changes to our universe of identified risks or the associated capital and liquidity requirements following the change. In addition, an Internal Capital Adequacy Assessment Process (ICAAP) for our Irish subsidiary was prepared for the Central Bank of Ireland.

We invested in a new operational risk system, IBM OpenPages, which successfully went live in September. The first phase captures risks, controls, events, issues, actions and risk-indicators. The implementation streamlines workflows and gives powerful reporting and analysis capabilities to the first-line risk owners. Work in 2023 will focus on operational resilience, business continuity and third party risk management.

Geopolitical tensions led to a heightened cyber threat assessment across the industry. We did not experience any material issues but this continues to be an area of focus.

Focus: Investment Risk Management

The challenging markets of 2022 highlight the need for a strong investment risk management process. This is achieved at Man Group in the following ways:

- risk management is embedded into the business process within each investment engine, and not just an afterthought;
- our culture actively promotes openness and collaboration and there is daily or weekly dialogue between risk, portfolio managers and management;
- many systematic funds have built in diversification mechanisms and volatility scaling which are designed to keep risk levels (not exposure) stable as market volatility changes; and
- as a firm, we continually invest to stay at the cutting-edge in technology and research and risk management is no exception.

The lead up to the Russian invasion of Ukraine in February 2022 illustrates this:

In the second half of 2021, the investment risk team ran stress scenarios relating to the potential conflict. In December, the lead discretionary portfolio manager for our emerging market debt funds made the decision to cut their Russian positions due to the geopolitical risks. The trend-following programmes also reacted to worsening market moves by cutting Russian positions.

As the expectation of an invasion grew through January and February 2022 more evolved stress testing led to further risk reductions in both discretionary and systematic long-only funds. In the final days leading up to the invasion, the Risk Committee cut all Russian exposure linked to benchmarks.

When the invasion was announced, and the subsequent raft of international sanctions were imposed, Man Group's funds' exposures and remaining number of positions were immaterial.

Focus: the UK Gilts and Liability Driven Investment (LDI) Crisis

The September mini-budget led to rapid increases and volatility in long-dated UK interest rates and was only calmed following a prompt intervention by the Bank of England. Many UK defined benefit pension schemes use LDI to balance interest rate and inflation liabilities. The sharp market moves combined with implied leverage within LDI strategies meant they had insufficient cash to meet margin calls, leading to urgent demands for liquidity from the schemes.

Man Group's pension scheme was able to cover the liquidity demands without mishap through cash holdings and the redemptions of approximately one quarter of its return-seeking funds, the majority of which had daily or weekly redemption terms. Once markets had stabilised the liabilities and assets supporting them were materially reduced but the difference between the two, the scheme's funding position, was marginally improved.

Several Man Group funds, predominantly Diversified Risk Premia, are used by a number of UK defined benefit schemes. They delivered positive returns in 2022 but faced redemption requests to fulfil the urgent liquidity demands of the schemes due to their short redemption terms versus other less liquid funds in the schemes.

We were able to manage the sale of the underlying assets and return of cash to the investor without any issues or material transaction costs. Whilst redemptions on the back of outperformance are disappointing, we are pleased that we could support our investors' need for liquidity when they needed it most. As schemes look to rebalance their portfolios with a more liquid redemption profile and reduced leverage we are already seeing re-subscriptions and expect this trend to continue.

Risk management continued

Link to strategy		
	1 Innovative investment strategies	3 Efficient and effective operations
	2 Strong client relationships	4 Returns to shareholders

Assessment of principal and emerging risks

Given its wide range of investment products and strategies, Man Group manages a broad spectrum of business, credit, liquidity, market, operational and reputational risks, to both the firm and our funds. Climate change risk aligns to many of these risks but is also captured as a standalone principal risk.

Man Group takes investment risk on behalf of its clients in order to deliver the level of performance they expect. Failure to deliver, over the long term, would result in investor redemptions and lower management and performance fees. Declining profitability, in turn, reduces the ability to invest in the people and technology that deliver investment performance.

Therefore, business risks are the biggest risks to Man Group and investment underperformance is the single biggest principal risk. The other principal risks are necessary exposures which enable us to deliver performance for our clients, but we seek to manage and minimise these wherever possible and at proportionate expense.

Man Group's risk profile has not changed materially in 2022. However, our implementation of IBM OpenPages led to some work on risk taxonomy: reorganising our risks under updated categories and sub-categories. As a result, we include two additional operational risk sub-headings such that all our principal operational risks are being reflected here.

Market and operational risks linked to COVID-19 have become less of a focus over the course of the year, but some have evolved into risks associated with agile working. Man Group does not currently have any integration risk.

The directors confirm that they have carried out a robust assessment of the principal and emerging risks facing Man Group, including those that would threaten its business model, future performance, solvency or liquidity and reputation.

We describe and assess our principal and emerging risks on pages 30 to 34 and explain how they are being managed or mitigated. The climate change principal risk is at the end so it links back to other principal risks and leads on to the climate change risk management and strategy.

Business risks

1 2 3 4

	Risk	Mitigants	Status and trend	Change
Investment performance	Fund underperformance, on an absolute basis, relative to a benchmark or relative to peer groups, could reduce AUM and may result in lower subscriptions and higher redemptions. This risk is heightened at times of disrupted and volatile markets, which could be triggered by geopolitical or climate factors. This may also result in dissatisfied clients, negative press and reputational damage. Lower AUM results in lower management fees and underperformance results in lower performance fees.	Man Group's investment businesses each have clearly defined investment processes with integrated risk management, designed to target and deliver on the investment mandate of each product. We focus on hiring and retaining highly-skilled professionals who are incentivised to deliver alpha within the parameters of their mandate. Man Group's diversified range of products and strategies limits the risk to the business from underperformance of any particular strategy or market.	Overall performance in 2022 has been strong given the challenging markets and the geopolitical backdrop in 2022: trend-following strategies performed well on an absolute basis; long-only strategies carried a beta to falling markets, but generally outperformed their benchmarks; and equity and bond market falls led to poor absolute performance for our TargetRisk product range. In addition, USD strengthening led to a fall in AUM for non-USD funds or share classes. Although we had net inflows, the LDI crisis is an example of an unanticipated redemption headwind faced in 2022. A discussion of Man Group's investment performance is included on page 17.	▲
Key person risk	A key person to the business leaves or is unable to perform their role. Retention risk may increase in years of poor performance and the expectation of reduced compensation.	Business and investment processes are designed to minimise the impact of losing any key individuals. Diversification of strategies and the emphasis on technology and systematic strategies reduce the overall risk to Man Group. Succession plans and deferred compensation schemes are in place to support the retention of senior investment professionals and key management.	Man Group has continued to be able to attract and retain an array of talented individuals across the firm. We did not see any investor concerns or material outflows as a result of announced departures or changes in management structure in 2022, including the retirement of the Man Group President and subsequent Senior ExCo reorganisation.	▶

Credit risks

1 2 3 4

	Risk	Mitigants	Status and trend	Change
Counterparty	A counterparty with which the funds or Man Group have financial transactions, directly or indirectly, becomes distressed or defaults. Shareholders and investors in Man Group funds and products are exposed to credit risk of exchanges, prime brokers, custodians, sub-custodians, clearing houses and depository banks.	Man Group and its funds diversify exposures across a number of the strongest available financial counterparties, each of which is approved and regularly reviewed and challenged for creditworthiness by a firm-wide counterparty committee. The risk teams monitor credit metrics on the approved counterparties daily. This includes Credit Default Swap spreads and credit ratings.	There were no concerns arising in relation to our key counterparties in 2022. We finalised our migration away from a key prime broker linked to the collapse of Archegos in 2021. Our counterparty diversification model functioned as intended and we succeeded in moving material exposures to other key-relationship counterparties in a controlled manner.	

Liquidity risks

1 3 4

	Risk	Mitigants	Status and trend	Change
Corporate and fund	Volatile markets and reduced market liquidity can place additional, often short-term, demands on the balance sheet. Man Group is exposed to having insufficient liquidity resources to meet its obligations. Adverse market moves and volatility may sharply increase the demands on the liquid resources in Man Group's funds. Market stress and increased redemptions could result in the deterioration of fund liquidity and in the severest cases this could lead to the gating of funds.	A $500 million revolving credit facility provides Man Group with a robust liquidity backstop. Liquidity forecasting for Man Group and the UK/EEA sub-group, including downside cases, facilitates planning and informs decision-making. The investment risk team conducts regular liquidity tests on Man Group's funds. We endeavour to manage resources in such a way as to meet all plausible demands for fund redemptions according to contractual terms.	The balance sheet seeding programme and three share buybacks in 2022 were managed using the corporate liquidity forecast tool. The asset liquidity distribution across funds remained broadly unchanged. Our in-house liquidity analysis and reporting toolkit continued to evolve. The LME/Nickel short squeeze effectively closed the market for much of March but the impact on our funds was minimal. The Gilt/LDI crisis led to material redemption requests from our UK defined benefit pension clients – these were managed without any issues.	

Market risks

1 3 4

	Risk	Mitigants	Status and trend	Change
Investment book	Man Group uses capital to seed new funds to build our fund offering, expand product distribution and generate returns for shareholders. Man Group also holds Collateralised Loan Obligation (CLO) risk retention positions until the product maturity, and is currently participating in a US CLO Warehouse to facilitate a product launch. The firm is therefore exposed to a decline in value of the investment book.	A disciplined framework ensures that each request for seed capital is assessed based on its risk and return on capital. Approvals are granted by a Seed Investment Committee (SIC), which is comprised of senior management, Group Risk and Treasury. Investments are subject to risk limits, an exit strategy and are hedged to a benchmark where appropriate. The positions and hedges are monitored regularly by Group Risk and reviewed by the SIC.	The investment book grew over 2022 with 23 new seed positions. The pure seeding book returns were positive, with the benchmark hedges performing as intended in the volatile markets. However, these gains were offset by losses on the CLO and private markets positions. Repo and swap financing, used for some of the CLO and seed positions to release liquidity, became more costly with the rate rises. However, there were no problems encountered sourcing and rolling financing.	
Pension	Man Group underwrites the risks related to the UK defined benefit pension plan which closed to new members in 1999 and future accrual in 2011. The plan is healthy but is exposed to changes in net asset versus liability values.	The UK pension plan has a low net exposure to UK interest rates and RPI inflation though the use of LDI funds. The return-seeking assets are low volatility and have a low correlation to directional equity markets. Longevity is the largest remaining risk but is uncorrelated to Man Group's other risks.	In 2022 the scheme has increased its surplus on both an accounting and actuarial basis. The scheme managed the UK Gilts and LDI crisis in September/October without serious mishap. However, it was necessary to rapidly sell return-seeking assets to fund the LDI margin requirements.	

Risk management continued

Link to strategy
1 Innovative investment strategies
2 Strong client relationships
3 Efficient and effective operations
4 Returns to shareholders

Operational risks

1 3 4

	Risk	Mitigants	Status and trend	Change
Internal process failure	Risk of losses or harm resulting from inadequate or failed corporate or fund processes within Man Group.	Man Group's risk management framework and internal control systems are based on a three lines of defence model. Risks and controls are reassessed on an ongoing basis and in the event of material change, in order to determine the adequacy of the control environment.	Man Group remains focused on enhancing its systems and control processes where required and ensuring internal process failures are kept to a minimum. Man Group has not observed an increase in material internal risk events in 2022.	▶
External process failure	Man Group continues to outsource several functions as well as managing outsourcing arrangements on behalf of its funds. Risks arise through the supplier life cycle from sourcing and selection, to contracting and onboarding, to service delivery and monitoring and finally, to exit and offboarding. The most material risk is that the outsourced service providers do not perform as required, resulting in knock-on implications for our business and processes.	Man Group's operations team has implemented a robust methodology (including ongoing third-party due diligence and KPI monitoring) to confirm that outsourced service providers are delivering as required.	The firm's outsourcing remains intentionally concentrated with a small group of carefully selected and proven outsource providers with which it has well established and embedded working relationships. There has been no notable increase or decrease in the number of issues caused by, or experienced by, our outsource providers during 2022 and there have been no material losses or other impacts.	▶
Model and Data Integrity	Man Group is a technology-empowered active investment management firm which continues to make use of advanced quantitative trading strategies that necessitate a robust approach to data acquisition and consumption, model implementation and execution. Key risks include model/algorithm failures or issues with data upon which decisions are made.	Man Group has embedded systems, controls and operational change control processes for models and data. Controls are both preventative and detective to minimise the potential consequences from such an event arising.	Man Group continues to source and provision new investment data sources and data analytics, but has not observed an increase in material internal risk events in 2022.	▶
Information and cybercrime security	Risk of losses or harm resulting from the loss of information in electronic or hard copy form held by Man and arising as a result of sabotage, hacking, virus attack or other malicious disruption causing system failure.	Man Group has an established information security and cyber security programme with relevant policies and procedures, that are aligned with industry expectations and best practices. Man Group's Chief Information Security Officer, together with the Information Security Steering Committee, ensures that our control environment is continuously reviewed and adjusted to keep pace with the regulatory, legislative and cyber threat landscapes.	Man Group continues to improve its defence using state-of-the-art technologies, enabling us to detect and prevent malicious activities and complex cyber-attacks. We have not observed any increase in material issues following the escalation of regional conflicts and tensions seen in 2022, but our assessment is that activity is likely to increase in 2023.	▲
Information technology and business continuity	Risk of losses or harm incurred by IT software and hardware failures resulting in system downtime, severely degraded performance or limited system functionality. Business continuity risks may arise from incidents such as a denial of access to a key site or a data centre outage, which could lead to business disruption.	Technology plays a fundamental role in delivering our objectives, so the IT functions work closely with each business unit to ensure work is correctly prioritised and financed. The prioritisation process considers the life cycle of both hardware and software to ensure both are adequately supported and sized. The firm's operational processes include mature risk, incident and problem management procedures to minimise the likelihood and impact of technology failures. Business continuity risk mitigation includes detailed planning and testing of remote access and contingency/recovery operations, and ongoing risk and threat assessments.	Man Group has an ongoing focus on improving our technology offering, capability and security. Particular focus and investment have been on hardware and software enhancements to core technology and data centres, and the enrichment of the trading and operations platform. Progress in centralisation of order management technology for the firm also continues apace. Remote and agile working has continued to operate reliably and securely enabling efficient flexible working arrangements for most staff, without any notable change in the volume or materiality of issues arising through 2022.	▶

Operational risks continued

1 3 4

	Risk	Mitigants	Status and trend	Change
Criminal activities	Risk of losses or harm through wrongful, unauthorised activities or criminal deception intended to result in financial or personal gain, or incurred through failure to comply (or have adequate procedures to comply with) laws and regulations relating to: anti-money laundering, counter-terrorist financing, anti-bribery and corruption, breach of economic sanctions, insider trading and market abuse.	Man Group operates policies and procedures that comply with applicable laws and regulations, and provides periodic training to staff. Internal policies, processes and controls are subject to internal review in order to ensure we remain well placed to manage evolving requirements, with support, independent oversight and challenge also being provided by Man Group's Compliance and Financial Crime Teams.	Man Group has enhanced several surveillance tools to strengthen the control environment and has adapted to the changes in the regulatory environment around aspects of financial crime which are constantly evolving with heightened sanctions and enforcement actions. No material incidents were seen in 2022, including complying with all sanctions relating to the Russian invasion of Ukraine.	▶
Legal, compliance and regulatory	The breadth and complexity of the regulations that Man Group and its funds are subject to across multiple jurisdictions represent significant operational risks should the firm fail to comply with them. Man Group supports proportionate and thoughtful regulation and initiatives that develop the regulatory environment. However, regulatory change can also result in increased operational complexity and costs to Man Group or the sectors or markets in which it operates. Failure to comply with these laws and regulations may put Man Group at risk of fines, lawsuits or reputational damage.	Man Group operates a global legal and compliance framework which underpins all aspects of its business and is resourced by experienced teams. These teams are physically located in Man Group's key jurisdictions, helping them to understand the context and impact of any requirements. Emphasis is placed on proactively analysing new legal and regulatory developments and communications to assess likely impacts and mitigate risks. Man Group continues to liaise directly and indirectly with competent authorities e.g. FCA, SEC, FINMA, CBI.	Man Group continues to experience new regulatory requirements. In 2022 this included implementation of requirements of the FCA's IFPR in relation to regulatory capital and liquidity (including the ICARA), governance and remuneration regime and to the (UK Funds) Assessment of Value. Man Group maintained an open dialogue with regulators throughout 2022 and work continues on a number of regulatory initiatives including the FCA's Consumer Duty requirements.	▲

Reputational risks

1 2 3 4

	Risk	Mitigants	Status and trend	Change
Negative publicity	The risk that an incident or negative publicity undermines our reputation as a leading investment manager and place to work. Reputational damage could result in significant redemptions from our funds, and could lead to difficulties with external financing, credit ratings and relations with core counterparties and outsourcing providers.	Our reputation is dependent on our operational and fund performance and the conduct of our employees. Our governance and control structure mitigates operational concerns, and our attention to people and investment processes are designed to comply with accepted standards of investment management practice. We encourage a culture of openness, inclusion and diversity.	Man Group enjoys a good reputation and work continues to build Man Group's profile and protect its reputation across stakeholder groups.	▶

Emerging risks

1 2 3 4

	Risk	Mitigants	Status and trend	Change
Potential future threats	Emerging risks are complementary to the current principal risks and represent potential future threats to Man Group's performance, development or viability. The emerging risk categories include natural disasters, pandemics, disruption to financial markets and business infrastructure, geopolitical risk and changes in the competitive landscape.	The Board, Executive Committees and Group Risk monitor emerging risks, trends and changes in the likelihood or impact following discussions with subject matter experts. This assessment informs the universe of principal risks managed and mitigated by the firm.	The principal and emerging risks were reviewed and discussed by the Board in late 2022. The key themes were geopolitics (Russia, China, the US and the UK) and the fragile state of financial markets (volatility, leverage and insufficient margin). No changes were made to Man Group's headline principal risks.	▲

Risk management continued

Link to strategy		
	1 Innovative investment strategies	3 Efficient and effective operations
	2 Strong client relationships	4 Returns to shareholders

Climate change risks

1 2 3 4

	Risk	Mitigants	Status and trend	Change
Physical risks	Physical risks of business disruption, property damage or to employee well-being due to a severe weather event.	Man Group has a small number of employees, a relatively limited physical footprint and can operate completely remotely.	The firm will continue to monitor and manage its risks through business-as-usual reporting and management processes for the relevant principal risk (see below).	▶
Transition risks	Transition risks as the world moves towards a low-carbon economy can be legal, regulatory, technological, market or reputational. This may impact the appetite for and performance of some investment products.	Man Group has an agile business model, so is well equipped to adjust to medium-term transition risks and also capture any opportunities. With a strong track record for innovation, the firm continues to focus on providing investors with products that incorporate ESG analytics.	Work continues on Man Group's commitment to being a net zero carbon workplace by 2030, including setting emissions targets, carbon budgeting and enhanced emissions disclosures. We are a signatory of the Net Zero Asset Managers initiative, with a commitment to having net zero carbon investment portfolios by 2050. In 2022 we set interim targets for our management of assets.	▲
Link to our other principal risks	Investment performance is exposed to market disruption or volatility triggered by severe weather events. Performance could also be impacted by fundamental moves in underlying asset prices or liquidity as the world transitions to a low-carbon economy. Business continuity risk manifests as damage or disruption to Man Group's offices and data centres and the transportation and supply systems that support them. In particular our London headquarters may be exposed to flooding of the River Thames. Legal and reputation risk currently comes from any suggestion of greenwashing if the ESG credentials of a fund or our corporate behaviour does not meet client or regulatory expectations. This could lead to redemptions and regulatory fines as well as damaging relations with core clients, employees and the wider public.	Man Group's diversified range of products and strategies limits the risk to any particular strategy or market. While the integrated portfolio and risk management processes help managers understand their risk profiles. Agile working is well established, and employees can work remotely if offices are inaccessible. We conduct detailed planning for emerging scenarios along with testing of remote access and contingency/recovery operations. Man Group has specific policies and greenwashing controls which continue to evolve and are subject to robust review. We take a relatively low key and considered approach in our external communications with a focus on education and data as well as highlighting the challenges inherent in this area.	In 2022 we expanded our proprietary ESG analytics toolkit and launches included AHL TargetClimate, with a multi-asset focus on the transition to a low-carbon economy, and a real estate strategy building net zero energy single-family rental homes. We now have 32 Article 8 and 9 products representing 3.4% of AUM, an increase from 2.6% in 2021 Our operations and ability to work effectively was not materially impacted by the summer heatwaves across Europe, with the majority of employees working remotely. Investigations and fines announced against other financial services companies in 2022 highlight the increasing focus by global regulators and the media on overstated ESG claims.	▲

Man Group climate change risk management and strategy

Man Group recognises the urgent challenge presented by climate change, and our corporate responsibilities and ability to effect positive change through our own behaviour, responsible investment principles and fund offerings.

The firm has articulated its climate change risks using existing risk identification processes: from the bottom-up the Risk and Control Self-Assessment (RCSA) has identified short-term risks, while the top-down emerging risks assessment identifies medium- and long-term risks. Both of these processes assess risks in terms of impact (such as business continuity, financial, regulatory or reputational) and likelihood (or time frame over which it may manifest). By using the same risk assessment framework we are able to calibrate the relative significance of climate-related risks against our other principal risks.

For short-term risks there are associated controls and/or actions that help manage/mitigate them. Climate change risks are captured in Man Group's risk governance and reporting framework as a standalone risk but also within the associated risk category such as investment performance or business continuity. The risk governance framework is owned by the Board and implemented by the senior management of Man Group, and it is at this level that strategic decisions are made to avoid, mitigate, transfer or accept risks, including those related to climate change.

The impact of climate change on the downside scenarios within our three-year business planning horizon has been considered – currently none of Man Group's plausible material downside scenarios, within this time period, are materially driven by specific adverse impacts of climate change.

We consider 'material' risks or downside scenarios as being above a threshold of importance to our investors, shareholders and other stakeholders such that they should be publicly reported. This threshold will evolve over time and our senior management and internal committees will continue to reassess our risk profile in this context.

The key short-term risk (one to five-year time horizon) and strategic opportunity for Man Group relates to meeting and exceeding client expectations for inclusion of meaningful climate-related analysis into our investment strategies. Failure, or taking too long, to deliver genuinely suitable investment products could lead to outflows or reduced inflows over time. 35% of Man Group AUM integrates ESG analytics into the investment process, and we now offer 32 Article 8 and 9 products representing 3.4% of AUM. A related reputational risk comes from any suggestion of greenwashing if the ESG credentials of a fund or Man Group's corporate commitments do not meet client, regulatory, media or wider public expectations.

In the medium term (five to ten-year time horizon), the key risks to Man Group are from market disruption or volatility triggered by weather events and disruption to transport and working arrangements. These could lead to increased costs (e.g. procurement, insurance or taxes) and restrictions on business practices such as international travel to meet clients. Some of these are already being mitigated through ongoing investment in collaboration technology and flexible working, others can be addressed through agile working practices and having a more local presence. Thoughtful new regulatory requirements will be an important tool in helping companies to consistently effect genuinely positive change – we will closely monitor emerging requirements and have been, and will seek to be early adopters of new regulations.

As the world transitions towards a low-carbon economy (in line with the consensus path to a 1.5°C or 2°C scenario) fund performance could be impacted by fundamental moves in underlying asset prices or liquidity. The firm has invested in a proprietary ESG analytics tool to facilitate analysis of the underlying exposures through an ESG lens.

Longer-term (ten to 30-year time horizon) physical risks include major business or market disruption following severe weather events and long-term impacts on employee health and well-being. For example, the corporate headquarters in London could be impacted by a failure of River Thames flood defences. Such events, or even a heightened risk, could cause the firm's key business locations to become less relevant. This is mitigated through long-range monitoring and our small physical footprint helps to reduce our exposure.

We are committed to demonstrating responsible conduct and leadership to all of our stakeholders – clients, shareholders, business partners, employees and our local communities.

Our strategic initiatives relating to our direct environmental footprint are discussed on pages 46 to 63, including a commitment to be a net zero carbon workplace by 2030 (page 48) and achieve net zero carbon investment portfolios by 2050 (page 53). Our support of TCFD is outlined on page 64 and our stewardship role in relation to responsible investment is discussed on pages 58 to 60.

Viability statement

The directors of Man Group plc believe that there continues to be robust global demand for asset management firms, such as Man Group, to provide fund management services and make active investment decisions on behalf of their clients in order to manage their capital. Man Group's ability to deliver alpha and other value adding client solutions, backed by technology, efficiency and innovation, forms the basis of a sustainable business model.

A failure to deliver superior performance is the main risk to Man Group's ability to maintain adequate capital and liquidity, given the likely short term impact on client redemptions and longer term one on talent retention. This risk is mitigated through our diversified fund offering. The directors confirm that they have a reasonable expectation that Man Group will continue to operate and meet its liabilities, as they fall due, for the next three years to 31 December 2025. A three-year period is considered appropriate because it is consistent with Man Group's business planning and forecasting horizon.

In accordance with the UK Corporate Governance Code, the directors' assessment has been made with reference to Man Group's current position, the firm's strategy, the Board's risk appetite and Man Group's principal and emerging risks and how these are managed (described earlier in this section). The principal risks are linked to each of Man Group's strategic priorities. The strategy and associated principal risks form the basis of Man Group's medium-term plan. This covers a three-year period and includes downside scenario testing.

Man Group's medium-term plan is built by aggregating the expected business performance across the firm, and then stressing key business assumptions, including:

- fund inflows from new business versus redemptions;
- investment performance of the key strategies and the impact on management and performance fees;
- performance of the balance sheet investment positions;
- management fee margin pressures;
- business mix and costs, including compensation and investments in business development; and
- FX rates for non-USD AUM and costs.

Severe but plausible stress scenarios are applied using combinations of the above factors, such as:

- extreme underperformance and associated outflows across Man Group's product range or for a core investment product group as a result of a single market stress; or
- the impact of a major operational event that leads to irreparable reputational damage and outflows.

Although the directors and management have considered the impact of climate change, currently none of Man Group's plausible downside scenarios (within the three-year business planning horizon) are materially driven by specific adverse impacts as a result of climate change.

The medium-term plan assessment is augmented throughout the year by regular briefings at the ARCom on risk and controls, as well as dashboards across risk, compliance, finance and Internal Audit. The principal and emerging risks are considered within the Board's risk appetite framework.

Talent+ Solutions

Overview

A deep and diverse pool of talent is vital to our continued success. We are a people business, and our priority is to hire and develop world-class talent across the firm, from quants and technologists to portfolio managers, lawyers, accountants and salespeople, and to foster a diverse workforce to support innovation and collaboration. It is the breadth and depth of our talent and the cross-pollination of ideas and skills that enables us to deliver innovative and tailored portfolio solutions for our clients. By bringing together expertise from multiple technical and investment disciplines, we are better able to create customised solutions for our clients to help them navigate complex market environments.

1.4%
relative investment performance in 2022[1]

66%
of AUM in customised mandates

26
publications in peer-reviewed academic journals

1 For definition, see glossary.

Spotlight

Client-centric solutions

Investors are increasingly looking for customisable investment offerings and portfolio solutions to help them navigate today's complex market environment.

Our 250+ sales professionals globally bring an allocator's mindset to our largest clients to understand and solve their most complex investment problems. The diverse talent we have across the firm enables us to develop a range of innovative and customised investment solutions to create a powerful combined offering and deliver better outcomes for clients. We are able to deliver on this in a flexible, efficient and scalable way through our single operating platform, which is supported by our 600+ quants and technologists.

We see solutions as a key growth area within our industry and believe the breadth and strength of talent at Man Group is a key competitive advantage.

People and culture

A deep and diverse pool of talent

We seek to attract, develop and retain the best talent. Our culture is consciously inclusive and collaborative, which enables us to drive performance through diversity of thought and by combining our expertise in unique ways.

Our culture remains strong and distinct within our industry, enabling us to attract and retain talent, innovate, and serve our clients to deliver better outcomes for all our stakeholders.

We actively monitor employee engagement and retention to ensure we are holding ourselves to account to deliver on our key objectives. Our annual employee engagement survey, alongside our interactive employee engagement programme led by Man Group Board members, allows our people an opportunity to contribute to that directly. In 2022, we achieved an employee engagement score of 8.2 out of 10, and our voluntary attrition rate was low at 10.7%.

Our agile working model enables us to support well-being and productivity, as well as allowing us to access new pools of talent.

We remain committed to supporting the communities we operate within by sharing our time, expertise and resources.

Talent acquisition

We have grown our headcount by 17% in the last five years; hiring the best talent from around the world is fundamental to our business and we remain committed to doing so. This ambition led us to in-source our recruitment efforts globally at the start of 2022. Those interacting with the talent markets on our behalf have a strong grasp of our culture and are well placed to identify candidates who are likely to thrive at Man Group and support our ambition to continue to diversify our talent pipeline.

One of our priorities is to continue to build a junior talent pipeline via entry-level programmes, including Insights Days and Weeks, our apprentice programme, and our intern and graduate programmes. This year, as well as visiting individual schools and universities, we continued to work with #10000BlackInterns, GAIN (Girls Are INvestors), Generating Genius, IntoUniversity and SEO London. In New York, we have added a programme with Rock the Street, Wall Street and have begun to work with the UNCF Lighted Pathways Program.

Retention and progression

We have continued our investment in talent development as an intentional strategy to maintain our competitive edge. Our talent development strategy is a fully established, core part of our business. We believe we have the processes, technology, products and services to enable us to maximise the potential of our people. We seek to provide career development and performance support to staff at all levels and in 2022, 89% of employees voluntarily engaged in this support.

Our talent development efforts are guided by a globally-adopted talent review process, which seeks to assess the performance and potential of our employees. The data and insights from this process are part of our Senior Executive Committee's bi-annual talent and succession planning reviews. These reviews result in significant development activities to support the progression of talent and ensure we have a bench of future leaders ready to take on broader leadership roles.

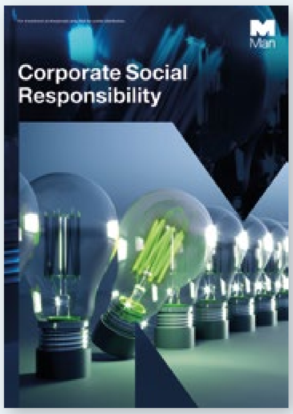
Nationalities
70+

Quants and technologists
600+

2nd most used language
Python

Discretionary investment professionals
120

+ DE&I report



+ CS brochure

Our Distinctive Leader Programme expanded in 2022 in support of these efforts. This connected approach allows us to facilitate internal moves and promotions. In 2022, more than 285 employees were internally mobile and notably we were able to absorb the retirement of Man Group's President internally, through realigning the responsibilities of our Senior Executive Committee.

Our remuneration strategy is an integral part of retaining talent and we aspire to be competitive in the markets in which we operate. Remuneration includes combinations of salary, annual performance bonus and deferred share and/or fund awards, alongside a range of non-cash benefits. Our deferral arrangements are a key mechanism for focusing our employees on long-term performance, aligning their interests with those of our clients and shareholders. During 2022, we once again offered our UK-based employees the opportunity to participate in the Man Group Sharesave Scheme at the maximum limit and discount allowed by HMRC.

+ See pages 104 to 127 for the Directors' Remuneration report.

Man Group's total headcount, including contractors and consultants, has increased from 1,523 at 31 December 2021 to 1,682 at 31 December 2022.

Supporting performance

We continue to invest in our in-house coaching capability to ensure that top performers have access to coaching support to maximise their performance. During 2022, in addition to supporting 89% of our employees through our various talent initiatives, 10% were supported by our Talent Coaches through structured coaching. In addition, we identified the opportunity to further our efforts in growing our own high performing investment talent and launched our inaugural 'Alpha Programme', supporting nine discretionary analysts as they navigate the transition to portfolio management responsibilities through exploration of risk preferences, decision-making styles, their ability to manage cognitive and behavioural biases, and the physiology and psychology of performance under pressure.

> I don't take for granted the trust and vulnerability shared by our leaders within coaching sessions. I am always impressed by their willingness to dive into our ever-evolving leadership development portfolio. It's personally fulfilling to see our leaders continuously progress and the ripple effects of this driving performance for clients and shareholders.

Brindha Sriganathan | Talent Coach

+ Supporting investment talent

James Houlden

Portfolio Manager, Man GLG

Q: How has Man Group supported your development and how has this impacted your performance as an investor?

A: Man Group has given me the opportunity to access a wide range of support over the past five years as I have transitioned from an analyst to a portfolio manager at the firm. They have provided both internal and external resources to improve my technical and analytical skills, helped me focus on the psychology of the role and provided one-to-one coaching. Most recently, I took part in the Alpha Program – a six-month course led by a high-performance coach to learn about behavioural science, decision-making, and the psychology and physiology of investing. At this stage of my career, I am focused on continual improvement as an investor and it's great to work in an environment that supports that journey. I am also glad to be able to pay it forward and mentor junior analysts as they enter the business.

Q: How has agile working impacted your performance and productivity?

A: Like many others across the business, our team took advantage of agile working to reassess our workflow from first principles and think about what we do and where we do it best. One thing that became clear was that tasks like researching a company or building a model are best done without distraction, so naturally lend themselves well to working from home, while collaborative projects or discussions with other investment teams tend to be more productive when done from the office. We have found a good balance of working from home and working from the office that first and foremost improves productivity and provides well-being benefits as well.

People and culture continued

+ Diversifying our processes

Greg Bond

CEO, Man Numeric

Q: Why is diversity important in the Man Numeric investment process?

A: We hire smart and knowledgeable experts. The difficult part is how to harness a group of talented individuals into a well-functioning organisation that produces innovative content on a sustained basis for our investment strategies. Diversity of thought is central to the development of new ideas at Man Numeric. But diversity of opinion is just as important. We don't want the loudest or most senior person in the room to dominate our decision-making; inclusion is vital.

Q: How have you approached this?

A: Hoping to lessen the barriers to the free expression of opinions, we introduced the concept of an 'Expert Panel' in 2022, where we allow our most experienced researchers, portfolio managers, technologists and risk managers to provide anonymous feedback on proposed changes to our models and portfolios. Each person's feedback, a simple yes or no with an associated rationale, is recirculated without attribution to the Panel. Individuals may change their initial vote upon reading the broader set of opinions, and the people who proposed the original idea may use the feedback to improve their original proposal. The most interesting, useful comments are those that differ widely from the rest of the group. Our Investment Committee uses the collective feedback as input into our evaluation of the proposals. Over time, with data from multiple Panels, we hope to systematically evaluate and improve our collective decision-making and ultimately increase our rate of innovation.

Collaboration

Our culture of collaboration helps us to understand and find better answers to complex problems. We pride ourselves on our willingness and ability to learn from each other every day. The <develop> programme, aiming to close the digital skills gap, has taught 189 employees to code in Python (257 employees have graduated from at least one of the eight technical skills courses offered), since its inception. Our investment insights series has shared the unique perspectives and philosophies of our best discretionary investors with other investment professionals. Evolve, our internally-led introduction to hedge funds, has supported 47 employees from sales and infrastructure areas to increase their knowledge of the business they operate in and the services we provide, enabling them to use their existing technical expertise in a more applied way. In addition, at any one time, roughly a third of our workforce is actively engaged in mentoring.

We are proud of our efforts to take collaboration out of the classroom and make it an embedded part of our work practices. A recent innovation has been the revision of the Man Numeric Investment Committee process, which demonstrates how collaborative decision-making can yield better results.

Diversity, equity and inclusion

Our 'Drive' programme is run by our employees and sponsored by our senior management team. It gives voice to our initiatives both internally and externally, enabling us to help drive change in the industry to attract talent, and champions our zero-tolerance approach to discrimination of any kind. Drive is coordinated by our DE&I Steering Committee, which ensures representation of staff from our offices across the world. Our Drive umbrella includes the following active staff networks:

- BEAM (our network for Black Employees and Allies at Man).
- FAM (our network for Families at Man, of all shapes and sizes).
- PRIDE@Man (our network for the LGBT+ community and allies).
- WAM Network (Women at Man, our network promoting gender balance at Man Group).

During 2022, we have launched a new network: SANAM (South Asian Network at Man) and two new workstreams, Amigos de Man (for our Latin and Hispanic community) and Veterans at Man. The workstreams join our existing initiatives focused on NextGen, Social Mobility, Neurodiversity and Disability.

Inspiring the next generation

We continue to visit schools and universities to talk about careers in asset management and financial services more broadly, and several of our senior staff are members of Speakers4Schools. We have held mentoring circles with teachers and coordinated two programmes focused on trading and the 'art of selling' as well as welcoming groups from the schools to our offices. We also visit schools and universities as part of our work with GAIN and were delighted to host their first ever in-person networking evening for their 2022 interns. In the same vein, we also hosted a networking event for the Women's Societies Alliance, a group of women's societies from universities in the UK and Europe. We again appeared at the 'Skills Workshop' run by #TalkAboutBlack, broadcast across universities to highlight internships and graduate programmes at Man Group.

We continue to partner with the King's Maths School – a specialist state-funded school for gifted mathematicians, and to work with #10000BlackInterns, SEO London, City Gateway and other organisations to ensure we encourage a broad pipeline of talent to Man Group and the wider industry.

Championing equity and equality

Man Group is committed to providing equal employment opportunities, and discrimination on the grounds of age, disability, gender, gender identity, race, religion, sexual orientation or educational background is not tolerated. Full and fair consideration is given to all employment applications, encouraging candidates to tell us where they need reasonable adjustments to the process, perhaps due to disability or neurodiversity.

Man Group supports the requirement for employers in the UK to calculate and publish their gender pay gap, and we have again published our figures within our annual Diversity, Equity and Inclusion report. The data still demonstrates the lower representation of females in investment management and senior roles, but we are committed to addressing this and continue to make significant efforts to do so. We have maintained gender parity on our Board of Directors since 2020 and continue to have a female Chair of both the Audit and Risk Committee and the Remuneration Committee. Having signed up to the Women in Finance Charter in 2018, we achieved our target of 25% female representation in senior management during 2020 and, although we had a very small percentage decrease in 2022 to 26% (2021: 27%), we are progressing towards our target of 30% by the end of 2024.

We also reached 30% of women on our Executive Committee in 2022 and continue to focus on coaching and mentoring our high performing female talent at all levels, and particularly those on the pathway to senior management. The number of women in senior management roles is one of our non-financial KPIs, and forms part of our Executive Directors' remuneration. Further information on this can be found on page 123.

While we do not see a gender pay gap across similar roles, we continue to take action to foster better gender diversity. During 2022 we were delighted to join the Pathway Programme set up by the Diversity Project to increase the number of female investment managers and to have been invited to help design part of the content for the programme. We continue our partnership with Women Returners to support those returning to work following a career break. We were pleased to have our work recognised when Man Group was awarded Highly Commended in the category of 'Contribution to Gender Diversity and Inclusion within the Investment Industry', at Investment Week's Women in Investment Awards.

More information about Man Group's commitment to DE&I can be found in the Diversity, Equity and Inclusion report and our Corporate Sustainability brochure.

	Female	Male
Board	50%	50%
Senior Managers	26%	74%
Staff	30%	70%

■ Female ■ Male

1 Based on 1,655 FTEs and 205 senior managers.

Intersectionality and allyship

During 2022, we focused on intersectionality and our networks and workstreams came together to hold our second 'Allyship Week'. We hosted events focused on acting as allies to the refugee community; highlighting the #WeAre campaign led by the Diversity Project to destigmatise the perception of disability by putting faces to lived experiences; and continuing our campaign to show how knowing our people and the analysis of diversity data can contribute to our culture of allyship and support. The week ended with each of our Senior Executive Committee telling our people what allyship means to them. Our networks and workstreams then joined together again to celebrate Global Inclusion Week, in September, to promote our work and resources and to champion the achievements of some of our volunteers.

The focus on allyship has been echoed in the firm coming together to listen to their colleagues talk about their experiences throughout the year. To mark Social Mobility Awareness Day in June we held a roundtable discussion featuring four of our people talking about their route into financial services. Our Families network held a Fertility workshop that was accompanied by testimonials from staff who have suffered baby loss and undergone fertility treatment; this in turn has informed the support we offer and the policies we have implemented. Following a peer mentoring circle, we have established a menopause support group, which again has led to changes in our support for those colleagues.

We have continued to work with the wider industry and continue in our partnerships with PurpleSpace, again celebrating International Day of Persons with Disabilities and joining #purplelightup; with Exceptional Individuals hosting webinars and manager masterclasses on the strands of neurodiversity; and we remain members of the Diversity Project, aligned to their various workstreams. We have launched a new partnership during 2022 with Barrington Hibbert Associates to focus on Black talent, as well as to work with Black Women in Asset Management, having again participated in their Leadership Accelerator programme and sponsored their inaugural conference. We were also delighted to host the first-ever in-person event for EnCircle, which coordinates peer mentoring circles for black talent in the financial services industry.

Following our work on social mobility with the Advisory Board of the taskforce set up by the City of London corporation, we have become a founding partner of Progress Together. We were delighted to be recognised in the top 75 of the Social Mobility Index in 2022 and to have been recognised with Highly Commended in the 'Championing Social Mobility' category at the FT Adviser Diversity Awards. We are committed to contributing to DE&I within the industry and to championing thought leadership and progress through our people's commitment and excellence.

+ Promoting social mobility

Michael Turner

CEO, Man Solutions

Q: Why have you chosen to take an incredibly active role in improving socio-economic diversity?

A: Socio-economic diversity is a particular issue in the UK financial services industry where research has shown that 64% of senior level positions are held by people who came from a professional services household. This is in stark contrast to the UK population at large where the figure is 37%. Employees from working class backgrounds measure lower on progression and inclusion factors, where they report being twice as likely to feel that their background has held them back at work or that they do not have the same chances of success in the workplace. While socio-economic diversity is often spoken about at entry levels, the progression to senior levels has not been tackled – there appears to be a systemic talent problem that narrows the opportunity for all.

Q: What role is Man Group playing to redress this balance?

A: In 2021, the UK government tasked the City of London to create a taskforce to boost socio-economic diversity in the Financial Services industry across the entire UK. I sat on the Advisory Board of the taskforce, which worked to create a membership body, Progress Together, which will create a safe space for members to share best practice on tackling the socio-economic diversity challenge at senior levels. I am delighted to say that Man Group became a founding partner of Progress Together and that I have been appointed a non-executive director of the body. Over the coming months and years, we intend to promote best practice, survey our members and the industry to study progress, and engage with our members to drive socio-economic diversity at senior levels in the financial services industry. This is a truly exciting initiative that I hope will make a real difference to our industry.

Q: What do you hope to achieve?

A: Our long-term aims are ambitious: 50% of the senior leaders across the financial and professional services sector to come from a working class or intermediate backgrounds by 2030. We don't expect all organisations to get there in this period, but we do believe we can get there as a collective industry.

People and culture continued

+ Rewarding long service

Amendeep Pannu-Purewal

Global Head of Operational Risk & Resilience

Q: How did you spend your Tenure Award Leave (TAL)?

A: I joined Man Group in April 2001 so have been at the firm for over 21 years. When employees reach 10 years of service with Man Group, they are awarded four weeks of paid leave, in addition to their holiday. I therefore had two sets of TAL to take! I decided to separate these and took four weeks in 2021 and then four weeks in 2022. In 2021, after a fairly intense period of managing Man Group's COVID-19 response, I really appreciated extra time at home that I could dedicate to my children. In the summer of 2022, my TAL allowed me to make a trip to Canada with my family. With the additional time we were able to have an extended break, which included a road trip adventure through the Canadian Rocky Mountains and a visit to the National Parks of Banff and Jasper. This was followed by a journey through British Columbia where we hiked, watched sunsets in Okanagan Valley, played volleyball on the beach and visited the city of Vancouver. The break was topped off with a big Punjabi wedding in Alberta. Honestly, the trip of a lifetime and an opportunity to reset, focus on well-being and return to work re-energised.

Q: How has the Tenure Award Leave contributed to Man Group's offerings?

A: The Tenure Award Leave rewards long service and recognises that our people benefit from the perspective and personal growth conferred by time spent out of the office. It is part of the firm's continued commitment to being an employer of choice and one that recognises the importance of health and well-being. I have also enjoyed hearing how others have spent their leave!

Agile working

Our Agile Working Framework, launched in 2021, has now been globally adopted. We have invested significantly in upgrading our office space in London and New York over the last two years; we have designed the office space to support the adoption of agile working, ensuring employees have access to technology, collaboration spaces and well-being facilities that support their productivity. We continue to adapt our workspaces as we observe behaviours from various teams. Our wellness suite provides fitness classes both in-person and virtually, mindfulness sessions continue in our campfire room, and we offer a full suite of virtual well-being offerings via our well-being app, Unmind. Employees are appreciative of the flexibility provided by agile working, citing their improved ability to manage their time, be involved in family commitments and more consciously consider the optimal work environment for different work activities. This has also had an additional benefit of hiring talent in new locations and has seen us open a shared workspace in Manchester and expand our recruitment efforts in Bulgaria.

Support in the moments that matter

We recognise that our employees have to manage more than just work, and sometimes life can take unexpected turns or certain life events need to take priority. We are fully committed to supporting our employees through these moments and have worked hard to ensure our benefits and well-being provisions are fit for 2022 and beyond. Our gender-neutral parental leave, our long tenure awards and the bespoke support we provide through fertility treatment and pregnancy loss are all examples of ensuring our employees know we are committed to their well-being beyond the workplace and work-life-balance. We continue our longstanding commitment to flexible working arrangements, which might include adjusted hours or part-time working, with no restrictions on the reasons for requesting these. During 2022, we achieved level 4 'excelling' in the City Mental Health Alliance's Thriving at Work assessment, evidencing our excellent provision for our people.

Number of parental leaves taken

85

Number of tenure award leaves taken

55

> We are committed to listening to our people and adapting our benefits and well-being offering to evolve in line with our people's needs. We continually challenge ourselves to improve, enabling our people to thrive and progress and be the very best that they can be.

Lucy Bond | Head of HR (UK & EEA)

Community investment

Embodying our key business principle of 'responsibility', our people take pride in contributing to their local communities and charities.

ManKind, our global employee volunteering programme, encourages each staff member to take two days' paid leave per annum to help in our communities. Staff may volunteer with a charity supported by the Man Group plc Charitable Trust (the Man Charitable Trust) or the Man US Charitable Foundation, with a registered charity of their choice or through ELBA (the East London Business Association), our volunteering sourcing partner helping us to connect with opportunities locally.

Many departments have chosen to volunteer together, taking a day away from the office to contribute to their community as a team. Our staff networks, such as Drive, have also been actively engaged. For example, our work with Breaking Barriers (a charity supporting refugees back into the workplace) brought together a group of our people to help with interview skills and training for refugee clients.

The staff in our Hong Kong SAR office have also dedicated significant time to volunteering in the year, working with the Teach Unlimited Foundation to provide educational and mentoring opportunities to local school students and they also came together with other firms in the region to clean up beaches as part of the 'Plastic Free Seas' initiative. The range of volunteering undertaken means employees globally participate in initiatives spanning virtual and in-person opportunities, at Man Group's offices and offsite in the community.

Established in 1978, the Man Charitable Trust supports a diverse range of charities in the UK, with a particular focus on improving education, and approved grants to the following charities during the year: Auditory Verbal UK, City Gateway, Discover Children's Story Centre, First Story, Greenhouse Sports, Hibiscus, MyBnk, NSPCC, Read Easy, RedSTART, Refugee Education UK, Starlight Children's Foundation, The Brilliant Club, The Switch, and XLP. The Man US Charitable Foundation, founded in 2019, also provides funding to US charitable organisations.

The year concluded with our annual festive fundraising, which included a global festive clothing day on 8 December with participation across all offices. Additionally, in the UK and the US, the Last Hour Appeal, offering staff the opportunity to donate the last hour (or more) of their salary for the year, was a success yet again. In the UK, these activities raised £20,103 for the Oliver Fisher Special Care Baby Trust – a charity voted for by UK staff. In the US, we raised $3,257 for the Jimmy Fund at Dana Farber Cancer Institute.

In December, the Trussell Trust also attended Man Group's offices to raise awareness of the unprecedented demands on food banks, and employees assisted in packing essential items donated by Man Group for distribution to food banks ahead of the Christmas period. Furthermore, every employee was offered the opportunity to expense a £500 (or local currency equivalent) donation to a local food bank or homelessness support charity.

UK employees at Man Group are also able to support charitable programmes via their Give As You Earn accounts, and 88 staff participated this year. The Man Charitable Trust also proudly matches independent fundraising by employees up to the value of £1,000.

Donations to a local food bank or homeless shelter offered to all our employees

£500

Employee volunteer hours in 2022

2,800+

> This was the first year that many charities were able to meet people in-person and host fundraising events again post-pandemic, which has made a palpable difference. I'm proud of what our charitable partners have achieved at a difficult time for the UK and society more broadly, and look forward to continuing our support in 2023.

Steven Desmyter | Chair, Man Charitable Trust

Sustainability+ Responsibility

Overview

We are committed to minimising our impact on the environment and on positively impacting society and the communities in which we operate. As an investor, we leverage our ESG expertise from across the firm to support the diverse investment objectives of our clients.

+ For more information on responsible investment, please visit: **www.man.com/responsible-investment**
+ For more information on corporate sustainability, please visit: **www.man.com/corporate-sustainability**

$50bn

of ESG-integrated AUM

10

proprietary quant and machine learning ESG tools

98%

of environmental shareholder resolutions supported in 2022

Spotlight
Net zero energy homes

As part of its single-family rental strategy in the US, Man GPM, Man Group's private markets investment business, is partnering with Bouwinvest Real Estate Investors, a specialist real estate investment manager, and ZF Friedrichshafen, a technology company, to build 1,000 net zero energy single-family rental homes across various US metropolitan areas over the next several years. To achieve net zero, we are constructing homes targeting a Home Energy Rating System (HERS) score of zero, whereby the renewable energy produced by rooftop solar panels is equal to the annual energy usage.

The inaugural project, in Charlotte, North Carolina, is set to be the first institutional build-to-rent community focused solely on net zero energy homes. This is just one example of how we aim to develop innovative responsible investment strategies across the firm.

Responsible business

Introduction

As an asset manager, we exist to support our clients in meeting their investment goals.

At Man Group, our core focus is to meet the needs of our clients by creating and preserving value for the many millions of individual savers and pensioners that they represent. This responsibility to deliver for our clients is at the heart of everything we do. The commitments that we detail in this section – to our people, to climate, to investing responsibly, to the stewardship of client assets, and to providing thought leadership and education – are all forged with the overarching goal of delivering excellence and performance for our clients and doing so in a responsible and sustainable way. We are steadfast in our commitment to progress in our responsible investing and corporate sustainability efforts in line with our clients.

In 2022, we enhanced our approach to responsible investing and furthered our understanding of what it means to be a sustainable global company. We launched a number of investment strategies dedicated to responsible investment (RI) and invested in our RI technological capability, expanding the suite of proprietary RI tools available to our investment teams.

During 2022, we reviewed and altered our targets such that they align with the latest guidance from the Science Based Targets initiative (SBTi), which aims to limit global temperature increases to a maximum of 1.5°C above pre-industrial levels. This requires a reduction to emissions across all categories by 46.2% from 2019 levels as well as maintaining carbon neutrality to be net zero by 2030. More details can be found on page 48.

After a strong 2021, 2022 was a more challenging market for environment, social and governance (ESG) investing. Despite the market headwinds, we continued to broaden our range of RI strategies and deepen our ESG knowledge, understanding, processes and risk management. Data continues to drive analysis and decision-making in corporate sustainability and in the generation of intelligence-driven RI solutions. We believe there is a clear case for 'quant ESG', and by leveraging thorough analysis, expertise and interrogating complex ESG data, we are able to successfully apply responsible investing across a range of long-only and alternative investment strategies.

Reflecting on our progress in RI, we have now successfully integrated ESG within $50.0 billion of our assets under management. This metric is a non-financial KPI (see page 21), and is one of the ESG-aligned metrics linked to executive remuneration (see page 123). To provide a consistent framework around Man Group's calculation of ESG-integrated AUM, we base our calculation on the Global Sustainable Investment Alliance's 'ESG Integration' sustainable investment category. Further details on our methodology for calculating ESG-integrated AUM can be found on pages 54 and 55.

Man Group is a signatory to the United Nations-supported Principles for Responsible Investment (PRI) and scored strongly in 2022 in the UN PRI reporting framework, outperforming in several areas.

Developing and researching innovative investment solutions which are compatible with supporting a transition to net zero is a key area of focus for Man Group. As a signatory of the Net Zero Asset Managers initiative, we are committed to the attainment of net zero emissions within our investment portfolios by 2050. In July 2022, the initiative approved our first set of interim targets around the percentage of our assets to be managed in line with net zero emissions, and an emissions reduction target on those assets.

> Deploying Man Group's deep experience in quant and data science to RI and corporate sustainability enables us to think about these issues in an intelligent and thoughtful way.
>
> **Robyn Grew** | Man Group President and Head of ESG

This year, we have again disclosed the greenhouse gas emissions (GHG) from our assets under management and the weighted average carbon intensity (WACI) for our key investment strategies. This can be found on pages 62 and 63 of this section. While our estimates reflect progress, the data continues to present a number of limitations: we remain committed to refining our analysis over time.

As a global business we are also committed to minimising our operational impact on the environment and to reducing global warming. Man Group has committed to achieve net zero carbon emissions in its workplaces by 2030. In 2022, we enhanced our level of disclosure for our global carbon operational emissions, including emissions relating to our employees' commutes, and their work from home arrangements. We are also proud, active signatories of the United Nations Global Compact, showing our support of the United Nations' (UN) ten principles on human rights, labour, the environment and anti-corruption. The UN's Sustainable Development Goals (SDGs) guide our ESG initiatives and ambitions, and more detail on our broad approach to Corporate Sustainability (CS) can be found in our CS brochure.

We are also a registered supporter of the Task Force on Climate-related Financial Disclosures (TCFD) and have included disclosures aligned to its recommendations in this report, providing transparency on our approach to managing climate-related risks and opportunities across our business. More information can be found on pages 64 to 66.

Strong UN PRI scores:

78%
(avg. 60%)
Investment & Stewardship Policy

86%
(avg. 65%)
Quant Listed Equity

69%
(avg. 50%)
Fixed Income SSA

50%
(avg. 21%)
Hedge Fund Multi-Strategy

Governance

Strong governance underpins our entire operation. Consistent with that, we have developed an overarching ESG governance framework to oversee and control all elements of our RI and CS mandates, with a focus on climate.

Man Group has a strong ESG governance framework to ensure that we have oversight and controls up to and including at Board-level, and that we have dedicated resources to both deliver on our ESG commitments and to ensure that any associated risks are properly mitigated.

The ESG Leadership team consists of Man Group's President who undertakes the role of Head of ESG (Robyn Grew), CIO for RI (Robert Furdak) and Global Head of Sales & Marketing (Steven Desmyter). The ESG Leadership team, in conjunction with Man Group's Board, sets the overarching ESG vision and strategy for the firm and seeks to embed RI and CS within Man Group's investment strategies and global operations. The team also advances ESG-related opportunities across the firm and promotes an internal culture that holds us to the highest standards of corporate social responsibility.

Five dedicated committees each have assigned responsibilities, established processes to identify, assess and monitor risks and opportunities, and regularly inform and report on ESG-related matters to senior management, the ESG Leadership team and the Man Group Board. In 2022, the committee structure was further enhanced by the introduction of two new sub-committees: the Adjudication Sub-Committee (which determines the ESG classification of underlying securities in the event of any uncertainty or disagreement) of the Responsible Investment Oversight Committee, and the RI Exclusions Sub-Committee (which designates sectors and companies that will be excluded from Man Group's RI investment strategies) of the Responsible Investment Committee.

Our ESG Centre of Expertise (RI team) is responsible for supporting all our RI activities. Led by Robert Furdak, this team drives the integration of ESG and engagement into the investment strategies across the firm and works with all our investment teams who are ultimately responsible for the integration of ESG into the strategies they manage.

The RI team also works to ensure that the firm stays up-to-date with new developments, opportunities, evolving regulations and risks in the sector. The RI team includes ESG thematic research specialists who provide insight into specific RI topics, strategy oversight, thought leadership, stewardship knowledge and sector expertise to support Man Group's investment teams, as well as ESG data specialists and dedicated ESG compliance experts.

Risk management framework

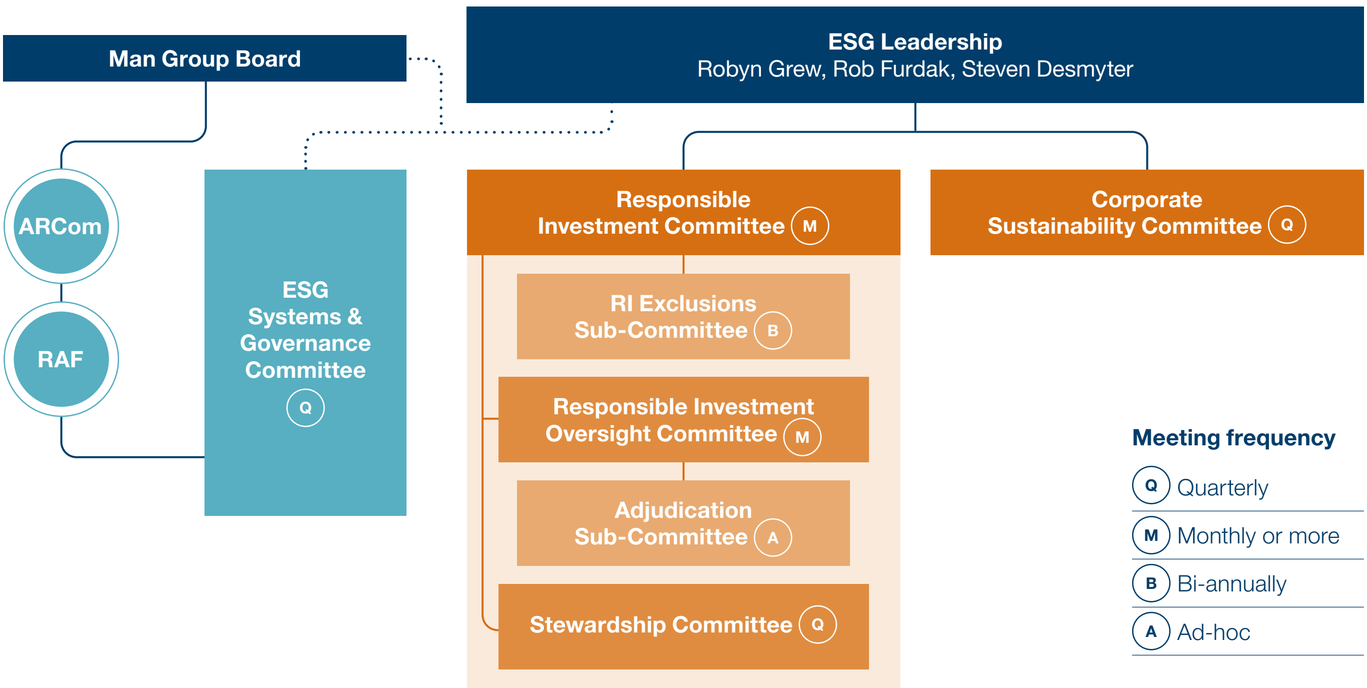
Strategic and/or operational ESG risks to our business, including climate change risks, are managed in the same way and with the same rigour as other business risks, and are covered by our firmwide risk management systems (see pages 34 and 35).

The firm's control environment manages risks in accordance with the statements made by the Board that reflect the Board's risk appetite to the organisation, covering risks as they apply to both investment teams and the firm itself. If there is a breach of risk appetite, risks will be resolved promptly in line with the firm's procedures and processes.

We dedicate significant time and resource to ensure we are abreast of regulatory changes, and we regularly engage with regulatory bodies. Responsible investing is a complex, evolving landscape and our dedicated committees comprising senior members of the firm, work to address the impact of changes in ESG regulation on our firm and our investment strategies.

Man Group has a public, firmwide Environmental Sustainability policy statement to account for our corporate environmental impact. This policy document outlines our commitment to minimise the environmental impact of our activities, through responsible use of natural resources, maximising energy efficiency, reducing greenhouse gas emissions, zero waste to landfill wherever possible, and minimising or recycling waste.

Organisational structure



Responsible business continued

Our operations

At Man Group, we seek to act responsibly and sustainably through our operations.

Carbon net zero commitment

Man Group has committed to achieve net zero carbon emissions across its operations by 2030. As such, in 2019 we set firm-wide targets in line with the Science Based Targets initiative to limit the global temperature increase to a maximum of 1.5°C[1] above pre-industrial levels.

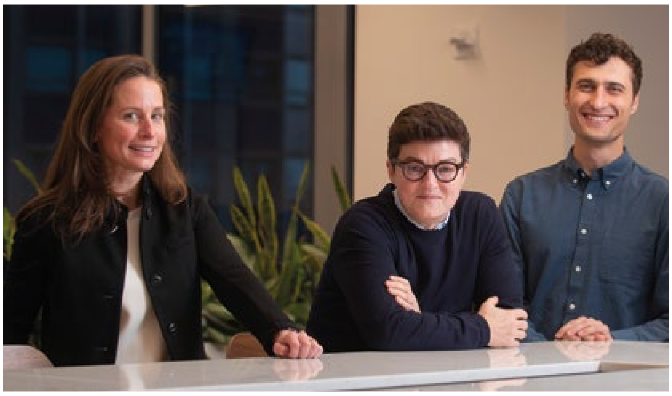
To reach net zero, we will reduce the carbon emissions included within our 'totals', which encompass:

- Scope 1 – Direct emissions from fuel e.g. gas, oil.
- Scope 2 – Indirect, market and location-based emissions from purchased electricity, heat, steam or cooling for our own use.
- Scope 3 – Upstream leased assets and business travel.

Where possible, we will also take action to estimate the emissions and reduce the consumption across all other indirect Scope 3 emissions categories.

Further to our emissions reduction activities, we maintain carbon neutrality across our core operations, defined as the market-based total on page 49, through the support of certified carbon removal projects. While we see this as a critical part of a successful energy transition, we acknowledge that carbon offsetting is only an interim measure, and that it does not remove the need to reduce our own emissions in the first instance.

Man Group is a registered supporter of the TCFD – we include metrics and targets for the firm in line with relevant asset management guidance.



1 We set firm-wide targets leveraging the Paris Agreement guidance, an international treaty on climate change adopted in December 2015. The goal of the agreement is to limit global warming to below 2°C, with a preference of 1.5°C, compared with pre-industrial levels, and to reach global GHG peak emissions in order to achieve a climate neutral world by 2050.

B

We increased our **CDP Climate Change** questionnaire score by two grades in 2022 showing our dedication to transparent disclosure, heightened awareness and active management of critical climate issues

Our strategic pathway to net zero

+ See **page 51** for an overview of how we are progressing against our short-term targets.

	2020	2022	2024	2026	2028	2030
All Scopes	Review targets at least biannually to ensure we stay abreast of the latest climate science					
Scope 1	Reduce natural gas and fuel emissions by 30%		Move to green gas supplies where available			
	Certify our London headquarters to ISO 14001 Environmental Management System standards		Upgrade equipment to ensure efficiency and reduce wastage			
Scope 2	Reduce global energy usage by 20% and reduce aggregate Scope 2 market-based and Scope 3 (upstream) leased assets market-based emissions by 50%		Upgrade equipment to ensure efficiency and reduce wastage			
Scope 3 – upstream leased assets			Increase the adoption of 100% renewable (certified) supplies by 25%		Non-renewable energy to supply <10% of operations	Non-renewable energy to supply <5% of operations
	Improve the efficiency of our data centres					
	Continue to prioritise environmental credentials in the selection of new leased assets					
Scope 3 – business travel	Set departmental carbon travel budgets aligned to our SBTi-aligned net zero strategy					
	Further deploy remote working tools to reduce the need for business travel					
Scope 3 – other	Join the Net Zero Asset Managers initiative, setting interim portfolio decarbonisation targets for 2030 across our investments		Prioritise carbon net zero strategies when refurbishing or relocating offices			
	Include environmental expectations within our Supplier Code of Conduct					
	Adopt agile working strategies to reduce the need for commuting and overall office space					

We review our targets regularly to remain aligned with the Science Based Targets initiative methodology in limiting the global temperature increase to a maximum of 1.5°C from pre-industrial revolution temperatures.

Our baseline year is 2019, with subsequent targets measured relative to these baseline emissions. Our total market-based emissions dropped by 70% in 2020, by 72% in 2021 and by 18% in 2022 from our baseline.

Our offices

Given the nature of our business, a large part of the direct environmental impact of our operations stems from our real estate footprint; therefore, minimising our environmental impact is a core component of our real estate strategy. In 2022, we occupied four buildings certified by LEED (Leadership in Energy Efficiency and Design), one by BREEAM (Building Research Establishment Environmental Assessment Method) and one by NABERS (National Australian Built Environment Rating System), accounting for 87% of our global headcount. Riverbank House in London, Man Group's largest office, is rated 'Excellent' by BREEAM. Following the implementation of audit recommendations such as energy-saving LED lighting, plant equipment upgrades and photovoltaic (PV) cells for solar power generation, we are proud that our Energy Performance Certificate (EPC) rating in our London headquarters has improved this year from a 'C' to a 'B'.

In 2022, we relocated our New York office ensuring that the build-out would be accredited as LEED Gold. As part of the project we used North American suppliers, where possible, to minimise our carbon footprint.

We aim to procure 100% renewable energy in jurisdictions in which we have operational control, where such supplies are available. This currently equates to the usage of 100% renewable energy across 74% of our operations (based on headcount). We operate a zero waste to landfill policy in all jurisdictions where possible, equating to 69% of our operations (based on headcount).

Our systems

We strive to deliver clear and transparent reporting that monitors the measurable carbon emissions within our control. We monitor and track our environmental impacts using specialist software and actively engage with an energy services consultancy to help us to mitigate risk, maximise opportunities and reduce our carbon footprint.

All Man Group staff complete a training module outlining Man Group's environmental policy and objectives; we also run environmental awareness campaigns as well as lunchtime seminars on critical ESG topics to help ensure that we maintain and build our culture of responsibility across the business.

The carbon emissions calculations disclosed in this report are carried out according to our public Environmental Reporting and Methodology Guidelines document[2], which are subject to internal checks and controls. To provide our management and stakeholders with full confidence over our processes and definitions, we have engaged KPMG with an independent limited assurance opinion over our corporate Scope 1, Scope 2 and Scope 3 (upstream leased assets and business travel) emissions, in accordance with ISAE (UK) 3000 and ISAE 3410, and as accepted by the Carbon Disclosure Project (CDP). The limited assurance report is available online[3], and we recommend that it is read in full.

Emissions from operations

Our mandatory global annual greenhouse gas emissions and energy use reporting is detailed here pursuant to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended by the UK, the Companies Act 2006 (Strategic report and Directors' report) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

We include the emissions under the categories of Scope 1, Scope 2, Scope 3 (upstream leased assets and business travel) within our total emissions split by our UK and rest-of-world (ROW) footprints. It is this total that in turn relates to our non-financial KPI (see page 21) and our executive remuneration (see page 123).

Our total emissions in 2022 have increased predominantly owing to a significant increase in business travel from 2021, when the impact of COVID-19 continued to effect our ability to travel. Our annual energy consumption, measured in kWh, which encompasses Scopes 2 and 3 (upstream) leased assets irrespective of source (renewable or non-renewable), has reduced by 19%.

Our Scope 1 emissions increased by 30%, owing to unplanned consumption of gas during unforeseen mechanical issues in our London headquarters; controls have been put in place to avoid similar issues in the future. Outside of these unexpected events, our Scope 1 consumption continues to track downwards in line with our targets.

Emissions from our Scope 3 upstream location-based leased assets have decreased by 10% from 2021, owing to improvements in the efficiency of our data centres. Market-based emissions stemming from upstream leased assets have increased by 12%, owing to increased occupancy at locations where we have not yet managed to secure renewable energy.

Greenhouse gas emissions and energy use

	2022			2021		
tCO_2e, unless otherwise stated	**UK**	**Non-UK**	**Total**	UK	Non-UK	Total
Scope 1	**826**	**6**	**832***	640	1	641*
Scope 2 location-based	**803**	**8**	**811***	1,198	5	1,203*
Scope 2 market-based	**–**	**–**	**–***	–	0	0*
Scope 3 (upstream) leased assets, location-based	**717**	**469**	**1,186***	918	394	1,312*
Scope 3 (upstream) leased assets, market-based	**0**	**446**	**446***	3	394	397*
Scope 3 business travel	**1,714**	**1,357**	**3,071***	209	247	456*
Total (location-based)	**4,060**	**1,840**	**5,900***	**2,965**	**647**	**3,612***
Total (market-based)	**2,540**	**1,809**	**4,349***	**852**	**642**	**1,494***
Energy consumption (kWh, '000s)	**7,863**	**1,448**	**9,311**	9.973	1.514	11,487

* These items are included in the scope of our 2022[3] and 2021 limited assurance reports[4].

2 www.man.com/environmental-guidelines.

3 www.man.com/kpmg-carbon.

4 www.man.com/kpmg-carbon-2021.

Responsible business continued

Our operations continued

The reduced impact of COVID-19 on global travel patterns has resulted in an increase in our emissions from business travel in comparison to 2021. However, emissions from travel remain 17% below pre-pandemic levels in 2019. We have now implemented a carbon travel budget at department-level, which is aligned to our SBTi-aligned net zero strategy in order to ensure that emissions from travel do not return to pre-pandemic levels.

Whilst emissions reduction activities remain our priority, we maintain carbon neutrality across all core operations captured under our market-based total through the support of certified carbon removal projects. For further details see page 51 of our 2021 Annual Report. We disclose our reporting emissions as an intensity metric, which also enables us to monitor emissions independently of changes in the scale of our activities. We think this is a particularly relevant metric as Man Group is a people-centric business and we expect that changes to headcount will naturally impact the real estate we occupy and the level of business travel in particular.

Intensity metrics

Intensity metrics (tCO_2e per FTE)	2022	2021
Total FTE	**1,558***	**1,426*[1]**
Scope 1	**0.54***	0.45*
Scope 2 location-based	**0.52***	0.84*
Scope 2 market-based	**–***	0.00*
Scope 3 (upstream) leased assets location-based	**0.76***	0.92*
Scope 3 (upstream) leased assets market-based	**0.28***	0.28*
Scope 3 business travel	**1.97***	0.32*
Total (location-based)	**3.79***	**2.53***
Total (market-based)	**2.79***	**1.05***

* These items are included in the scope of our 2022 and 2021 limited assurance reports and 2021 limited assurance reports.

1 For the purposes of our environmental reporting we have only included permanent or fixed-term contractors (we exclude consultants and third-parties).

We continue to expand the breadth of our Scope 3 emissions disclosures to include more categories for which we consider our emissions significant. In 2021, we included emissions data covering emissions from our corporate investments, downstream leased assets and waste and water. This year, we also include estimated emissions from our procurement activities as well as staff commuting patterns and their teleworking footprint. We leverage actual data, wherever possible, but for our teleworking and commuting estimates we have relied upon UK national averages (as 69% of our total workforce is UK-based) in line with the GHG Protocol 'average-data method' as a proxy for our global workforce; and for our procurement estimate we have leveraged supplier Scope 1 and Scope 2 data where available (which represents 38% of our total 2022 expenditure) in line with the GHG Protocol 'spend-based method' as a proxy for our total expenditure across goods, services and capital assets.

Further Scope 3 estimates

tCO_2e	2022	2021
Emissions from investments	**61,056**	52,545
Downstream leased assets, location-based	**111**	320
Downstream leased assets, market-based	**267**	202
Waste and water	**6**	5
Procurement activities	**1,222**	1,354
Teleworking and commuting	**2,860**	2,928

Methodology

Approach

We present a high-level overview of how we have calculated the carbon emissions figures disclosed on page 49. Full details of our emission calculation methodologies can be read within our Environmental Reporting and Methodology Guidelines, and details of the output of our third-party limited assurance exercise over the categories within our total can be read within our 2022 limited assurance report.

Throughout our disclosure we use the operational control approach to our greenhouse gas inventory and reporting boundary, excluding consultants, outsourced service providers and joint ventures. At all locations where Man Group is responsible for the utility costs, our Scope 1, 2 and 3 leased assets emissions data is gathered, validated and reported on using the GHG Protocol – A Corporate Reporting Standard as our framework.

We applied the latest UK Government's Greenhouse Gas Conversion Factors, the Department for Environment, Food and Rural Affairs (DEFRA) and IEA (International Energy Agency) emission factors. Based on the nature of our emissions and the consistency month-on-month, we believe this is an appropriate representation of Man Group's global annual emissions.

For the purpose of GHG reporting, we use a hierarchy of data sources that starts with actual invoice, metered or reported data sources. If these sources are not available, we consider using estimates, prior year or extrapolated data in a stepped process that considers seasonality to provide the most accurate results.

We define materiality as the magnitude of triviality for misstatement in our carbon emissions reporting. The materiality threshold we use is 5% of the total of each emission Scope, which was determined with consideration for the requirements of our readers and the practices of our peers. We will report corrections to emissions differences of more than 5% of the total of each emissions Scope, as well as differences below that threshold that, in our view, warrant restating to ensure transparency and accuracy of our emissions reporting and strategic pathway to net zero targets.

Scope 1 and 2

Emissions under the Scope 1 category include the direct emissions stemming from the combustion of gas and oil e.g. through the use of back-up generators during power failures and testing scenarios.

Scope 2 emissions encompass the indirect emissions stemming from purchased electricity. As the buildings over which we have operational control utilise 100% renewable energy, the emissions are considered location-based and our market-based emissions in this category are negligible.

Where locations were outside of our reporting boundary, for example the offices of third-party contractors, these emissions are not included within our GHG emissions disclosure.

Scope 3

We are committed to accounting for and minimising the carbon footprint of our entire business – our direct emissions, as well as upstream and downstream Scope 3 emissions as defined by the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Emissions stemming from business travel such as flights, rail, taxis and hotel stays have been ascertained through our third-party preferred travel partners. We include the emissions from combustible gases such as Nitrogen Oxide (NOx) and Sulphur Oxide (SOx) stemming from third-party ground transportation.

We disclose emissions relating to our Riverbank House sub-tenants under the downstream leased assets category. In some instances, the environmental improvements we make also impact the emissions of our sub-tenants. Environmental considerations are strategically built into all procurement and leasing negotiations across our global real estate, in order to reduce the environmental impact stemming from our global office operations over which we do not have operational control. These are reported under the upstream leased assets category.

Waste consumption from business activities, which includes paper/cardboard, residual waste/domestic-type waste, electronic scrap, cafeteria (food) waste, etc., is measured in tonnes and is converted into tCO_2e using UK Government GHG conversion factors.

Water for air conditioning, data centre cooling systems, kitchens/cafés, indoor plants, sanitary installations and external grounds/gardens is measured in cubic metres and is converted into tCO_2e using UK Government GHG conversion factors.

In 2021, for the first time, we disclosed the emissions stemming from our corporate investments under the ‘Emissions from investments’ category. In 2022, this disclosure encompasses 67% of our seed capital and 99% of our fund investments held for deferred compensation awards. This is calculated using the same methodology as the carbon disclosure of our assets under management, which leverages the TCFD recommendations, as described on page 62.

In line with GHG Protocol guidance, we have also estimated our carbon emissions related to staff commuting, working from home and procurement. In doing so, we have used the GHG Protocol ‘average-data method’, which, unlike for our other calculations, involves estimating emissions based on available data as a proxy for our total emissions. For commuting and teleworking emissions we use London data as a proxy for our global workforce. For procurement, we use available Scope 1 and Scope 2 data for a sub-set of our suppliers (representing 38% of total 2022 expenditure) as a proxy for our annual spend on goods, services and capital assets. Considering the assumptions inherent in the average-data method and the use of only a sub-set of data as a proxy, we acknowledge the limitations of these estimates. As advised by the GHG Protocol and the Carbon Disclosure Project, however, we choose to monitor and disclose estimated emissions across these categories in favour of non-disclosure.

Performance against targets

As part of our strategic pathway to Net Zero we set both short-term and longer-term emissions reduction targets in relation to our emissions in 2019, our baseline year.

During 2022, we reviewed and altered our targets such that they align with the latest guidance from the Science Based Targets initiative, which aims to limit global temperature increases to a maximum of 1.5°C above pre-industrial levels. This requires a reduction to emissions across all categories by 46.2% from 2019 levels to be net zero by 2030. Resetting our science-based targets represents a more appropriate and realistic target, in particular against the Scope 2 and 3 (upstream) market-based leased asset categories.

We strive to embed environment-related commitments throughout our organisation, and as such these targets feed into our two carbon-related non-financial KPIs (see page 21), both of which are linked to executive compensation, as well as the ESG-based KPIs linked to our revolving credit facility.

We exceeded our targets in 2020, in part due to COVID-19, and in 2021 we met all of our targets except for our combined Scope 2 and Scope 3 (upstream) market-based leased assets target. The table below shows that in 2022 we did not meet our Scope 1 target due to unforeseen mechanical issues with some of the chiller units at our London headquarters (the issues stemmed from the summer heatwave and resulted in f-gas leakage from the affected chiller units). Controls have been put in place to avoid similar mechanical issues in the future and our Scope 1 consumption otherwise continues to track downwards in line with our targets.

We have met our Scope 2 and Scope 3 (upstream) location-based targets. We have not met our Scope 2 and 3 (upstream) market-based target due to increased attendance at our global offices. This has led to a renewed focus in 2023 to transition more of our global offices to renewable energy where possible. In 2022, for example, our Sydney office switched to a carbon neutral ‘green’ energy plan and our Tokyo office will switch to green energy in mid 2023. We have not met our water consumption target owing to increased office attendance.

Short-term targets and actuals

	2019 Baseline	2022 Target	**2022 Result**	2023 Target
Scope 1: Reduce scope 1 natural gas and fuel emissions by 30%	1,136 tCO_2e	795 tCO_2e	**820 tCO_2e Not met**	772 tCO_2e
Scope 2 & 3 (upstream) leased assets location-based: Reduce global energy usage by 10% per year	4,253 tCO_2e	2,983 tCO_2e	**1,997 tCO_2e Met**	2,896 tCO_2e
Scope 2 & 3 (upstream) leased assets market-based: Reduce emissions by 50%	464 tCO_2e	232 tCO_2e	**447 tCO_2e Not met**	386 tCO_2e
Scope 3 water: Reduce baseline usage 2% per year	27,221m^3	25,620m^3	**26,807 m^3 Not met**	–

Responsible business continued

Investing responsibly

At Man Group, our goal is to meet the RI needs of our clients with solutions that make a difference. We call it Intelligent RI.

As an asset manager and investor, our overarching goal and responsibility is to maximise long-term, risk-adjusted investment returns for our clients.

We recognise that there is not one answer to responsible investing – each of our clients (from corporate pension plans to sovereign wealth funds), have different needs, and each is on their own ESG journey. Accordingly, we do not adhere to a 'one size fits all' approach across our investment businesses, and seek to leverage our broad skills and experience – ESG, data science, quant research, technology, investment – to deliver better outcomes for our clients. Our multifaceted approach allows us to see things differently.

Processing ESG data is a complex and nuanced exercise; it requires a data-driven approach to clean, analyse and gain insights from the multiple data sources available. With over 600 quants and technologists and more than 35 years of experience in quantitative investing, including years spent interrogating ESG datasets, we are in a prime position to leverage our skills to understand nuanced and non-standard ESG datasets. Our leadership in quantitative investing and cutting-edge technology allows us to create intelligence-driven RI solutions across long-only and alternative strategies.

Our culture of innovation means we are continuously exploring opportunities to improve our processes across our business. Our unique combination of quant expertise and extensive discretionary experience in the fundamental analysis of E, S and G issues allows us to integrate RI concepts across a range of asset classes and investment strategies we offer.

We continue to be thought leaders developing appropriate ways to apply RI in less explored areas such as futures and derivatives, commodities, private credit, non-listed equities and real estate investments. These initiatives enable us to add meaningfully to the development of RI, in particular on the quantitative side but in our discretionary strategies too. Our diversified range of alternative and long-only strategies seek to apply the best practices of RI in the way that is most relevant to their fields of research and we expect our investment engines to apply the norms and best practices of RI that are most appropriate for their strategy and asset class.

Firmwide, our commitment to RI spans three core areas – ESG integration, where we consider and apply ESG criteria in the investment decision-making process; stewardship, where we exercise meaningful stewardship and engagement across our holdings actively; and education and advocacy, where we participate in industry-wide initiatives to promote RI. Across these three spheres, we aim to lead the way in advancing the science behind responsible investing.

Stewardship

As stewards of our clients' capital, we actively and responsibly manage their assets in order to unlock long-term and sustained value.

+ See page 58

ESG Integration

We view ESG as a natural complement to traditional financial analysis resulting in a more comprehensive analysis of a company's long-term prospects.

+ See page 54

Education & Advocacy

We are committed to promoting and raising awareness of RI within the firm and more widely across the investment industry.

+ See page 61

The Net Zero Asset Managers initiative

We joined the Net Zero Asset Managers initiative in 2021 to build on our ESG efforts and progress.

The Net Zero Asset Managers initiative, launched in December 2020, is an international group of asset managers committed to support investing aligned with net zero emissions by 2050 or sooner.

Currently there are more than 300 signatories, who collectively manage more than $55 trillion in assets under management.

We joined the Net Zero Asset Managers initiative to raise our own standards of accountability for portfolio-born emissions, and to acknowledge the importance of managing climate risk for our clients, employees, stakeholders, and the environment.

Our commitment:

(a) Work in partnership with asset owner clients on decarbonisation goals, consistent with an ambition to reach net zero emissions by 2050 or sooner across all assets under management (AUM).

(b) We have set an interim target for the proportion of assets to be managed in line with the attainment of net zero emissions by 2050 or sooner. Specifically, ~41% of total Man Group assets to be managed in line with Net Zero initially (comprised of 100% of Man Numeric assets and 75% of Man GLG assets based on Man Group's AUM as at 31 March 2022). We disclose the WACI for a number of our key strategies on page 63.

(c) A portfolio decarbonisation reduction target on the aforementioned portion of AUM: 50% reduction in emissions intensity by 2030 (compared with a baseline weighted average carbon intensity as at 2019).

(d) Review our interim target at least every five years, with a view to ratcheting up the proportion of AUM covered until 100% of assets are included.

As data availability improves and guidance develops, we look forward to expanding the scope of asset classes included in our target, as well as the portion of our AUM that can be managed in line with Net Zero. We will also seek to expand the scope of target setting beyond decarbonisation (setting, for example, engagement targets).

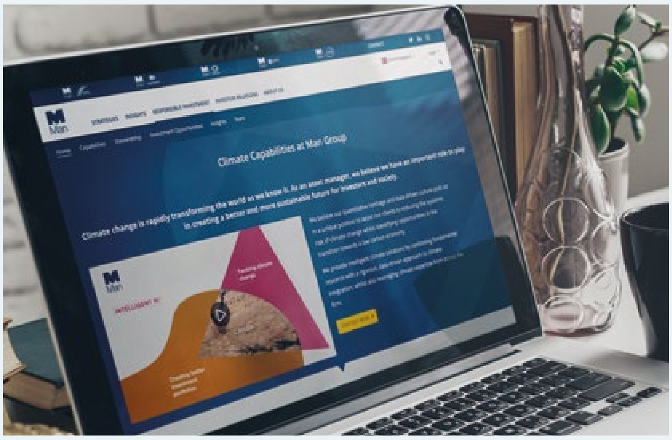
We will continue working with network partners and industry bodies, playing an active role in working groups to assess and develop methodologies for other asset classes. We will also continue to expand our climate capabilities across our investment engines and engage with portfolio companies to encourage them to adapt their business models, set forward-looking targets and disclose their emissions.

Examples of current work to reduce emissions:

Carbon budgeting
Ability to apply carbon constraints and Paris 2°C alignment to portfolios

Stewardship and engagement
To drive alignment at portfolio companies

Exclusions
Exclusions based on coal revenues, including customised options and Man Group's RI Exclusion List



+ Visit our website to find out more

Signatories to Net Zero Asset Managers initiative

>300

Portfolio decarbonisation reduction target by 2030

50%

> We will continue working with network partners and industry bodies, playing an active role in working groups to assess and develop methodologies for other asset classes.

Jess Henry | Senior RI Research Analyst

Responsible business continued

Investing responsibly continued

ESG integration

Man Group actively works to cultivate a diversity of approaches to identify, assess and integrate ESG-related risks and opportunities. Indeed, the breadth of Man Group's investment engines means that the firm represents a unique intersection of perspectives – quantitative, discretionary, macro, private markets and asset allocator – where competing expectations, approaches and applications of ESG are actively debated.

We believe that material risks can impact long-term value creation for the companies in which our funds and mandates invest. In this context, we seek to manage financially material ESG factors alongside all other relevant investment risks. We view ESG as a natural complement to traditional financial analysis resulting in a more comprehensive analysis of a company's long-term prospects.

In the past, the lack of a definition for ESG investing has meant that it was perceived more as a qualitative process than a true investment factor, and we believe that is changing. Throughout the industry we see diminishing returns for traditional factors, which drives the search for new, orthogonal factors; ESG may be one corner where decision-useful investment signals can be found, and we have taken a quantitative approach to investigating this. We have used this knowledge and developed an uncorrelated, ESG factor for real ESG performance attribution, and applied this to many of the investment strategies we offer at Man Group.

We believe that RI is best addressed through a combination of top-down and bottom-up approaches. While we have a unified approach to RI across our firm with respect to organisation, policy frameworks, stewardship, analytics platforms and participation in industry activities, we actively and intentionally cultivate a decentralised approach when it comes to ESG integration across our investment teams and strategies.

Although we do not impose a single house view in terms of ESG application, we provide our investment teams with the ESG resources and tools needed to support and facilitate the investment decision-making process from both financial and non-financial perspectives.

To ensure consistency and credibility in our approach to RI, we have formalised a monitoring procedure for funds that have a defined ESG approach. We monitor fund managers' compliance with our RI policies and fund framework (see below) on an annual basis. Additionally, dedicated compliance and investment risk professionals monitor ongoing adherence to ESG-related investment restrictions and to our RI exclusions list.

Man Group RI Fund Framework

Man Group Base Standard	Man Group RI Informed	Man Group RI Dedicated
Apply Man Group's firm-wide exclusions	Strategies that incorporate some degree of ESG analysis into investment decision-making	Strategies that fully integrate ESG into the investment process
Support firm stewardship activities	Man RI Exclusion list and/or enhanced exclusions on corporate and non-corporate assets	Man RI Exclusion list and/or enhanced exclusions on corporate and non-corporate assets
	Increased levels of stewardship activity	Enhanced stewardship activity
	Enhanced ESG reporting	Active engagement
		Enhanced ESG reporting

Man Group's quantitative approach to ESG data

1. Quant represents Man Group's core strength
2. We believe Man Group's fundamental understanding of ESG datasets allows us to give meaning to nuanced ESG data
3. Man Group provides an ESG platform of models and analytics to support and cultivate a pluralism of diverse strategies across our investment engines

Our firm-wide Man Group RI Fund Framework aims to establish coherent ESG categorisation across the investment strategies and asset classes we offer, as shown below:

Additionally, dedicated compliance and investment risk professionals monitor adherence to ESG-related investment restrictions and to our RI exclusions list on an ongoing basis.

As at 31 December 2022, $50.0 billion of Man Group's total AUM integrates explicit ESG criteria into the investment process. To provide a consistent framework around Man Group's calculation of ESG-integrated AUM, we base our calculation on the Global Sustainable Investment Alliance (GSIA) categories and definitions.

Man Group's ESG-integrated AUM is based on the GSIA's 'ESG Integration' sustainable investment category, which is defined as the 'systematic and explicit inclusion by investment managers of environmental, social and governance factors into financial analysis'. The ESG integration category is relevant and applicable to Man Group's investment process and its use has been approved by our Responsible Investment Committee ('RIC'). Using the ESG Integration approach, our calculation methodology identifies all relevant funds and mandates for which explicit environment, social and governance criteria are used in asset selection (discretionary) or where a dedicated environment, social and governance model is incorporated in the investment process (systematic). For multi-strategy/multi-asset portfolios, currently only the portion of a fund or mandate for which ESG is factored into the investment process is included[1]. This approach may evolve in the future as we introduce dedicated ESG multi-strategy funds and/or mandates, in which case this disclosure will also be updated so that it continues to accurately reflect our approach.

The identification of Man Group's ESG-integrated AUM is undertaken by our Responsible Investment team, reviewed by the relevant investment teams, and subject to formal oversight by multiple control functions. This rigorous process and the resulting ESG-integrated AUM figure is overseen by the RIC. We have used this approach consistently since we started publishing Man Group's ESG-integrated AUM. While we believe we have a prudent framework for the calculation, we continue to monitor the development of best practice methodologies.

Truly understanding ESG data

As a technology-empowered and data-driven firm, we approach the implementation of ESG factors with the same scientific rigour and caution we would apply to any investment risk or opportunity, staying true to the data and ensuring a robust methodology is in place. ESG data has matured over the last decade, and we are entering a phase where the data has both a long-enough history and broad-enough coverage to make it interesting to quantitative investment firms. However, unlike traditional quantitative factors sourced from financial statements and exchange data, ESG statistics are often qualitative, discretionary and unregulated. The ESG data we obtain from vendors typically has a short history and is often retroactively collected, and there are inherent biases in each vendor's approach.

We have spent considerable time reviewing and understanding the processes of leading ESG data vendors, and believe our quantitative capabilities provide a unique position from which to analyse, innovate and apply ESG datasets. By looking at disparate sets of ESG data using this approach, we can turn the off-the-shelf variables into useful and informative signals. This work has given us a strong understanding of our selected data providers and provides a strong platform from which to monitor changes to their methodology.

> One of the main challenges that quantitative managers face when incorporating RI into their investment processes is that ESG data is messy and subjective. This requires a different approach to understanding the variables than with traditional factors. Man Group has undertaken a stringent process to understand the unique qualities of this data and develop a multi-source, industry-based view of ESG.

Robert E. Furdak | Chief Investment Officer for RI, Man Group

1 For example, some of our multi-strategy/multi-asset portfolios may only incorporate ESG factors in certain sleeves or asset classes. For such strategies/portfolios, we only include the portion of the strategies/portfolios for which we integrate ESG factors into the investment process.

Responsible business continued

Investing responsibly continued

Q&A

Matt Goldklang

Climate Scientist
Man Group

Q: Please tell us about your responsibilities and areas of focus in terms of responsible investment at Man Group.

A: My background is in modelling climate change and I joined Man Group as a Climate Scientist in June 2021. I previously worked in climate risk analytics and climate impact modelling after receiving degrees from Yale University and the University of Copenhagen. Since joining Man Group, although most of my work has been with Man Numeric, I have been able to work across its investment engines as they seek to develop their climate capabilities and offer more responsible investment solutions to our clients. At Man Group, I have had the freedom to develop cutting-edge climate models, leveraging the data that is available externally and integrating it with our proprietary data analytics and system modelling.

Q: Please tell us more about climate models and the role they play in asset management.

A: Climate models essentially employ a similar process to weather models, although climate models analyse broader data over much longer time periods to establish average conditions over decades and centuries. Climate models allow scientists to project how our current carbon-intensive economies will impact the climate. These models use carbon emissions data to simulate the most important biogeochemical processes in the Earth System including ocean currents, ice caps, atmospheric chemistry and forests. Once climate models are constructed and properly back tested (or 'hindcasted'), they can then be used to create simulations of future climate scenarios. The world is getting warmer – even if we act now. At Man Group we support investors seeking to adapt their portfolios for a warmer future. We believe that it ought to be possible to fashion an investment strategy that is both ethical, sustainable and future-proofed against the inevitable impact of global heating. Climate modelling is a key tool in this process. This is not to say that we should give up on efforts to mitigate climate change: far from it.

Q: How is Man Group integrating climate models into its client portfolios?

A: First of all, we recognise that our clients may have different investment priorities and, in fulfilling our duty, we consider ESG factors that support their investment objectives. Where it is consistent with our client's mandate, we think that climate integration can generate stock and financial outperformance. Within our broader climate framework, we focus on four key areas: the physical cost of climate, the transition cost of moving to a decarbonised global economy, the stranded fossil assets left behind, and the opportunities of a greener world. While the first three of these focus on the risks of investing in certain securities and sectors given current warming and energy transition patterns, we also aim to capture the innovators and adaptors in our clients' portfolios (the opportunity). We think that investors should consider both the opportunities and risks in the transition to net zero and we seek to include climate as one of the metrics we analyse across our asset classes.

For example, we spent almost two years working with one of our institutional clients to develop a large, climate-focused mandate. The client wanted to insulate the portfolio from the risks of climate change and we worked with them to develop a fully customised strategy. The strategy seeks to capitalise on the alpha opportunities arising from the energy transition, using an entirely systematic process. In order to meet the client's mandate, we developed a bespoke, cutting-edge proprietary climate model. This model enables us to measure and model the physical risks of climate change on all the assets of a company at a very granular level, using advanced machine learning tools. This is one of the many examples of how we are seeking to integrate climate models and ESG in general into our investment processes.

Q: What's the future for climate change from an investment perspective?

A: We are only at the very beginning of what will be a multi-century narrative surrounding the intersection of asset management and climate change. The key is to calibrate the time horizon of our climate models to the time horizon of our investment strategies. We need to know what impact a changing climate will have on the assets we invest in and how we can act to shape our portfolios to prepare for what lies ahead. At Man Group, we believe that climate change will henceforth be an integral part of valuing any company. To accurately assess the physical risk of climate change to securities, we need high-resolution models of future perils and a translation between climate peril and asset damage. To accurately assess climate opportunities for securities, we need a full understanding of current climate policy landscapes and geospatial data on a company's business activities. These are all future projections – the delta between what is to come, and the world today is where alpha lies.

Our proprietary ESG tools

We continue to invest in our suite of proprietary ESG tools to power our data-driven approach to responsible investment. 2022 was a year of significant expansion, leveraging our quant and technology capabilities to enhance our ESG Analytics Tool, as well as developing two new ESG tools.

Our ESG tools have been developed internally under the direction of Man Group's RI and stewardship teams, with close collaboration between risk and performance analysis teams, technology teams and the investment engines. The sophisticated design and capabilities of each tool highlights the firm's collaborative, technology-driven culture, which helps us achieve our purpose: to assist our clients in preserving and creating value for the many millions of individual savers and pensioners that they represent.

ESG Analytics tool

The Man Group ESG analytics tool embeds our proprietary ESG scores alongside datasets from leading ESG data providers and standardises ESG reporting for our investment teams and our clients.

The ESG Analytics Tool provides an innovative, standardised approach to managing ESG risks and opportunities. It is a proprietary, dashboard-style tool enabling the firm's investment teams and clients to monitor non-financial risks and analyse environmental, social and governance factors on a single-stock, portfolio and index level. Key features include:

- Applied across equity and fixed income securities for long-only and alternative strategies.
- Ability to analyse and compare ESG data at a portfolio, sector, regional, company and index level.
- Embeds Man Group's proprietary ESG scores alongside datasets from leading ESG data providers.
- Enhanced, standardised ESG reporting.
- Details of portfolio stewardship and voting statistics.

GAIA (Global Active Issuer Assessment) tool

GAIA is a proprietary, company-wide tool to view issuer-level ESG-related data and identify sustainable investments. Key features include:

- Use of the UN SDGs to give us a consistent model for categorising ESG values for an issuer.
- A systematic approach with a robust methodology for combining multiple datasets to give the best coverage.
- Monitoring of Principal Adverse Impacts (PAIs), controversies and Do No Significant Harm (DNSH) for regulatory purposes.
- Ability to display sector and universe-based comparisons.

Engagement tool

We have developed an internal engagement tool that allows our investment and stewardship teams to review and record company engagements. Key features include:

- Record and track engagement topics spanning several interactions.
- Record and review proxy voting data.
- View/add engagements on the road via mobile access.
- Benefit from automated/systematic reporting on engagement history.

AHL TargetClimate: a unique, systematic multi-asset ESG offering

In 2022, we launched a systematic, multi-asset, long-only programme aligned with the global transition to a low-carbon economy. This strategy takes the systematic techniques Man AHL has honed over the past 35+ years and applies them to a portfolio made up predominantly of single names, using climate criteria as the primary driver for asset selection. The programme has a sustainable investment objective to promote climate change mitigation and invests in climate-aligned equities, climate-aligned corporate bonds and green bonds and commodities that are essential to the green transition. Removing any particular social and governance laggards, we believe the approach is best in class, looking for securities that rank highly across a variety of environmental metrics among Man AHL's liquid universe.

Climate Integration

Hold a portfolio of climate-integrated assets, chosen utilising a systematic process that improves when new data, insights or technological advancements arrive

Risk Management

Use futures to dynamically manage exposure for risk mitigation during difficult markets and leverage institutional scale that allows for efficient execution

Multi-Asset

Apply climate principles across a wide investment universe including commodities, government bonds and green bonds, as well as equities and credit

Responsible business continued

Investing responsibly continued

Stewardship and engagement

As stewards of our clients' capital, we actively and responsibly manage assets in order to unlock long-term and sustained value.

In 2022, Man Group has advanced its stewardship efforts. We understand the importance of sound stewardship in managing investors' capital, and our approach to RI ensures that our interests and values are closely aligned with those of our clients and shareholders.

The template for stewardship across alternative asset classes and styles of investing remains ill-defined in the asset management industry. We are addressing this by adopting a top-down approach to stewardship, so that initiatives undertaken at the firm level filter down to individual investment engines. We have designed a firm-wide stewardship approach that drives down stewardship information and recommendations to all underlying strategies, while receiving stewardship preferences from Man Group's discretionary strategies where company engagement is a key feature. Our approach to stewardship reflects our key operational strengths using quantitative research processes to identify engagement opportunities while leveraging our scale and aggregate ownership in securities to promote best practices and effect meaningful, positive outcomes and operational efficiency through our centralised, dedicated stewardship team.

Our stewardship activity is guided by our commitment to the UK Stewardship Code and our Engagement Policy, which is set by our stewardship team and outlines our approach to shareholder engagement and proxy voting.

As a result of our voting record, our efforts were ranked by ShareAction, in their report 'Voting Matters 2022', as seventh best out of 68 asset managers supporting resolutions on environmental and social matters. This recognition reflects the strength of our stewardship approach and how we consider our voting action an important factor in driving change.

In 2022, Man Group worked as part of an investor group alongside the Australian Centre for Corporate Responsibility ('ACCR'), which co-filed three sets of resolutions at a Japanese electric utility company. This represented the first investor group-led climate shareholder proposals ever filed in Japan and was the result of several months of collaboration with the co-filing group and engagement with the company. The co-filing sent a clear message to the investor community about concerns over the company's decarbonisation strategy and received shareholder support.

There are a number of trends in stewardship that are worth watching out for. First, investors are becoming a lot more active – from activism to a growing support for shareholder resolutions and even co-filing shareholder resolutions. Secondly, investors are increasingly working together, often through investor groups and collaborative initiatives.

Ines Cunha Pereira | Stewardship Manager

Our approach to stewardship extends across three distinct dimensions:

1. Firm-level voting and engagement

Firm-level voting and engagement is led by Man Group's stewardship team, which oversees all proxy voting and engagement activities at the firm level including the application of an enhanced ESG voting policy and direct engagement with companies on several ESG themes. We believe that by engaging with the companies we invest in on behalf of our clients and funds, we can improve our understanding of them and ultimately protect and enhance the value of the investments we make. We also believe that maintaining high standards of corporate responsibility has the potential to protect and enhance investment returns. Our investment process therefore seeks to assess this on an initial and ongoing basis and monitor and engage with investee companies over time to promote good governance. Engagement activity is consolidated at the firm level to leverage Man Group's scale and aggregate ownership in securities to promote best practices related to ESG matters.

Progress during 2022:

- More active engagement using quantitative and qualitative analysis.
- Continued focus on transparency, published in our Engagement Policy and Stewardship Report.
- PRI score of 78 vs. median score of 60 for investment and stewardship policy.
- UK Stewardship Code signatory.
- ShareAction – Ranked 7th out of 68 asset managers (96% voting score on environmental and social issues).

2. Collaborative engagement

The second dimension – collaborative engagement with other institutional investors and organisations to engage with companies on ESG specific issues – is also managed at a firm-wide level by Man Group's stewardship team and the RI team. We see merit in collaborating on RI and ESG-related standardisation through investor groups and initiatives and to work with other investors to address collective concerns and achieve positive outcomes. We believe that engagement activities should go beyond company-specific meetings to address some of the broader themes relevant to the markets in which we invest. We recognise the benefits of different forms of engagement and the advantages of working collaboratively – from combining shareholder power and maximising influence, to sharing resources and expertise.

Progress during 2022:

- We signed up to various collaborative engagement initiatives, including UN PRI 'Advance', Ceres 'Valuing Water Finance Initiative', ShareAction 'Long-term investors in People's Health' and FAIRR 'Biodiversity Loss from Waste & Pollution' – through which discussions with target companies will be ongoing through 2023.

3. Fund-level engagement

Fund-level engagement is a focus for the firm's discretionary investment strategies. In this area, Man Group discharges its stewardship responsibilities primarily through company interactions and active engagement undertaken by investment teams within Man GLG who perform fundamental-oriented investment research. This allows us to build close working relationships with management teams to affect change. Other Man Group investment engines also leverage these efforts.

Progress during 2022:

- We enhanced the framework that defines our fund-level engagement work, and seek to undertake long-term, issue-specific engagements with fund holdings.

Most common topic of engagement
Climate change

Number of companies engaged
176

Number of countries covered
25

Direct Engagement
Number of companies engaged
58

Collaborative Engagement
Number of companies engaged
120

Engagement by ESG Category

E	43%
S	41%
G	16%

Firm-level engagement conducted by Man Group's stewardship team. Excludes selective and active company engagement at the sub-group level, conducted by the investment teams within Man GLG.

Responsible business continued

Investing responsibly continued

Stewardship and engagement (continued)

Proxy voting

Man Group's dedicated stewardship team oversees all proxy voting activity at the firm level. The stewardship team works with a third-party proxy adviser that provides research and recommendations based on the firm's voting policy. We use this as the basis for our decision and complement the adviser's custom recommendations with our own research. We recognise the importance of using our voting rights to encourage sound corporate governance practices at our investee companies and update our voting policy and guidelines annually to ensure they meet evolving best practice and investor expectations.

In 2022, we strengthened our Proxy Voting Policy in two key areas: climate (including related risk mitigation and disclosure); and diversity.

Meetings voted

7,201

approx. 98% of votable shareholder meetings

Proposals voted

74,100

approx. 97% of votable items

For more information on our proxy voting please refer to our Global Proxy Voting Summary Report available on our website.

Increased voting support

% Votes in favour of shareholder resolutions in 2022

Environment
98%

Social
78%

Governance
46%

Source: Man Group database; as of 31 December 2022.

Engagement case study 1

Region: Asia and Pacific

Sector: Materials

Topic: Climate change

Objective
To secure a commitment from the company to strengthen its emissions reduction target.

Summary
An investor group comprised of Man Group, Storebrand, and the Australian Center for Corporate Responsibility engaged with the company ahead of its annual general meeting. This comprised of a letter, followed by multiple meetings with management, discussing the ambition of existing targets, the strategy to achieve them, and whether current incentives for management via the remuneration policy were sufficiently aligned with these goals. As a result, the investor group successfully secured enhanced climate commitments from the company, including:

1) A focus on exceeding its current 30% emissions reduction target by 2030;
2) Annual shareholder consultation on technology investment to meet target;
3) A commitment to link executive remuneration with the company's medium term business plan.

Engagement case study 2

Region: Asia and Pacific

Sector: Utilities

Topic: Climate change

Objective
To ask the company to set GHG emissions reduction targets aligned with the goals of the Paris Agreement and for capex and executive remuneration to reflect these targets.

Summary
The first institutional investor group-led climate shareholder proposals filed in Japan were voted on by shareholders at the company's 2022 annual meeting. The resolutions were co-filed by an investor group that included Man Group, Amundi, and HSBC Asset Management, alongside the ACCR. Three proposals were filed:

1) to set Paris-aligned emissions reduction targets;
2) to disclose alignment of future capital investment against targets, and;
3) to disclose how its remuneration policy incentivises climate goals.

The resolutions received 26%, 18% and 19% support respectively, representing a strong call by the company's shareholders to strengthen the firm's decarbonisation strategy.

Education

We are committed to promoting and raising awareness of RI within the firm and more widely across the investment industry. Our commitment to RI involves promoting education and setting standards through participation in industry-wide initiatives.

Man Group is proud to be involved with many industry groups that promote responsible investment practices. Man Group is a signatory to the Institutional Investors Group on Climate Change (IIGCC), the International Sustainability Standards Board (ISSB) and the Standards Board for Alternative Investments (SBAI). These organisations aim to develop and reinforce frameworks for better implementation and adherence of ESG, as well as governance for the alternative asset management industry.

In addition to our active participation in industry initiatives, we also seek to produce high-quality research through the Man Institute and thought leadership around pressing ESG issues. Highlights of our industry involvement and research during the year include:

- We produced a number of proprietary research papers, including 'Carbon Emissions: Under the MicroScope3', published in the Journal of Impact and ESG. This paper explores how carbon emissions can be viewed through the lenses of Scope 1, 2 and 3 and how subjective interpretations remain an issue.
- In 2022, we continued to expand our involvement in industry bodies which promote improved climate disclosure, such as the Climate Financial Risk Forum (CFRF), where Jason Mitchell, Head of RI Research at Man Group, is on the Disclosure, Data and Metrics Working Group.
- Head of RI Research, Jason Mitchell, was elected as the new Chair of UKSIF. UKSIF works to bring together the UK's sustainable finance and investment community and as Chair, Jason will fulfil a leadership role on the board and work closely with the CEO to ensure that the board's decisions are implemented and that the organisation's strategic goals are met. Jason will be joining at a unique time in the UK following the FCA's cutting-edge Sustainability Disclosure Requirements (SDR) regulation – making the UKSIF's sustainable investing mission more important and relevant than ever.
- The continuation of our podcast series, 'A Sustainable Future', featuring commentary from asset owners, managers, consultants, academics and policymakers on pressing ESG issues. Hosted by Jason Mitchell, the podcast makes a conscious effort to create a neutral ground, combining critical commentary from asset owners, managers, consultants, academics and policymakers on pressing ESG issues. The podcast serves as an educational tool, sparking conversation and debate around the intersection of ESG, regulation and public policy. The listener base of investors, policymakers and academics means the podcast has the capacity to influence investor approaches to ESG and public policy developments.

> Man Group's 'A Sustainable Future' is one of the most established and widely listened to podcasts in sustainable finance. With a roster that includes leading regulators, policymakers, academics, investors and thought leaders, our mission is to understand, critique and contribute to the sustainable finance discourse.

Jason Mitchell | Head of RI Research

Responsible business continued

Investing responsibly continued

As stewards of capital and long-term investors, we acknowledge our responsibility to monitor and address climate change risks and opportunities through our own investment decisions, as well as through our influence on investee companies.

In line with the TCFD's recommendations, we have disclosed GHG emissions for our AUM and the WACI for our key investment strategies.

WACI measures a portfolio's exposure to carbon-intensive companies, expressed in tonnes of CO_2 emissions per million dollars of revenue from companies in the portfolio. In contrast to total GHG emissions for AUM, WACI is not impacted by changes in AUM.

Methodology

Datasets
We rely on external and internal data for our analysis. Our primary source of external data is S&P Trucost, which provides carbon emission data by issuer. The data includes Scope 1 and Scope 2 GHG emissions, reported annually by companies or in some cases estimated by S&P Trucost, as well as revenue data for the purposes of the calculation outlined above.

It is important to highlight this data has several limitations. It is primarily available for single name corporate instruments, which is only relevant to a portion of our AUM. Providers also prioritise data related to corporate equity, whereas corporate credit coverage is generally lower and certain markets such as small and mid-cap issuers either have poor company disclosures or limited coverage. Lastly, there is often a lag in the data driven by the timing of company reporting or the provider's data collection that presents a lack in continuity. We recommend our metrics are read with these limitations in mind.

Our internal data is used primarily for AUM and underlying exposures.

AUM in scope
The firm's total AUM as at 31 December 2022 was $143.3 billion. We exclude our investments in private markets and CLOs from the analysis due to limited data availability. We also exclude AUM where the investment decision is ultimately made by a third party (e.g. multi-manager solutions and emulation mandates).

The AUM in scope for the purposes of calculating GHG emissions and WACI is $110.1 billion, or 77% of the firm's total.

Our approach
We use the total exposure of all long positions related to the $110.1 billion of AUM in scope for our WACI calculation. We think total exposure is most appropriate as it captures any leverage used in the investment strategy or, conversely, any under investment. This is particularly relevant to capture the underlying exposures of several of our alternative investment strategies more accurately. Any financial instruments (e.g. derivatives) are also included where possible based on their underlying exposure. While there are different views within the industry as to the application of short positions in the emissions context, we believe long exposures through physical securities are the most direct representation of ownership and engagement rights with companies. We do not decompose any holdings in indices for the same reason. Our findings are therefore presented showing coverage as a percentage of total exposure of all long positions weighted by the proportion of total AUM they represent, without netting off exposure from short positions, or decomposing indices into their underlying constituents. We acknowledge that a consensus around methodologies will develop over time, and we will seek to incorporate this into our analysis in the future.

Metrics

We have used carbon emission data by issuer for total exposure of all long positions at the strategy level at 31 December 2022, 31 December 2021 and 31 December 2020 to measure total emissions from our AUM and calculate WACI by strategy, as well as to show a year-on-year trend in line with the TCFD's recommendations.

Our findings show that total emissions from AUM in scope have reduced over the course of 2022. While long exposure coverage has decreased marginally, our long emissions (absolute) have decreased from 12.0 million tCO_2e to 10.8 million tCO_2e. Coverage remains relatively low considering the range of instruments we trade, and is also influenced by other factors (e.g. total underlying exposure, which can vary significantly and change frequently).

Absolute emissions (million tCO_2e)	Data	Coverage	**December 2022**	Coverage	December 2021	Coverage	December 2020
Total assets under management in scope	Scope 1 & 2	47%	**10.8**	38%	12.0	41%	13.9

The table provides a WACI for the key strategies from across our business, aligned to the strategies for which we disclose performance data in our 2022 year-end press release[1].

As illustrated in the table, coverage is significantly higher for long-only strategies as most of the holdings are in single name equities, whereas coverage for alternative strategies, particularly our quantitative strategies, is lower as allocations to corporate instruments are typically small or via index exposures. FRM Diversified II is part of our multi-manager offering and as the ultimate investment decision lies with a third-party manager, these are excluded from this analysis. Although our analysis is focused on WACI, we continue to consider which other carbon footprinting and exposure metrics may be useful for decision-making.

WACI (tCO_2e/$m revenue)	Data	Coverage	**December 2022**	Coverage	December 2021	Coverage	December 2020
AHL Alpha	Scope 1 & 2	<10%	**35**	<10%	37	<10%	15
AHL Dimension	Scope 1 & 2	15%	**238**	<10%	104	<10%	86
AHL Evolution	Scope 1 & 2	<10%	**97**	<10%	117	<10%	45
AHL Diversified	Scope 1 & 2	<10%	**53**	<10%	55	<10%	23
GLG Alpha Select	Scope 1 & 2	45%	**207**	69%	292	72%	316
GLG Event Driven	Scope 1 & 2	45%	**80**	28%	9	53%	140
GLG Global Credit Multi Strategy	Scope 1 & 2	66%	**222**	32%	105	49%	93
AHL TargetRisk	Scope 1 & 2	<10%	**0**	<10%	0	<10%	0
Alternative Risk Premia	Scope 1 & 2	74%	**279**	53%	363	11%	160
GLG Global EM Debt Total Return	Scope 1 & 2	<10%	**0**	<10%	0	<10%	0
FRM Diversified II	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a
Numeric Global Core	Scope 1 & 2	100%	**91**	92%	111	95%	93
Numeric Europe Core	Scope 1 & 2	99%	**114**	94%	232	95%	169
Numeric EM Core	Scope 1 & 2	99%	**200**	83%	270	91%	367
GLG Continental European Growth	Scope 1 & 2	99%	**167**	86%	38	77%	43
GLG Japan CoreAlpha	Scope 1 & 2	99%	**142**	99%	115	100%	322
GLG Undervalued Assets	Scope 1 & 2	96%	**233**	90%	149	90%	156
GLG High Yield Opportunities	Scope 1 & 2	23%	**33**	19%	77	29%	248

1 The analysis has been completed for the lead share class of each strategy.

Determining the methodology used to calculate emissions metrics (e.g. WACI) and associated targets is an area that is evolving rapidly. We are focused on refining our analysis and disclosures continually, as data availability and quality improve. From 2023, we are looking to incorporate datasets from Sustainalytics and MSCI into our calculations and overlay internally developed tools and analysis to cleanse and increase the accuracy of all three data sources. This ultimately will improve the quality of our calculations and reporting. We will also endeavour to incorporate our own estimates, where possible and relevant, for private assets that are not included in datasets from vendors. This change in our approach, which we hope will increase the level of coverage across our assets under management, may require us to restate our historical calculations in future years, but we are committed to providing transparent metrics of the highest standard to our shareholders and clients.

Outside of carbon emissions and intensity metrics, we are also able to monitor and report on a range of carbon-only metrics, subject to data availability, for our clients. These include more esoteric metrics, including forward-looking temperature alignment assessments. Our ultimate aim is to support our clients' and shareholders' transition to a low-carbon economy by incorporating best practices into our carbon reporting as they emerge.

TCFD

We have made valuable enhancements to our climate-related disclosures in 2022. We have included disclosures consistent with the TCFD's recommendations, providing further transparency on our approach to managing climate-related risks and opportunities across our business.

As a company, and as an asset manager, we have provided information on all four pillars and 11 recommendations in our Annual Report, incorporating the supplemental guidance provided for asset managers by the TCFD.

According to our own assessment, we comply with the majority of the recommendations; when we don't, we have explained the reasons why we believe they are not applicable or material to our business, or why improvements are still required.

Disclosure recommendation	Man Group assessment / 2022 Annual Report reference	Compliance
Governance		
The Board's oversight of climate-related risks and opportunities.	Our ESG governance structure encompasses all elements of Man Group's RI and Corporate Sustainability mandates, including all climate-related risk and opportunities, and ensures oversight, controls and reporting lines are in place up to and including the Man Group Board. The Board has collective responsibility for climate oversight and for setting the firm's climate strategy. The Board monitors climate-related risks and opportunities through its receipt of reporting from the ESG Leadership team. The Audit and Risk Committee, specifically, has delegated authority to ensure compliance with regulations and disclosures related to climate, sustainability and other ESG considerations. Further details on the Board's oversight can be found in the Board effectiveness section (page 88) and an outline of our ESG governance structure, including the frequency of meetings, can be found on page 47 of the Responsible business section.	
Management's role in assessing and managing climate-related risks and opportunities.	Man Group management have a key role in assessing and managing climate-related risks and opportunities. Our ESG leadership team comprises members of our senior management who, in conjunction with the Man Group Board, set the overarching ESG vision and strategy for the firm. There are five dedicated and distinct sub-committees that each have established processes to identify, assess, and monitor risks and opportunities; they regularly inform and report on climate-related risks and opportunities to both the ESG leadership team and the Board. We outline more details on management's role in assessing climate-related matters and our governance structure in the Responsible business section (page 47) and the Board effectiveness section (page 88).	
Strategy		
Climate-related risks and opportunities the organisation has identified over the short, medium and long term.	We assess climate-related risks and opportunities on a short-term (one to five-year time horizon), medium-term (five to ten-year time horizon) and long-term (ten to 30-year time horizon) basis. The key short-term risks and strategic opportunities for Man Group relate to our ability to integrate meaningful climate-related analysis into our investment strategies to meet and exceed our client expectations. Associated reputational risk arises from any suggestion of greenwashing if the ESG credentials of a strategy or product do not meet client, regulatory or wider public expectations. Medium-term risks and opportunities include market disruption or volatility triggered by weather events and disruption to transport and working arrangements, which could lead to increased costs (e.g. procurement, insurance or taxes) and restrictions on business practices e.g. limitations on international travel to meet clients. Longer-term physical risks include major business or market disruption following severe weather events and long-term impacts on employee health and well-being. We have described our climate change risks using the Risk and Control Self-Assessment (RCSA) for the short-term risks and by conducting an emerging risks assessment for the medium- and long-term risks. Both processes assess risks by likelihood and impact. We expand on the above climate-related risks and opportunities, how we determine materiality, and how we mitigate these risks in the Risk management section (pages 34 and 35).	
The resilience of the organisation's strategy taking into consideration different climate-related scenarios, including a 2°C or lower scenario[1].	As the world transitions towards a low-carbon economy, our investment performance could be impacted by fundamental moves in underlying asset prices or liquidity. We have created a proprietary ESG analytics tool to facilitate analysis of the underlying exposures through a dedicated ESG lens. We outline the resilience of our business, including our range of products and strategies, to future climate shifts in the Risk management section (pages 34 and 35) and in the Responsible business section (page 51) under Performance against targets. We have also assessed the resilience of our balance sheet. Although the directors and management have considered the impact of climate change, currently none of Man Group's plausible downside scenarios are materially driven by specific adverse impacts as a result of climate change.	

1 We set firm-wide targets in line with the Paris Agreement, an international treaty on climate change adopted in December 2015. The goal of the agreement is to limit global warming to below 2°C, with a preference of 1.5°C, compared to pre-industrial levels, and to reach global GHG peak emissions in order to achieve a climate neutral world by 2050.

Key:

- Compliant
- In progress

Disclosure recommendation	Man Group assessment / 2022 Annual Report reference	Compliance
Strategy continued		
The impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning.	We view the climate transition as not only a risk, but also an important driver of growth and opportunity in our business. The impact on our business, strategy and financial planning is discussed throughout this report, with our firmwide strategy for managing and addressing climate-related risks and opportunities discussed on page 15 of the Strategy section, and risk mitigants are discussed in the Risk management section on pages 34 and 35. We describe our plans as an organisation for transitioning to a low-carbon economy as well as discuss specific activities intended to reduce GHG emissions in our operations within the Responsible business section on pages 48 and 49, and lay out our targets as well as how we are progressing against them on page 51. Climate change has not had a material impact on our financial performance and position to date, and while we actively seek to minimise the impact on the transition to a low-carbon economy, senior management does not currently expect the impact of climate-related risks and opportunities on the Group financial statements to be material. Further discussion the impact of climate on our financial statements, and the steps we are taking to incorporate climate-related issues into our financial planning process can be found in the CFO review (page 27) and Note 3 to the Group financial statements. We have not reflected a holistic picture of the interdependencies among the factors that affect our ability to create value over time, and recognise further progress is required in this area. We aim to comply with this requirement in the medium term, as climate-related risks and opportunities to our business become better understood.	In progress
Additional recommendations included in the supplemental guidance for asset managers.	We believe that the asset management industry has a role to play in fighting climate change and 2022 has marked another milestone in our commitment to this cause. We must consider how climate-related risks and opportunities are factored into relevant products or investment strategies, and we believe that we are particularly well placed to do this because of our technical capabilities across the firm. We believe we have a competitive advantage from our 35+ years of working with data to be able to solve complex ESG problems for our clients and their portfolios (pages 54 and 55). More detail on how we create customised climate models can be found on page 56 and how we utilise our technology to factor climate-related risks and opportunities into our products and investments strategies can be found on page 57. We also address industry-specific considerations related to these risks and opportunities within the Risk management section (pages 34 and 35). We address how climate-related risks and opportunities are reflected in the financial statements in the CFO review (page 27) and Note 3 to the Group financial statements.	Compliant
Risk management		
The organisation's process for identifying and assessing climate-related risks.	Man Group considers climate risks to the firm over several time horizons, through multi-disciplinary firmwide risk identification, assessment and management processes. The types of risks considered include current and emerging regulation, technological changes and upgrades, market risks, reputational risks, acute and chronic physical operational impacts as well as upstream and downstream risks. Strategic and/or operational climate change risks, are managed in the same way as other business risks and are covered by our firmwide risk management systems. By using the same risk assessment framework we are able to calibrate the relative significance of climate-related risks against our other principal risks, further detail of which can be found on page 34.	Compliant
The organisation's process for managing climate-related risks.	Climate change risks are captured in Man Group's risk governance and reporting framework within the associated risk category such as investment performance or business continuity. The risk governance framework is owned by the Board and implemented by the senior management of Man Group, and it is at this level that strategic decisions are made to avoid, mitigate, reduce or accept risks, including those related to climate change. We outline our processes for managing climate-related risks in the Risk management section (page 34 and 35).	Compliant
How processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	We monitor and manage climate-related risks through regular reporting and management information processes for the relevant principal risk the climate-related risk falls within (see risks 1, 7, 11 and 12 of the risk framework), as well as for the specific climate-related risk (see page 34). We outline how our climate-related risk management framework processes are integrated into our overall risk management in the Risk management section (pages 34 and 35).	Compliant
Additional recommendations included in the supplemental guidance for asset managers.	We address further the industry-specific considerations in relation to climate change risks in the Responsible business section. We are investing significantly to enhance our approach to managing climate change risks and believe that our data-driven culture puts us in a prime position to assist our clients in the transition towards a low-carbon economy. We discuss how we identify and assess material climate-related risks in our investment strategies on page 57. We have also made substantial progress in our climate stewardship activities during 2022, and we expand on these efforts on pages 58 to 60. We also discuss joining the Net Zero Asset Managers initiative (page 53) as a part of our acknowledgement of the importance of managing climate-related risks in our portfolios.	Compliant

TCFD continued

Key:
- Compliant
- In progress

Disclosure recommendation	Man Group assessment / 2022 Annual Report reference	Compliance
Metrics and targets		
The metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	The metrics and targets we use to assess climate-related risks and opportunities related to our operations are shown in the Responsible business section; we provide our total carbon emissions and carbon emissions per FTE, as well as how these metrics have changed over time (pages 49 to 51). By measuring the cost of carbon in travel, we have taken a first step in considering internal carbon prices during 2022. We will continue to monitor the developments made in this area on an ongoing basis.	In progress
The targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Man Group is committed to reaching net zero corporate carbon emissions across our global workplaces by 2030. We set firmwide targets in line with the Paris Agreement. This year, we set an additional SBTi-aligned strategy for a 1.5°C scenario by 2030 and created shorter-term carbon emission targets on our path to net zero by 2030, and had our interim targets approved by the Net Zero Asset Managers initiative (further information on page 53). The targets we use to manage climate-related risks and opportunities related to our operations are shown in the Responsible business section (pages 51). In order to continue to manage climate-related risks and opportunities against our targets, we introduced carbon emissions targets into our directors' long-term incentive plans, as set out in the Directors' Remuneration report on pages 106 and incorporated carbon considerations in our 2023 budget process. This is aligned with our emissions targets for business travel through 2030. We have also prioritised carbon net zero strategies when refurbishing or relocating offices in addition to continuing to adopt agile working strategies to reduce our office carbon footprint. Further information on our performance against our targets are shown on page 51.	Compliant
Scope 1, 2 and 3 greenhouse gas (GHG) emissions and related risks.	The emissions metrics related to our operations are shown in the Responsible business section (pages 49 and 50). These calculations are in line with GHG Protocol and have been provided for historical periods in order to allow for accurate comparability and greater transparency. We have included details on the specific methodology utilised for this calculation on page 50.	Compliant
Additional recommendations included in the supplemental guidance for asset managers.	We describe the metrics used to assess climate-related risks and opportunities within our investment strategies on page 63, using GHG emissions from our assets under management and the weighted average carbon intensity for a number of our largest strategies. We also describe the further metrics we supply to clients related to climate, and our ambitions to improve these calculations, which includes onboarding new data sources in the near term. The metrics and targets we use to assess, monitor and manage the climate-related risks and opportunities in our investment strategies are shown in the Responsible business section (pages 57, 62 and 63) as well as in the Risk management section (pages 34 and 35). We have only provided the metrics we consider meaningful at this time and will continue to review these on an ongoing basis and update these as necessary in the future.	In progress

Non-financial information statement

Man Group has chosen to comply with sections 414CA(1) and 414CB(1) of the UK Companies Act 2006, although we are not required to do so as a Jersey incorporated Company.

The table below constitutes our non-financial information statement and we have included cross-references to other sections of this report where appropriate. For a description of our business model please refer to pages 10 and 11.

Our policies and standards	Due diligence and governance	Impact and outcomes of our policies and standards	Related principal risks
Environment			
Environmental Sustainability Policy Statement Describes our commitment to conducting our business responsibly, minimising the environmental and climate-related impact of our activities.	We track our progress through environmental data compilation systems, which ensure accurate reporting of measures. Our climate change strategy is set by the Board. For further information please see page 15. On behalf of the Board, the Corporate Sustainability Committee (CSC) oversees the policies, processes and operational controls of sustainability risks and opportunities as a corporate.	Our strategy, targets and performance metrics in relation to our impact on the environment can be found on pages 46 to 51, which include details of our departmental-level carbon travel budgets. Our greenhouse gas emissions data can be found on page 49. We maintain carbon neutrality across our direct corporate operations through the purchase of verified carbon units (VCUs).	Climate change risk management and strategy is discussed on pages 34 and 35 and as a principal risk on page 34.
Reporting in line with the Task Force on Climate-related Financial Disclosures (TCFD) and signatory to the Net Zero Asset Managers initiative	The Board oversees progress on the development of our climate-related financial disclosures and is kept apprised of climate-related risk via the Audit and Risk Committee.	Disclosures relating to TCFD, feature throughout this Annual Report. For further information on our approach see pages 64 to 66. Man Group remains a signatory to the Net Zero Asset Managers initiative. We have committed to reducing greenhouse gas emissions to net zero in investment portfolios by 2050. In 2022, we set an interim decarbonisation target for 2030.	Climate change risk management and strategy is discussed on page 34 and 35 and as a principal risk on page 34.
Social Matters			
RI Policy and RI Fund Framework Outlines our recognition and support for the development and integration of RI modalities across the firm.	Our Responsible Investment Committee oversees the implementation of our RI policy and processes. The Board receives regular updates from the RI leadership team. We review and update our RI policies on an annual basis. Man Group now has five dedicated RI committees, which regularly inform and report on ESG-related matters to senior management, the ESG leadership team and the Man Group Board. Man Group has established an ESG Centre of Expertise (RI Team), responsible for driving the integration of ESG and engagement across the firm. Man Group's RI team are responsible for the day-to-day implementation of the Man Group RI Policy. The diversified nature of our multi-strategy businesses means that no ESG framework is universally applied. Accordingly, we apply the norms and best practices of RI that are most appropriate for the strategies and asset classes we manage.	We integrate ESG considerations in our investment decision-making and monitoring across strategies, in line with the policy and processes overseen by the Responsible Investment Committee. Our ESG integrated AUM is $50 billion and we continue to leverage our technology and data capabilities to drive ESG integration across the firm and have developed a suite of proprietary ESG tools to support investment decision-making and management. For further information on our RI efforts, please see pages 46 to 63.	RI is linked to our investment performance and reputational principal risks on page 30 and page 33.

Non-financial information statement continued

Our policies and standards	Due diligence and governance	Impact and outcomes of our policies and standards	Related principal risks
Social Matters continued			
Engagement Policy Outlines our approach to shareholder engagement and proxy voting, as stewards of our clients' capital.	Our stewardship team oversees proxy voting and engagement activity at the firm level. The Engagement Policy was formalised in 2021 by the firm's appointed investment managers for our investment engines. However, fund-level engagement is delegated to the investment teams.	The Engagement Policy sits alongside our Voting Policy Framework. It describes how the firm integrates shareholder engagement in the investment strategies, monitors investee companies on a regular basis, conducts dialogues with investee companies on relevant matters, exercises voting rights, cooperates with other shareholders, communicates with relevant stakeholders of the investee companies, and manages actual and potential conflicts of interest to the firm's engagements. Our stewardship activities can be found on pages 58 to 63. Man Group is a signatory to the UK Stewardship Code and the UN-supported Principles for RI. A score of 78 was awarded for Investment and Stewardship Policy.	Not linked to our principal risks.
ManKind Initiative The Company's volunteering programme which aims to encourage employee volunteering.	We prioritise giving back to our communities and this takes place through various initiatives, partnerships and channels. For further information on our initiatives see page 43.	Senior management actively promote the ManKind initiative across the firm to encourage employee participation in volunteering activities. We are pleased that over 430 employees volunteered a total of over 2,800+ hours to volunteering in 2022.	Not linked to our principal risks.
Global Banned Weapons Policy Sets out our approach to Global Banned Weapons investments.	The Financial Crime Compliance team maintains and oversees this policy and we have developed internal systems and controls to assist the firm in complying with the restrictions.	Man Group has established a firmwide zero tolerance threshold to limit the firm's exposure to Banned Weapons. The funds we manage are not permitted to directly invest in or finance companies, which our independent third-party specialist screening provider believes are involved in the manufacture, supply or distribution of weapons banned by international convention.	RI is linked to our investment performance and reputational principal risks on page 30 and page 33. Legal, compliance and regulatory risk is a principal risk on page 33.
Well-being and inclusion – Global Inclusion Statement	We are committed to looking after our people and have a global well-being programme in place. This includes guidance given by newsletters, webinars and events (onsite and virtual).	We have a number of policies and offerings including Gender Neutral Parental Leave, Employee Assistance Programme, Tenure Award Leave, and Flexible Working options. For further information see the People and culture section on pages 36 to 43. Man Group was shortlisted in the Employee Benefits Awards 2022 in the 'Best Healthcare and Wellbeing' category, which recognises our commitment and comprehensive approach to staff health and well-being.	Not linked to our principal risks.
Anti-Bribery and Corruption			
Anti-Bribery and Corruption Policy & Financial Crime Compliance Statement of Principles Sit alongside other policies covering political and charitable donations, gifts and entertainment, fraud, tax evasion, sanctions, anti-money laundering and counter-terrorism financing.	Ongoing oversight is provided by senior management. Annual reports from the Money Laundering Reporting Officer are submitted to the Audit and Risk Committee and processes and procedures are further reviewed by Man's Internal Audit team. Annual training is provided to employees to ensure they understand their responsibilities and duties.	Our approach to anti-bribery and corruption is designed to comply with all applicable laws and regulations and is overseen by a dedicated team who work to ensure our policies and practices are implemented and designed to prevent, detect and report suspicious activity and red flags. In addition, risk based due diligence procedures have been designed to identify and verify the owners and controllers of relationships to ensure we know our partners in business, suppliers and clients and that we are compliant with all applicable laws and regulations.	Failure to implement effective controls in relation to anti-bribery and corruption is a principal operational risk under 'criminal activities' on page 33.
Employees			
Global Code of Ethics and Code of Conduct and Whistleblowing Policy Describes our commitment to high standards and professional conduct	The Company has a monitoring framework which ensures these codes are regularly reviewed and remain fit for purpose. Regular training is provided to employees to ensure they are informed of our expected standards. Our whistleblowing policy allows staff to raise concerns anonymously and is subject to independent oversight by the Audit and Risk Committee.	Employees contribute to our success by adhering to our core business principles: acting ethically and with integrity, putting clients' interests first, monitoring conflicts of interest, retaining and disclosing information appropriately and observing high standards of business conduct. Employees are able to raise concerns to an independent external agency as well as to nominated individuals internally. Disclosures are reported to the Audit and Risk Committee.	Employee conduct is linked to our operational and reputational principal risks on pages 32 and 33.

Our policies and standards	Due diligence and governance	Impact and outcomes of our policies and standards	Related principal risks
Employees continued			
Health and Safety Policy/Statement Describes our commitment to ensuring the health, safety and welfare of our employees by providing safe working environments and ensuring Man Group's statutory duties in respect of health and safety are met at all times.	We track progress through a number of health and safety systems ensuring accurate reporting of accidents, incidents and near misses and prevention measures. On behalf of the Board, the Health and Safety Committee (HSC) oversees the development and implementation of our health and safety processes and procedures. Our Board maintains overall responsibility for the health and safety and welfare of employees.	We aim to minimise health and safety risks and we have an ongoing programme of health and safety risk assessments and undertake improvements throughout the year. We evaluate the safety training needs of employees and ensure that they receive appropriate training including induction safety training. Statutory and regulatory risk assessments are carried out annually and observations actioned and closed out in a timely manner.	Employee well-being is linked to our operational principal risks on page 32.
Diversity, Equity and Inclusion Initiatives, Global Inclusion Statement and diversity focused recruitment policy Governs our approach to diversity.	Our diversity, equity and inclusion initiatives support Man Group's commitment to improving diversity across the Company and within the finance industry more generally. The initiatives are supported at a senior level by the Senior Executive Committee and our Drive (DE&I) Steering Committee (see pages 40 to 41). We link diversity targets to our revolving credit facility and executive director compensation. For further information see page 123.	We achieved gender parity on our Board during 2020 and our Board also meets the ethnic diversity targets set by the Parker Review. Further information on our diversity, equity and inclusion initiatives can be found within our DE&I report on the Man Group website. During 2022 the Board approved an updated Board Diversity policy. See page 103 for further information.	Not linked to our principal risks.
'Paving the Way' Initiative Our initiatives focus on attracting diverse talent into the Company and the industry.	We actively encourage, support and progress initiatives that help assist in addressing social barriers that have historically prevented access to our industry. Our initiatives are overseen by the Drive (DE&I) Steering Committee and the Board and senior management are updated on progress.	As part of the 'Paving the Way' initiative we have partnered with various organisations to address pipeline recruitment issues. For more information see the Corporate Social Responsibility booklet on the Man Group website.	Not linked to our principal risks.
Global Talent function Ensures we nurture our current talent and attract new talent.	The Senior ExCo discusses talent throughout the year and works closely with the Talent team and HR leaders. For further information see our CSR booklet, our website and pages 38 and 39.	We have a connected talent management strategy. Firmwide talent review and succession planning practices identify our talent development priorities. For further information see the People and culture section on pages 38 to 39.	Key person risk is a principal business risk on page 30.
Human Rights			
Human Rights Statement and Modern Slavery Transparency Statement Sets out our high standards and how these define and inform our operations and prevent modern slavery from occurring within the business and supply chain.	Man Group is committed to high standards of business conduct and this extends to the commitment to the protection of human rights throughout the business. The Board reviews and agrees the Modern Slavery and Transparency Statement on an annual basis.	Our Human Rights Statement sits alongside our Global Inclusion Statement and our Modern Slavery Transparency Statement, showing our commitment to the promotion of human rights within the workplace, our operations and how we operate our business. There are no known instances of modern slavery within our business.	Negative publicity is a principal reputational risk on page 33. Legal, compliance and regulatory risk is a principal risk on page 33.
Other			
Service Provider Management Policy Ensures our fund service providers are appropriately selected, managed and overseen and that any issues are identified and escalated.	An ongoing programme of due diligence is conducted, and guidance is provided on our expectations of their conduct and operation.	Through our current programme we are able to partner closely with our fund service providers and ensure that we have detailed oversight of their service provision and that any issues are promptly identified, escalated and resolved.	External process failure by one of our service providers is a principal operational risk on page 32.
Supplier Code of Conduct Sets out our business conduct expectations of our suppliers.	The Supplier Code of Conduct was finalised in 2021 and outlines the minimum standards we expect of our suppliers, as pertaining to considerations around any economic activities, impact to the environment, as well as engagement with the wider community.	We endeavour to work closely with our suppliers to address global social and environmental challenges. Vendor management including performance reviews are used to monitor the KPIs/SLAs put in place to monitor our suppliers.	Negative publicity is a principal reputational risk on page 33.
Non-financial KPIs	The Board and senior management review the appropriateness and progress against non-financial KPIs.	Further information on our non-financial KPIs can be found on page 21.	Negative publicity is a principal reputational risk on page 33.

Governance overview

Governance overview for 2022

Our purpose and strategic priorities are outlined on pages 2 and 14-15. This section outlines the role of the Board in overseeing the delivery of strategy and the governance framework that is in place to support this. It also explains who our stakeholders are and how the Board considers their views when making key decisions.

Section 172(1) statement (including principal decisions and engagement with stakeholders)

The Board of directors confirms that during the year-ended 31 December 2022, it has acted in a way that it believes promotes the long-term success of the Company for the benefit of its members as a whole, whilst having due regard to the matters set out in section 172(1)(a) to (f) of the UK Companies Act 2006.

Details of how this has been achieved and the way in which the Board has engaged with our identified stakeholders, the outcomes of this engagement and the consideration of stakeholder interests in principal decisions are integrated throughout this Governance report.

Principal decisions:

D1 Non-executive director appointments
+ For further details see page 80

D2 Share buyback programmes
+ For further details see page 82

D3 Reappointment of auditor
+ For further details see page 86

Board and Committee meeting attendance 2022

Board member	Board[1]	Audit & Risk Committee	Nomination Committee	Remuneration Committee
John Cryan	10/10	–	6/6	5/5
Kate Barker[2]	9/10	5/5	–	5/5
Lucinda Bell	10/10	5/5	7/7	–
Richard Berliand	10/10	5/5	7/7	5/5
Zoe Cruz[2]	3/4	–	–	2/2
Luke Ellis	10/10	–	–	–
Antoine Forterre	10/10	–	–	–
Jackie Hunt[2]	7/8	3/4	–	3/3
Ceci Kurzman	10/10	–	–	–
Alberto Musalem	2/2	1/1	–	2/2
Dev Sanyal	4/4	2/2	–	–
Anne Wade[2]	9/10	–	6/6	5/5

1 One strategy session was also held during the year which was attended by all Board members.

2 Due to conflicting commitments, Zoe Cruz, Kate Barker and Anne Wade were each unable to attend one Board meeting and Jackie Hunt was unable to attend one Board meeting and one Audit & Risk Committee meeting during 2022. Some of these Board meetings were held at short notice to approve specific issues. Each director received the meeting packs in advance of the meetings for review and consideration, and provided their comments to the Chair or Committee Chair which were addressed at the meeting as appropriate.

Statement of compliance

The Company is subject to the 2018 UK Corporate Governance Code (the Code), which is publicly available at www.frc.org.uk. The Company has, throughout the year-ended 31 December 2022, applied the principles of, and complied with the provisions of, the Code except in relation to the following:

Provision 15 of the Code recommends that additional external appointments for directors should not be undertaken without the prior approval of the Board. The Board has established an effective process for approving such appointments. The process requires directors to inform the Chair of any proposed external appointment. The Chair then assesses the proposed appointment and either approves it or, refers the matter to the full Board for consideration and approval, for example in a situation where there may be a potential conflict with the director's role on the Man Group Board. A description of the process is on page 89.

Provision 33 of the Code requires that the Remuneration Committee (the RemCom) should have delegated responsibility for setting the remuneration of the Chair. The terms of reference of the RemCom provide that the RemCom has authority to recommend to the Board but not to approve the remuneration of the Chair. This is because the Board believes that in order to provide transparency and allow the views of all directors, executive and non-executive, to be taken into account, it is appropriate for all Board members to provide input into determining the Chair's remuneration.

Workforce engagement

- Two non-executive directors lead the workforce engagement programme.
- 18 meetings held with employees during the year.
- Key themes identified during employee feedback sessions discussed with the Board.

+ For further information on how we engage with our employees see page 83.

Diversity of the board and executive management by gender and ethnicity as at 31 December 2022

The Company has chosen to disclose numerical data on the ethnic background and the gender identity of the Company's Board and its executive management, in line with best practice, and as will be required from next year by LR 9.8.6R(10). The Company is also opting to be an early discloser against the Board diversity targets specified in LR 9.8.6R(9) which will also become obligatory from next year. Please refer to page 72 for additional information.

For the purposes of this reporting, executive management has been defined as all members of the Senior Executive Committee, the Executive Committee, and the Company Secretary.

The data in the tables below has been compiled via voluntary disclosure and recorded in our HR platform (Workday).

Reporting table on sex/gender representation

	Number of Board members	Percentage of the Board[1]	Number of senior positions on the Board (CEO, CFO, SID and Chair)[2]	Number in executive management[1]	Percentage of executive management
Men	5	50%	4	21	67.7%
Women	5	50%	0	10	32.3%
Other categories	0	0%	0	0	0%
Not specified/prefer not to say	0	0%	0	0	0%

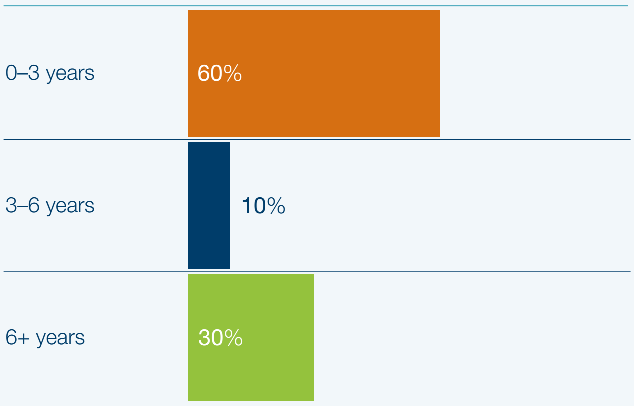
Reporting table on ethnicity representation

White British or other White (including minority-White groups)	7	70%	4	26	83.9%
Mixed/Multiple Ethnic Groups	1	10%	0	1	3.2%
Asian/Asian British	0	0%	0	2	6.5%
Black/African/Caribbean/Black British	0	0%	0	0	0%
Other ethnic group, including Arab	2	20%	0	1	3.2%
Not specified/prefer not to say	0	0%	0	1	3.2%

1 Luke Ellis and Antoine Forterre are considered both Board and executive management for the purposes of this reporting.

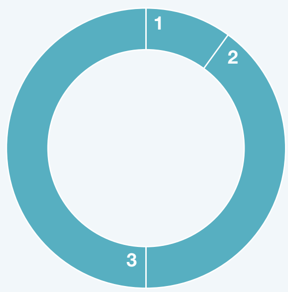
2 By the end of 2023, we will have 1 woman in a senior Board position following the appointment of Anne Wade as Board Chair.

Board tenure[3]



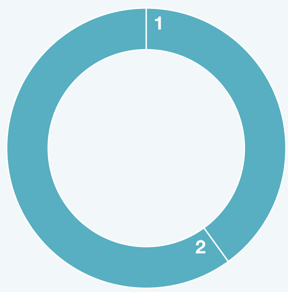
3 Position as at 31 December 2022.

Age



1. 35–44	10%
2. 45–54	40%
3. 55+	50%

Location



1. US based	40%
2. UK based	60%

Chair’s governance overview

Collaborative governance

John Cryan
Chair

I would like to thank my fellow Board members and the executive management team for their support throughout my tenure.

Dear Stakeholder

I am pleased to present the Governance report for the year-ended 31 December 2022. This section will enable you to gain an understanding of Man Group’s governance framework and responsibilities and the areas of focus and performance of the Board over the past year. We recognise the importance of corporate governance across the organisation and report under the 2018 UK Corporate Governance Code (the Code).

Board changes

I would like to reiterate our thanks to both Dev Sanyal and Zoe Cruz who retired from the Board as non-executive directors following the conclusion of the AGM in May 2022. Jackie Hunt and Alberto Musalem were appointed as non-executive directors in February and November 2022 respectively and I would like to thank them for their contributions to the Board to date.

Kate Barker has decided not to renew her appointment as a non-executive director for a third term and will therefore be retiring from the Board on 1 April 2023. I would very much like to thank Kate for her excellent contribution to the firm over the past six years. We have significantly benefited from her extensive knowledge of economic policy and financial markets and are very grateful for her insights. On behalf of the Board, I wish her all the best for the future.

Chair succession

As I highlighted in my introductory statement, I will be stepping down from the Board during the latter part of 2023, by which time I will have served as a non-executive director of the Company for almost nine years, four of which will have been as Chair. In anticipation of my expected departure before January 2024, nine years after my appointment as a director of the Company, the Nomination Committee spent time considering potential successors and I am very pleased to confirm that Anne Wade is proposed as the incoming Chair of the Board. Anne will take over responsibilities following my departure in the second half of 2023, and I wish her and the Board every success for the future. Further details on the Chair succession process are set out by Richard Berliand, our Senior Independent Director, in the Nomination Committee report on page 101.

Given Anne is currently Chair of the Remuneration Committee she will be stepping down from this role in line with the Code recommendations but will continue to remain as a member. We will announce the appointment of a new Remuneration Committee Chair in due course who will take over from Anne on her appointment as Board Chair.

Diversity, equity & inclusion (DE&I)

We remain committed to promoting diversity, equity and inclusion across the organisation and are proud to maintain a Board with gender parity that meets the Parker Review ethnicity targets. Our Board Diversity & Inclusion Policy is set out on pages 102 to 103. Our work continues, and we are pleased to be an early discloser of Board and executive management DE&I metrics (as set out on page 71) which will become obligatory under revised Listing Rules. Whilst there are currently no women in the four senior Board positions (CEO, CFO, SID and Chair), we expect to meet the target referred to in the new Listing Rule for at least one such position to be held by a woman by the end of 2023 following Anne’s appointment as the Board Chair.

Board activities and effectiveness

It has been another busy year for the Board and a summary of our key activities is set out on pages 78 and 79. Having held our strategy sessions virtually for the past couple of years, we were glad to reinstate our full day strategy session in person this year. The strategy session provided the Board with an opportunity to review progress made on longer-term strategic plans, consider Man Group’s global footprint and discuss options for growth. For the first time, we also invited representatives from two of our key clients to the session to share with the Board their views on their relationship with Man Group.

Following a successful externally facilitated Board effectiveness review undertaken in 2021, we conducted an internal Board effectiveness review in 2022. We are pleased with the results, which demonstrate that we continue to be an effective and collaborative Board. The findings are summarised on pages 90 and 91.

Board priorities for 2023

Given the Board changes detailed above, one of the key priorities for the Board in 2023 will be ensuring that there is a smooth transition between Anne and I, as well as with the new Remuneration Committee Chair.

Following the success of the trip to our Boston office in 2022, the Board is planning to visit our new office in New York in the second half of 2023. We look forward to meeting with our colleagues based there.

Thank you

I’d like to thank all of our people for making 2022 another very successful year for Man Group. I am proud to have served on the Man Group Board for almost nine years and am very pleased to have had the opportunity to lead the Board since 2020 through a period of profound change for the business and the world alike. I would like to thank my fellow Board members and the executive management team for their support throughout my tenure and wish them all the best for the opportunities and challenges that lie ahead.

John Cryan
Chair

Governance structure

Key:

↑ Flow of information to the Board

↓ Delegated authority from the Board

Board

Role of the Board

The Board's core role is to act in the best interests and promote the long-term success of the Company for the benefit of its members, with due regard to the interests of other stakeholders.

This requires it to:

- determine and review business strategy and Man Group's appetite for risk;
- monitor management performance in delivering against that strategy;
- ensure that risk management measures and internal controls (including those related to climate) are appropriate and effective;
- oversee and monitor the embedding of and adherence to the Company's business values; and
- ensure that the Company's financial structure, resources, talent and culture supports long-term growth.

In discharging this role, the Board also has regard to the interests of a wide range of stakeholders, including, shareholders, clients, employees, business partners and suppliers, regulators, broader communities and the environment, in order to build mutual trust and support the long-term sustainability of the business.

Matters reserved for the Board

To discharge its role, the Board has reserved certain key areas of decision-making including business strategy, risk appetite, material acquisitions and disposals, capital structure and funding, financial reporting and dividend policy. A full list of the Board's reserved matters is available on our website at www.man.com/corporate-governance.

Board Committees[1]

Audit and Risk Committee

- Reviews the integrity of the Company's financial reports and statements, and recommends their approval to the Board
- Recommends to the Board the appointment of the external auditor and reviews their effectiveness and independence
- Approves the Internal Audit plan and reviews the effectiveness of the Internal Audit function and management's response to their findings
- Reviews and reports to the Board on the effectiveness of Man Group's risk management and internal controls framework

+ See page 92

Remuneration Committee

- Determines and recommends to the Board the principles and structure of the Directors' Remuneration Policy
- Approves the total annual compensation for individual executive directors
- Approves the quantum of the Company's annual variable compensation pool and deferral policies
- Considers and reviews the remuneration of the wider workforce
- Approves the total annual compensation for Executive Committee members, Company Secretary and Remuneration Code staff
- Oversees the Company's engagement on directors' remuneration and reporting

+ See page 104

Nomination Committee

- Keeps the Board's size, structure, composition and diversity under review in response to business needs and opportunities
- Considers the skills, experience and knowledge required for Board appointments
- Conducts the search and selection process for new directors, taking advice from independent search consultants
- Recommends to the Board preferred candidates for Board appointment
- Reviews Board and senior management development and succession planning to ensure continuity of resource

+ See page 100

1 Full Committee terms of reference, which are reviewed and approved by the Board on an annual basis, can be found on our website. Details of the work of the Committees during the year are given in the separate Committee reports in this Annual Report.

Board delegation to the CEO

All business decisions and activities which are not reserved for the Board and its Committees are delegated to the CEO.

CEO

CEO's operating authorities and procedures

To help manage and control the business on a day-to-day basis, the CEO has implemented a framework of delegated authorities and procedures which applies throughout the firm. This framework sets out authority levels and controls in respect of material business change, the development of Man Group's product range, non-budgeted expenditure, recruitment and compensation, legal agreements, financial guarantees and use of the Company's balance sheet.

Senior Executive Committee (Senior ExCo)

The CEO is assisted in the day-to-day management of the firm by the Senior ExCo, from which the Board receives updates at each meeting through the CEO and CFO reports. The Senior ExCo is responsible for implementing the Company's global business strategy and ensuring the strategy is appropriately disseminated and actioned accordingly within the Company's two distinct sub-groups in line with the delegated authorities framework. Further details on the Senior ExCo are available on pages 76 and 77.

Board of Directors and Company Secretary

A balanced and effective team

Our directors bring diversity of skill, experience and outlook which we believe leads to better decision-making, creates greater value and promotes the long-term success of the Company.

John Cryan
Chair

Appointed
January 2015. Chair: January 2020.

Background and career
John was CEO at Deutsche Bank AG from July 2015 to April 2018. Prior to this, he held a number of senior roles at UBS AG and was President of Temasek in Singapore.

Areas of expertise and contribution
Broad knowledge of international financial markets gained from experience at leading global financial institutions and significant understanding of the regulatory environment in which Man Group operates.

Material external positions
Chair of XCyber Group Ltd, a private cyber intelligence company based in the UK.

Luke Ellis
Chief Executive Officer (CEO)

Appointed
September 2016.

Background and career
Prior to joining the Board, Luke served as President of Man Group from 2012. Before this, he was Head and CIO of Man Group's Multi-Manager Business, non-executive Chair of Man GLG's Multi-Manager activities and Managing Director of Man FRM from 1998 to 2008. He was a Managing Director at J.P. Morgan in London from 1988 to 1998.

Areas of expertise and contribution
Varied investment management background, strong and collaborative leadership approach and plays an essential role in maintaining a positive corporate culture across the organisation.

Material external positions
Deputy Chair of the Standards Board for Alternative Investments Limited and Chair of the Board of Trustees of Greenhouse Sports Limited.

Dame Katharine (Kate) Barker
Independent Non-executive Director

Appointed
April 2017.

Background and career
Kate was a member of the Bank of England's Monetary Policy Committee from 2001 to 2010 and prior to that, she was Chief Economic Adviser to the CBI. Kate was a Senior Advisor to Credit Suisse (2010-2016) and a non-executive director of Yorkshire Building Society (2010-2017) and Taylor Wimpey plc (2011-2020).

Areas of expertise and contribution
Experience in strategic thinking, economic insight and broad knowledge of monetary and public policy and financial markets.

Material external positions
Chair of Trustees for the British Coal Staff Superannuation Scheme and for the Universities Superannuation Scheme.

Antoine Forterre
Chief Financial Officer and Chief Operating Officer (CFO & COO)

Appointed
October 2021.

Background and career
Prior to his appointment to the Board, Antoine served as Co-CEO of Man AHL from 2017 and COO of Man AHL from 2015, before which he was Head of Corporate Development and Group Treasurer of Man Group. Before joining Man Group in 2011, Antoine worked at Goldman Sachs in London and Paris.

Areas of expertise and contribution
Strong background in finance, technology, strategy and corporate development and comprehensive understanding of the key drivers of the business as a result of his previous leadership positions within Man Group.

Material external positions
None.

Richard Berliand
Senior Independent Director (SID)

Appointed
January 2016. SID: May 2017.

Background and career
Richard held senior positions at J.P. Morgan for over 23 years, including Global Head of Prime Services, Global Head of Cash Equities and Chair of the firm's Market Structure practice. Richard was a non-executive director of Rothesay Life plc and Deputy Chair of Deutsche Börse AG until 2019.

Areas of expertise and contribution
Deep understanding of financial markets, the regulatory environment, risk management and technology gained through senior executive roles in the financial services sector and a diverse range of international non-executive positions.

Material external positions
Chair of TP ICAP Group plc*.

Cecelia (Ceci) Kurzman
Independent Non-executive Director

Appointed
February 2020.

Background and career
Ceci was Vice President of Global Marketing for Epic Records at Sony Music Entertainment and prior to this, held various positions at Arista Records where she led marketing and artist development functions.

Areas of expertise and contribution
Deep knowledge of marketing, brand management and technology, specifically digital media and digital endorsement and significant experience with company launches and funding growth stage businesses.

Material external positions
Non-executive director of Warner Music Group* and Lanvin Group* and Founder and President of Nexus Management Group.

○ Executive director	(N) Nomination (Chair)	(N) Nomination
● Non-executive director	(R) Remuneration (Chair)	(R) Remuneration
* Quoted on a regulated market	(A) Audit and Risk (Chair)	(A) Audit and Risk

Lucinda Bell

Independent Non-executive Director

Appointed
February 2020.

Background and career
Lucinda is a chartered accountant and served as CFO of The British Land Company plc from 2011 to 2018, where she also led on sustainability. She was a non-executive director and Chair of the Audit Committee at Rotork plc (2014-2020).

Areas of expertise and contribution
Extensive financial and listed company expertise as well as valuable experience in ESG matters. Solid experience as an Audit Committee member and Chair.

Material external positions
Non-executive director and Chair of the Audit Committee at Derwent London plc* and non-executive director of Crest Nicholson Holdings plc*.

Jacqueline (Jackie) Hunt

Independent Non-executive Director

Appointed
February 2022.

Background and career
Jackie is a chartered accountant and has held senior executive and Board positions including as Chair of Allianz Asset Management, CEO of Prudential U.K, Europe and Africa and CFO of Standard Life plc over a career spanning more than 25 years.

Areas of expertise and contribution
Significant UK and international financial services expertise (including insurance and asset management), strategic and financial insight, and valuable experience as an executive director.

Material external positions
Non-executive director of Standard Chartered plc*, Standard Chartered Bank and Rothesay Life plc.

Elizabeth Woods

Company Secretary

Elizabeth joined Man Group in February 2014 as Senior Assistant Company Secretary. She was appointed Deputy Company Secretary in March 2017 and became Company Secretary in August 2019.

Before joining Man Group, Elizabeth held company secretarial roles at PwC Legal and Capita, where she was responsible for delivering support and corporate governance advice to a portfolio of clients including FTSE and AIM listed companies, and at Mobeus Equity Partners where she was Company Secretary of a number of Venture Capital Trusts.

Alberto G. Musalem

Independent Non-executive Director

Appointed
November 2022.

Background and career
Alberto founded Evince Asset Management LP and served as CEO and Co-CIO from 2018 to 2022. Prior to this, he served as Executive Vice President and Senior Advisor to the President at the Federal Reserve Bank of New York. He held a number of senior positions, including Global Head of Research, Managing Director and Partner, at Tudor Investment Corporation and served as an economist at the International Monetary Fund.

Areas of expertise and contribution
Extensive investment management expertise, economic and public policy and broad knowledge of capital markets and regulation.

Material external positions
Non-executive director of Freddie Mac*, a US federal home loan mortgage corporation founded by the US Congress.

Anne Wade

Independent Non-executive Director

Appointed
April 2020.

Background and career
Anne held senior roles in research and equity investment during her 17-year career at Capital International, including Senior Vice President and director. She also served as a non-executive director and Chair of the Remuneration Committee of John Laing Group plc from 2015 to 2021.

Areas of expertise and contribution
Significant experience in investment management, from fund management to social finance, ESG and impact investment.

Material external positions
Non-executive director of Summit Materials, Inc.* and a Partner in Leaders' Quest.

Senior Executive Committee (Senior ExCo)

Implementing our strategy

From left to right

Eric Burl
Head of Discretionary

Key areas of responsibility
Man GLG and Man Global Private Markets.

Mark Jones
Deputy CEO

Key areas of responsibility
Man AHL, Man Numeric, Man Alpha Technology, Trading Platform and Core Technology and data science.

Robyn Grew
President

Key areas of responsibility
Global Corporate Sustainability and Responsible Investing; Man Solutions and Man FRM; Central Trading, Funds Treasury and Bank Relationships; Operations; Financial Crime; Corporate Real Estate; and Communications.

Luke Ellis
CEO

See biography on page 74.

Steven Desmyter
Global Head of Sales and Marketing

Key areas of responsibility
Global Sales and Marketing, Responsible Investing, Chair of Man Charitable Trust and member of the ESG Leadership team.

Antoine Forterre
CFO & COO

See biography on page 74.

Key decisions made during 2022:

- endorsed various changes to the roles and responsibilities within senior management across the firm;
- approved the firm's environmental sustainability policy, Corporate Sustainability report and annual Diversity, Equity & Inclusion report;
- approved funding to the Man Group Charitable Trust; and
- recommended two buyback programmes to the Man Group Board for approval.

Key areas of discussion and focus during 2022:

- continued to consider and assess potential acquisition opportunities;
- continued to monitor the impact of the COVID-19 pandemic, with particular focus on employee well-being and working arrangements globally across the firm in addition to regular people and culture updates;
- reviewed and considered the implementation of the agile working model across the firm and the impact on day-to-day operations;
- reviewed quarterly business presentations for the investment engines, Sales, ESG, Technology and Infrastructure and agreed follow-up actions;
- considered feedback from the ExCo offsite which included sessions on the firm's capital strategy and inclusive leadership, and agreed follow-up actions;
- monitored progress and received regular updates relating to the opening of new office space in New York and, in particular, considered the impact to staff based in New York;
- received updates and discussed the financial performance of the firm;
- received updates from the UK/EEA and Rest of World (RoW) holding company boards; and
- considered and agreed actions arising from the Man Group plc Board and Committee meetings.

Senior ExCo roles and responsibilities

The Senior ExCo, led by the CEO, is responsible for:

- overseeing the investment engines and other business areas;
- ensuring adherence to the risk appetite parameters set by the Board;
- developing (for recommendation to the Board) and implementing the firm's global strategy; and
- advising the UK/EEA and RoW holding company boards on key strategic decisions for implementation.

The Senior ExCo meets on a weekly basis to maintain its broad operational oversight of the business, discuss top-level strategic and risk issues and develop proposals for Board review. These regular meetings are supplemented with formal quarterly governance and business oversight meetings with key activities and areas of discussion during 2022 highlighted opposite.

How would you summarise your role and responsibilities on Senior ExCo?

Luke Ellis: As CEO, I am ultimately responsible for the day-to-day management of the business as well as developing and implementing the firm's strategy and setting and maintaining its culture and values.

Some of the Senior ExCo members' responsibilities changed during the year following Shanta Puchtler's retirement. Shanta's departure prompted me to look at the make-up of Senior ExCo and the responsibilities of those on the team. Robyn became our new President, Eric's responsibilities transitioned from being Co-Head of Sales and Marketing to becoming Head of Discretionary and Steven assumed sole responsibility for our Sales and Marketing efforts.

It is a huge credit to the depth of management and talent within the firm that we were able to reassign Shanta's responsibilities without needing to look outside the team we have. We are constantly looking to create opportunities for new leaders to develop and broaden their expertise so that we continue to be able to adapt and take things to the next level as a firm.

Mark Jones: I'm responsible for our two quantitative investment engines, Man AHL and Man Numeric, and our two technology groups, Alpha Technology and Trading platform and Core Technology.

Our quantitative engines are a distinctive strength of the firm managing the majority of our AUM across a varied range of long-only and alternative strategies. Our technology platform is the foundation of how we operate; central to making sure we deliver for our clients reliably and effectively. A key focus for me is the quality of our day-to-day delivery and the strength and resilience of our platform.

Delivering alpha at scale to our clients remains a highly competitive endeavour. We need to keep delivering improvements across our investment strategies, technology platform and client service capabilities every year to retain our leadership position. Both our immediate delivery and our research and innovation are dependent on our people. We want each wave of new joiners to learn from and then build on their predecessors' knowledge and skills. It is critical to build a culture and structure that achieves this. If we do, the firm will continue to evolve and succeed.

I am also proud to be the senior sponsor of the Families at Man Network which promotes greater individual and family wellbeing, with a clear focus on the balance between work and family life.

Eric Burl: My role changed during 2022. I was previously the Co-Head of Global Sales and Marketing and Head of Man Global Private Markets (GPM) and am now the Head of Discretionary with responsibility for Man GLG and Man GPM.

My role spans our discretionary investment teams trading strategies in both public and private markets which covers an asset base of circa $28 billion. On the public markets side, Man GLG, I have oversight of a range of alternative and long-only investment strategies across a variety of asset classes. On the private markets side, Man GPM, we have particular expertise in residential real estate in both the UK and US. A key area of focus of mine is to identify ways to deliver sustainable long-term returns for clients through tailored investment solutions.

My other responsibilities are aligned with the firm's diversity, equity and inclusion initiatives. I am the senior sponsor of the Women at Man Network, am involved with the Speakers for Schools programme which aims to give all young people access to professional networks and GAIN, which promotes women joining the investment industry.

Robyn Grew: In 2022, I became President of Man Group alongside my roles as Head of Man Group US and Head of ESG. As President, I am responsible for our central trading function, fund treasury and operations departments which allows us to strategically manage our key counterparty relationships. I am also responsible for Man Solutions and our fund of funds business, as well as our global Communications, Corporate Real Estate and Financial Crime teams. As Head of ESG, I chair our ESG Leadership team which spearheads responsible investing across the investment engines and our corporate sustainability efforts globally.

Being based in New York allows me to meet with our North American clients and to further expand our recognition in this critical market. Last year, I also had the great pleasure of welcoming the team to our new agile office in New York.

Through Man Solutions, my focus in 2023 is to help us to create innovative, bespoke investment solutions for our clients. The need for alternative investment solutions has increased as we transition to a regime where liquidity is being taken out of the system. We believe that solutions that meet the diversification, liquidity and return expectations of our clients are vital for the next market cycle.

Finally, I sponsor our internal Black Employees & Allies at Man and LGBT+ networks, as well as chairing our Global Diversity, Equity & Inclusion Committee. We continually strive to benefit our clients, stakeholders and the communities in which we work, and I couldn't be prouder of the firm and its people.

Antoine Forterre: My responsibilities on Senior ExCo cover the finance, risk and people functions.

In 2022, we grew our business despite the volatile and uncertain economic environment. In 2023, my priorities will be to help refine and execute on our strategy. For my teams, this will mean continuing to support the growth of the business, for instance by ensuring that resources and capital are allocated appropriately, reviewing acquisition opportunities, or hiring and developing diverse talent across the globe.

As last year demonstrated, if growth is an important focus of our strategy, sound risk management is also a key differentiating factor of our business model. In 2023, we will continue to leverage our technological expertise to maintain our strong investment and corporate risk environments – for instance by refining our understanding of market liquidity or evolving our overall operational framework.

2022 put our business model to the test, helping demonstrate the value we can bring to clients and shareholders alike. I am very proud of what the whole of Man Group delivered, and I look forward to what we will achieve together this year.

Steven Desmyter: My role on the Senior ExCo, as Global Head of Sales & Marketing, is to ensure our clients' best interests are at the heart of all Man Group's activities. This means taking a truly holistic and strategic view of our sales and marketing efforts – focusing not only on products, but on solutions and relationships.

Having been at Man Group for more than two decades, I'm proud to have forged and maintained relationships with some of the world's largest asset allocators; the insights from them are vital to helping our clients meet their objectives on behalf of pension-scheme members, charities and many other institutions.

This approach informs my additional responsibilities as Chair of the Man Charitable Trust and on Man Group's ESG leadership team. Our approach to philanthropy and responsible investing reinforce our social contract with clients and broader stakeholders.

In 2023, I am looking forward to building on our success last year in helping clients through one of the worst markets in history. Whether their priority is preserving their capital or building it regardless of the macroeconomic environment, I believe Man Group can create industry-leading solutions.

Board activities timeline

Key activities of the Board during 2022

Key to strategy:
1 Innovative investment strategies
2 Strong client relationships
3 Efficient and effective operations
4 Returns to shareholders

Activity	Outcomes	Link to strategy and stakeholders (see key above)	Timeline
Strategy and business development			
Reviewed M&A strategy and opportunities	Considered and reviewed the approach to M&A and debated proposed initiatives and opportunities presented by management.	1 2 3 4 C S E	Throughout the year
Assessed progress against strategic plans presented in 2021	Considered the strategic objectives of the firm, including detailed reviews of the investment engines and business functions in the context of current industry trends and discussed the options available to achieve growth.	1 2 3 4 C S E C E B R	Feb, Mar, May, Jul and Sep
Received updates on Technology strategy	Considered the technology capabilities across the firm and the potential impacts to competitive advantage, brand perception, recruitment, and operational efficiency.	1 2 3 4 C S E B	Feb and Sep
Discussed ESG and RI strategies and initiatives + For further information see pages 44 to 63	Received updates on the firm's ESG and RI strategy, considered key trends and performance of active ESG/RI funds. Discussed the firm's ambitions to leverage research, data and subject matter expertise to drive success.	1 2 3 4 C S E C E B R	May
Considered external perspectives on the market environment	Considered current industry trends and five-year outlook, key growth areas, and opportunities and expectations around ESG.	1 2 3 C S	May
Reviewed Investor Relations strategy	Reviewed objectives supporting IR strategy, improvements to IR reporting processes, investor engagement, changes to the shareholder register, analyst coverage and positive feedback on Investor Day held in May.	1 2 3 C S	July
US business review	Considered drivers for the significant growth in the region in terms of employees, office footprint and AUM, communication channels between US and UK offices and integration of US business into the firm's global governance structure.	1 2 3 4 C S E E R	Sep
Received update on Central Trading	Assessed the strength of Man's execution capabilities, progress on reducing slippage costs, impact of challenging market conditions and continued focus on increasing automation.	1 2 3 4 C S B R	Nov
Received update on Sales strategy	Discussed areas of focus for 2023 and beyond through promotion of new strategies and diversification of product range.	1 2 3 4 C S E	Dec
Risk management			
Analysed Man Group's emerging, strategic and principal risks + For further information see pages 30 to 34	Examined the potential impact of emerging risks and proposed changes to the assessments presented. Discussed, challenged and approved the principal risks and risk management disclosures in the Annual and Interim Reports.	1 2 3 4 C S E C E B R	Feb
Assessed effectiveness of risk management and internal controls + For further information see page 28	Reviewed Man Group's systems of risk management and internal controls and concluded that these continued to be effective.	1 2 3 4 C S E C E B R	Feb
Monitored progress and reviewed output of external audit tender process	Following feedback from management and the ARCom regarding the external audit tender process, resolved to recommend to shareholders the appointment of Deloitte as the Company's auditors at the 2023 AGM.	3 C S B	Nov and throughout the year
Reviewed risk appetite and governance framework	Approved revised risk appetite and governance framework.	1 2 3 4 C S E C E B R	Nov

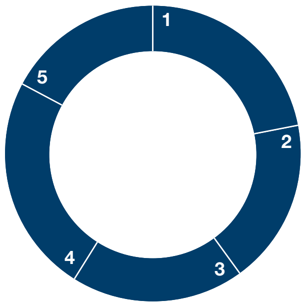
+ For more information on our strategy see pages 14 and 15

+ For more information on our stakeholder groups see pages 80 to 87

Key to stakeholder:

C	Clients
S	Shareholders
E	Employees
C	Communities
E	Environment
B	Business partners and suppliers
R	Regulators

Board activities



1. Innovative investment strategies	17%
2. Strong client relationships	21%
3. Efficient and effective operations	22%
4. Returns to shareholders	25%
5. Governance and other	15%

Activity	Outcomes	Link to strategy and stakeholders (see key above)	Timeline
Financial performance			
Approved 2022 Budget and 2022 – 24 Medium Term Plan (MTP)	Approved the 2022 Budget and 2022-24 MTP having reviewed the underlying assumptions for net flows, performance, revenue margins and costs.	3 4 C S E C E B	Feb
Approved FY 2021 year-end results and 2022 interim results	Reviewed, challenged and approved the 2021 Annual Report and the 2022 interim results.	4 C S E	Feb and Jul
Recommended and approved final and interim dividends	Recommended the 2021 final dividend to shareholders which was approved at the 2022 AGM. Approved payment of the 2022 interim dividend.	4 S	Feb and Jul
Approved two share buyback programmes and considered factors relating to buyback execution	Approved the launch of two further share buyback programmes of up to $125 million each, having considered potential alternative options for capital deployment. Monitored and challenged the execution pace of buyback programmes.	4 S	Jun and Dec
Monitored the effects of inflation across the business	Considered the impact of the inflationary environment on the firm and its stakeholders.	1 3 4 C S E B	Sep
People and culture			
Approved executive directors' objectives	Discussed, challenged and approved executive directors' objectives.	3 4 C E	Jan
Approved appointment of non-executive directors + For further information see page 80	Discussed and approved appointments of Jackie Hunt and Alberto Musalem as non-executive directors, recognising the skillsets they each bring to the Board to support the delivery of the firm's strategy.	1 2 3 4 C S E C E B R	Feb and Oct
Assessed and monitored culture and employee well-being	Received dedicated update on people and culture, and discussed various initiatives aimed at supporting employee well-being.	3 E	May and Dec
Approved employee Sharesave Offer 2022	Approved the offer of the 2022 Sharesave scheme to all eligible employees.	3 4 C E	Jul
Discussed employee engagement feedback + For further information see page 83	Discussed key themes identified from the Board's engagement with employees and the output of employee survey. Agreed actions to address feedback.	3 E	Jul and Nov
Monitored the implementation of the agile working model and other global real estate updates	Reviewed the implementation and effectiveness of the agile working model, considered the firm's global office footprint and monitored the progress of the opening of a new office in New York.	3 C E	Throughout the year
Approved renewal of appointments of non-executive directors	Approved the renewal of Lucinda Bell, Ceci Kurzman and Anne Wade's appointments for a second three-year term.	1 2 3 4 C S E C E B R	Dec

Stakeholder engagement

Our key stakeholders

The Board believes that engaging with stakeholders is crucial to Man Group's business and enables the Board to make better informed decisions for the long-term benefit of the Company and its stakeholders.

Details of how the Board has had regard to the following matters as set out in section 172(1)(a)-(f) of the UK Companies Act 2006 can be found on the following pages:

- Consequences of decisions in the long term – 80
- Interests of employees – 83
- Fostering business relationships – 81
- Impact on the community and environment – 84 to 85
- High standards of business conduct – 87
- Need to act fairly between shareholders – 82

Consequences of decisions in the long term

The Board has demonstrated its awareness of the likely consequences of its decisions over the long term as part of its consideration of Man Group's strategy and business model as set out on pages 10 to 11 and 14 to 15. The Board held a designated strategy day in June 2022 to consider the long-term strategic direction of the firm. As part of these strategic discussions, the Board considered the market and industry trends and potentially impacted stakeholders.

Our section 172(1) statement is integrated across these pages 80 to 87 and sets out who our stakeholders are, how the Board has engaged with each stakeholder group and any key outcomes. We have also identified the principal decisions made by the Board on pages 80, 82 and 86, and how the Board has considered the interests of our stakeholders when making long-term strategic decisions.

D1 D2 D3

Principal decision: non-executive director appointments

The Board approved the appointments of Jackie Hunt and Alberto Musalem as non-executive directors during 2022. Given the role that non-executive directors play in setting and monitoring the delivery of the firm's strategy, the Board was aware of the importance of the appointments to all stakeholders and took this into account when formulating the role criteria, identifying potential candidates and during the appointment process itself. Following two extensive search processes, Jackie and Alberto, who bring significant investment management experience in addition to strengths in public policy, capital markets, regulation, finance and executive management, emerged as the preferred candidates. The Board believes that, following these appointments, it has the right mix of skills and experience to support the development of the Company's strategy and deliver long-term success. Details of the appointment process are set out in the Nomination Committee report on page 101.

Clients

Fostering business relationships

Clients are fundamental to our business and represent our most significant business relationships. The executive directors and senior management undertake frequent client engagement and this feedback is considered as part of strategy setting and long-term decision-making.

The Board also works to foster strong business relationships with its business partners and suppliers. More information on our work with business partners and suppliers can be found on page 86.

The Board considers Man Group's impact on its supply chain as part of its annual approval of the Modern Slavery Transparency Statement.

Why?

Delivering outperformance for our clients is fundamental to our corporate purpose. To achieve outperformance, an understanding of our clients' own investment goals is critical to ensure decisions relating to the strategic direction of the firm are aligned to those of our clients.

How?

The Board considered the impact of the volatile financial market during 2022 on the firm's ability to continue to meet clients' investment goals, deliver market outperformance and build strong relationships. Particular focus was given to the importance and impact of being in a position to deliver liquidity to clients and the growing trends around partial redemptions (rather than full redemptions) to enable clients to top up their investments more easily in future if their circumstances changed.

Whilst the Board tends to delegate direct engagement with clients to the executive directors and senior management team, it was very pleased to hear directly from three of the firm's key clients about their experience of, and relationships with, Man Group during various Board sessions held in 2022. The Board also undertook a review of a key client during the year as a case study in understanding the needs of such clients and how the firm's strategy and resourcing facilitate delivery. These interactive sessions supplemented the regular updates on client interaction and engagement that are presented at Board meetings via the CEO report.

The Board sought advice and perspectives on current and future industry and market trends, including the competitive landscape, in order to anticipate client needs, develop the firm's strategy and set objectives accordingly.

Outcomes

- As a result of the Board sessions attended by clients, the Board has a clearer understanding of the client perspective around the firm's products, services and performance.
- The Board regularly reviews analysis of Man Group's client base through reporting from senior management.
- The Board reviewed improvements to our client experience which included establishing tailored, local, recurring client events in key regions and opening additional offices to enable a local sales presence in target regions.
- The Board remains aware of the focus on ESG from clients, and received a briefing on RI strategies with a focus on new RI products such as Man AHL TargetClimate.

Stakeholder engagement continued

Our key stakeholders continued

Shareholders

D1 D2 D3

Principal decision: share buyback programme

The Board approved two share buyback programmes of up to $125 million each during the year. Prior to approval, the Board considered the views of the firm's stakeholders, particularly its shareholders and the potentially conflicting views within the shareholder population.

The Board deliberated whether shareholders would consider this use of capital the most appropriate option for delivering long-term success. Alternative uses of capital were discussed and, having considered feedback on capital return options from some of Man Group's largest shareholders, the Board concluded that in each case, a buyback was the most appropriate option and reflected the Board's confidence in the performance of the firm.

2022 Investor Day

In May 2022, Luke Ellis and Antoine Forterre, along with various members of Man Group's senior management team hosted an Investor Day to provide shareholders with further insight into Man Group's competitive advantage and key growth drivers. The session was attended by 25+ shareholders, prospective investors and equity research analysts and received positive feedback, which was subsequently shared with and discussed by the Board. As a result of the feedback received, the executive team plan to hold additional events in future to provide shareholders with an opportunity to learn more about different parts of the business.

Why?

Achieving long-term success and attaining our goals and objectives as a firm is underpinned by the support of our shareholders who benefit directly from it. We are therefore committed to proactive engagement with our shareholders and the Board is mindful that with a varied shareholder base, it is important to act fairly between shareholders and consider a variety of needs. Market trends demonstrate that shareholders are increasingly interested in the mechanics of decision-making as well as the decision itself, and the firm is committed to providing shareholders with reliable, timely and transparent information.

How?

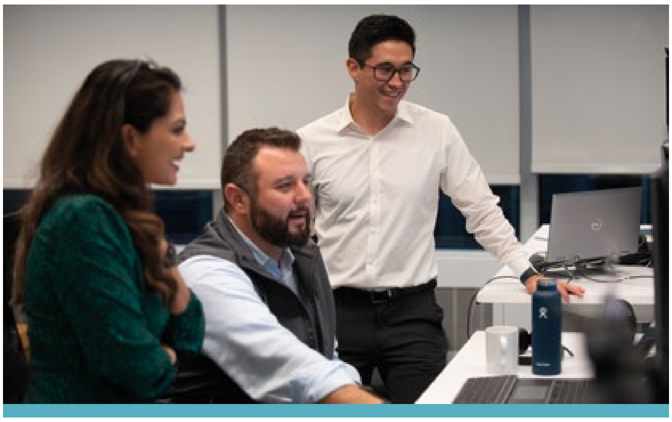
The Board actively engages with Man Group's largest shareholders and encourages feedback as part of this engagement process. Executive directors attend investor roadshows and other investor events throughout the year. Key topics in 2022 included investment performance and risk management in volatile financial markets, the strength and depth of client relationships, our product development pipeline, the impact of inflation on our business model and continued investment in technology.

The Board receives reports from the Investor Relations function on the Company's shareholder base, including key themes on shareholder sentiment. The Chair, Senior Independent Director and Remuneration Committee Chair also provide feedback to the Board on shareholder engagement meetings that they have attended.

Although shareholders are updated via engagement meetings, electronic communication (including the website), as well as written correspondence where necessary, the Board recognises that the AGM is the primary form of formal interaction with shareholders. As restrictions on public gatherings due to COVID-19 eased, the Company was pleased to be able to welcome shareholders to attend the 2022 AGM in person, with a live webcast of the AGM also offered. Shareholders were invited to submit questions to the Board in advance or ask questions through the live webcast functionality.

Outcomes

- Received metrics on shareholders as part of monthly reporting to inform discussion and decision-making.
- Held an Investor Day which received positive shareholder feedback (see further details adjacent).
- Continued high standard of proactive engagement and conversations with shareholders, led by the firm's Investor Relations function, the CEO and CFO. 65+ meetings took place during the year.
- All resolutions passed at the 2022 AGM.
- Following extensive shareholder engagement in late 2021 and early 2022, the Board recommended a new Directors' Remuneration Policy for approval at the 2022 AGM which was approved by shareholders.
- Having considered alternative uses for the capital, the Board approved two further share buyback programmes during the year in line with the firm's approach to capital management.



Employees

Employee engagement during 2022

The Board appreciates that a motivated workforce remains a key factor of the firm's success and competitive edge. Alongside regular people and culture updates, the Board reviewed the output from the discussions held with the designated employee engagement non-executive directors (Kate Barker and Ceci Kurzman). Kate and Ceci shared feedback with the Board which focused on the firm's strong and authentic culture, the extensive support provided to new starters and the good accessibility of senior management to junior employees.

Progress against previous key themes:

The Board has reflected upon the key themes identified as areas of focus during previous engagement sessions with employees:

- Additional town halls have been held throughout the year, during which the executive directors explained the firm's strategy and growth drivers. Presentations by senior management on the firm's ESG, RI, and technology strategies were also held so employees could understand how they contribute to the overarching strategy of the firm.
- Future meetings between employees and the designated employee engagement non-executive directors will consist of an increasing mix of virtual and face-to-face meetings to enable the widest range of views to be heard from staff across the firm's global offices.

Board trip to Boston

While the Board was in Boston, events were organised to enable employees to meet with the Board and provide their perspectives of the firm. The Board's designated employee engagement non-executive directors, together with other Board members, met with Alpha Technology and Numeric Quant Research teams, as well as spending time with the Boston Drive network.

Feedback indicated that the sessions had been highly productive, rewarding and effective. The Boston-based employees enjoyed meeting and interacting with Board members. The output of these sessions was reported back to the Board formally at the November meeting and all Board members agreed that the sessions allowed them to gain a greater understanding of the specific issues faced by staff in Boston.

Why?

Our employees are integral to the success of the firm. Maintaining and developing an engaged and motivated workforce, and strong corporate culture allows us to continue to deliver excellent service to our clients and maintain high standards of business conduct throughout the organisation. Listening to and acting upon employees' views contributes to our ability to attract and retain the best talent and support long-term success.

How?

In line with our workforce engagement model, Kate Barker and Ceci Kurzman were the non-executive directors responsible for leading employee engagement during 2022. Kate and Ceci summarised key themes arising from their engagement activities to the Board during the year.

The Board also receives regular updates on Man Group's people and culture and has undertaken a specific review of culture in the latter part of the year. In addition to town hall sessions focused on firm-wide strategy hosted by our CEO and CFO, further sessions focusing on ESG and RI and Technology were also held during the year, which were hosted by the CIO for RI together with the President and Head of ESG and the Deputy CEO. The sessions enabled employees to ask questions and share their views with directors and senior management.

An employee engagement survey was conducted, and the results and proposed actions were considered by the Board.

Outcomes

- The Board discussed the redesign of Man Group's New York office, emphasising the need for consistency with other global offices to ensure seamless connectivity and collaboration between the locations.
- The Board remains supportive of the firm's diversity, equity and inclusion initiatives and schedules regular updates from relevant teams across the firm. A new network, South Asian Network at Man (SANAM), was established during the year.
- The Board devoted time to a discussion of the firm's employee wellbeing programme. The Board firmly endorsed the work undertaken in this area, which offers support across social, physical, mental and financial pillars.
- The Board held meetings via virtual, in-person and hybrid means, collecting feedback on the agile working framework and experiencing it in action.

Stakeholder engagement continued

Our key stakeholders continued

Communities

Volunteering opportunities

Each year, as described in the adjacent column, employees from across the firm are offered the opportunity to volunteer their time to support charities and organisations who are striving to make a positive impact in local communities. The pictures above and below show a group of Man Group employees volunteering at a local community centre in East London, where they took part in gardening and repair work.

+ More detail can be found in the Responsible Business section on pages 44 to 63

Why?

We have a responsibility to contribute to the local communities in which we work and have multiple initiatives in place to support this aim.

How?

The Board actively encourages, supports and monitors progress on initiatives that it believes will have a positive impact on the communities in which Man Group operates. The Board considers, and is updated by management, on the firm's contributions to communities via charitable partnerships and donations, responsible investing initiatives and volunteering opportunities for employees (operated by the firm's ManKind programme). In 2022, the Board undertook a specific review of Man Group's culture which included details of the firm's community partnerships.

Outcomes

- Every employee offered the opportunity to expense a £500 (or local currency equivalent for those based outside the UK) donation to a local food bank or homelessness support charity, with an additional £20,000 donated by employees through various other fundraising activities in December 2022.
- $360k donated to the Man Charitable Trust in the UK and our US-based Man Charitable Foundation.
- 2,800+ hours of time volunteered by Man Group staff as part of its ManKind offering to employees. Employees are entitled to two paid volunteering days per year. More detail on ManKind can be found on page 43.
- Man Group is a member of the #10,000BlackInterns, City Gateway, Girls Are Investors Network (GAIN) programmes and is a Disability Confident Committed employer.
- Ongoing work with a number of schools and charities, including the King's Maths School (UK) and the Codman Academy (US).
- Man Group Corporate Sustainability brochure details a range of commitments and how the firm embodies its key principle of 'responsibility'.

Environment

ESG

Our commitment to ESG is fundamental to our corporate strategy, both in the way we provide investment services to our clients and beneficiaries, and as a listed company ourselves. ESG matters are driven at all levels of the firm and feature in many of the management meetings we have each year. During 2021, we established an executive ESG governance framework to support the delivery of our ESG strategy as both a corporate and as an investor. This model has been enhanced during the course of 2022 with the addition of two new sub-committees.

We have continued to integrate ESG into our investment processes in line with client demand, with ESG integrated AUM of $50 billion. Senior management and individual portfolio managers are in frequent dialogue with each other and with clients to ensure a consistent, coherent approach to achieving ESG targets. We are proud of the focus that ESG has had within the firm during the year and look forward to our continued development in this area.

+ More detail can be found in the Responsible Business section on pages 44 to 63

Why?

Man Group recognises the need to be a good corporate, global citizen and responsible investor.

How?

The Board has responsibility for the oversight of Man Group's environmental impact and monitors progress made against targets. It regularly discusses ESG and climate-related matters and is provided with updates from senior management throughout the year. This work covers the environmental impact of Man Group as a company, as well as the ESG solutions that we offer to our clients.

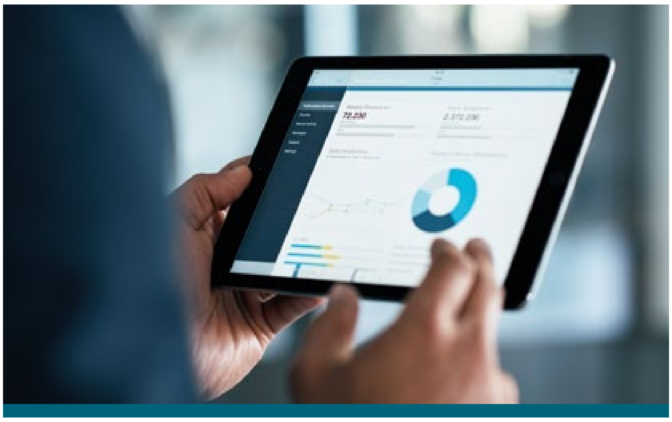
The firm is an active member of industry groups including the IIGCC, ISSB, SBAI, UKSIF, Climate Action 100+, Carbon Pricing Leadership Coalition, UN Global Compact and is a signatory to the UN-supported Principles for Responsible Investment, amongst others. More detail can be found in the box adjacent and in the Responsible Business section on pages 44 to 63.

Outcomes

- ESG matters were discussed regularly at Board and Audit and Risk Committee meetings during 2022. More detail on our approach can be found in the Responsible Business section on pages 44 to 63. The Board monitors compliance with ESG targets.
- The Remuneration Committee monitors ESG performance in the context of ESG-related objectives and metrics as part of executive director remuneration arrangements.
- Man Group launched AHL TargetClimate, a systematic multi-asset climate fund classified as Article 9 under SFDR.
- The FRC confirmed that Man Group met the requirements to remain a signatory to the UK Stewardship Code into 2023.
- Man Group launched two new proprietary ESG tools (a global active issuer assessment tool and an engagement tool) to assist our portfolio managers in their responsible investing efforts.
- Man Group to co-lead engagement for the UN PRI's Advance Initiative.

Stakeholder engagement continued

Our key stakeholders continued



Business Partners and Suppliers

D1 D2 D3

Principal decision: reappointment of auditor

During 2022 the firm conducted an external audit tender process; Deloitte had served as the firm's external auditor since 2014. A longlist of candidates was considered and a shortlist of candidates were asked to participate in the tender. Further detail can be found in the Audit and Risk Committee report on page 92.

Following the completion of the process, the Audit and Risk Committee recommended the reappointment of Deloitte to the Board. Given the confidence that external assurance provides to stakeholders as to the accuracy of the firm's reporting, the Board carefully considered the recommendation.

Following discussion regarding the impact that the decision would have on key stakeholders, the Board agreed that the reappointment would be recommended to shareholders for approval. A mandatory rotation would be required by 2034.

Why?

Good relations with business partners and suppliers are essential to the firm's effective day-to-day operation. Man Group holds itself to high standards of business conduct and integrity and it expects its suppliers and business partners to do the same.

How?

The Board has limited direct engagement with firm suppliers and delegates this engagement and oversight to senior management.

Man Group has a structure in place comprised of various committees and policies (including a Supplier Code of Conduct), which together govern our approach to the risk management of, and engagement with, suppliers.

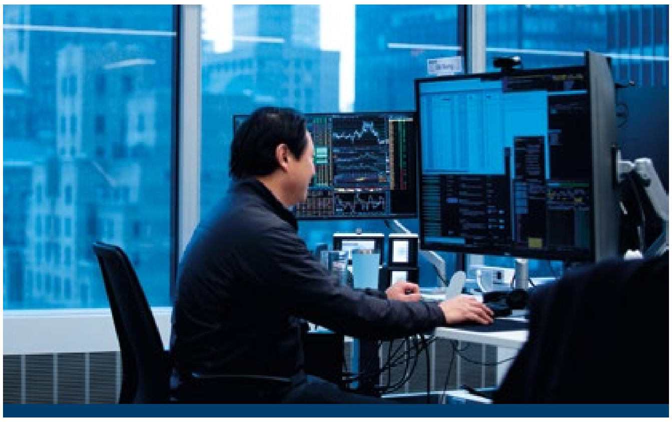
The Board, via reporting from the Audit and Risk Committee, is kept updated on the development of any key supplier risks. Timelines of payments to suppliers are tracked on a monthly basis within the UK, the firm's main country of operation.

A dedicated cyber security team oversees and assesses our suppliers to ensure they are compliant with the firm's cyber security requirements and the Board is kept informed of any developments via the Audit and Risk Committee.

The Board reviews Man Group's engagement with its broader supply chain as part of its annual approval of the Modern Slavery and Transparency Statement.

Outcomes

- The Board received periodic updates on the HUB joint venture, which aims to build a cloud-based operating platform to transform asset managers' operations technology.
- Man Group remains a signatory to the Chartered Institute of Credit Management Prompt Payment Code.
- Where unresolvable issues arose with existing suppliers, the Board was made aware via the Audit and Risk Committee of the transition of business activities to new partners.



Regulators

High standards of business conduct

As an asset management company, it is vital that our workforce act with a high degree of integrity in accordance with our published business principles. The Board is responsible for determining the Company's values and leading by example to instil a positive culture throughout the organisation which reflects a reputation of adhering to high standards of conduct. The policies and practices set out on page 67 to 69 support Man Group in upholding these standards.

The Board receives updates regarding corporate culture at each Board meeting as part of the CEO Report and undertook a specific review on culture received in December 2022. The Board also received updates on employee engagement, the output of the 2022 employee survey and feedback following engagement with the designated employee engagement non-executive directors.

Why?

The firm's products and services are regulated by various global regulators. Man Group is committed to compliance with its regulatory obligations and maintaining open and collaborative communication with its regulators. We are confident that our employees maintain the highest standards of conduct, which in turn helps us to meet our regulatory compliance obligations.

How?

Man Group maintains regular contact with all applicable regulators and keeps them apprised of any upcoming matters of note.

The compliance function has delegated responsibility for day-to-day regulatory reporting matters. The Board and Audit and Risk Committee receive regular updates from senior management on upcoming matters introduced by regulators that require action.

Outcomes

- Regulatory priorities regularly discussed at Board and Audit and Risk Committee meetings.
- Continuous building on engagement within the firm on regulatory matters, e.g. compulsory annual training takes place on the Senior Managers and Certification Regime.
- A refresher training session on the Market Abuse Regulation was delivered to the Board by an external law firm during the year. The session focused on practical hypothetical scenarios that the Board could discuss and work through to further their understanding of the application of the regulatory requirements.
- The Board and Audit and Risk Committee have monitored developments regarding the Department for Business, Energy and Industrial Strategy (BEIS) consultation on restoring trust in audit and corporate governance to ensure effective implementation.

Board effectiveness

A talented and effective Board

Board oversight, challenge and decision-making

During the year the Board held ten formal meetings. Seven of these meetings were held in person and three were held virtually. Where possible, members were all physically present however, on occasion members joined by videoconference where they were unable to physically attend the meeting. The Board also held one strategy session during 2022. Attendance at these meetings is set out on page 70.

The Board invites non-Board members of the Senior ExCo to attend Board meetings in order to give further detail and management perspective on matters discussed; whilst they help shape conversation, they do not directly participate in any decision-making. The Board meets regularly with, and seeks input from, senior management, subject matter experts and representatives from key teams, enabling Board members to build their understanding of Man Group as well as sector issues and opportunities.

The Board considers the impact on its stakeholders as part of its decision-making process. Further details on these groups, together with how the Board engages with stakeholders and key outcomes during 2022, are set out in the stakeholder engagement section on pages 80 to 87.

Board meetings are conducted on the basis that all written materials submitted are thoroughly reviewed by Board members in advance to maximise the opportunity for discussion at meetings. The non-executive directors challenge proposals and approaches presented by management and draw on their experience to suggest alternative approaches or ideas that management may not have considered. Board meetings are effectively chaired and structured in a manner that allows all views to be expressed and heard.

The Board and TCFD

- The Board has collective responsibility for providing climate-related oversight and setting the firm's climate strategy. The firm's Audit and Risk Committee has delegated authority to ensure compliance with regulations and disclosures related to climate, sustainability and ESG. The Audit and Risk Committee makes recommendations to the Board as necessary. Senior management are responsible for implementing the climate strategy as set by the Board and an ESG governance structure was established during 2021.
- The Board has decided that responsibility for ESG should remain with the Board as a collective and has not introduced an ESG or Governance Committee or nominated a designated ESG non-executive director. The Board keeps these arrangements under review.
- Man Group's Audit and Risk Committee and Board discussed climate-related matters or expressly considered climate as a factor in its discussion at meetings in 2022.
- The Board regularly considers climate impact when conducting its oversight and decision-making role against a broad range of matters, including strategic planning, budget planning, resource allocation, setting performance objectives and overseeing capital expenditure.
- The Board sets long- and short-term climate-related objectives and monitors progress made against these objectives, including climate targets. Examples include the introduction of ESG-integrated AUM as both a non-financial KPI and as a metric in the executive directors' short- and long-term remuneration arrangements and the ongoing monitoring of progress in relation to the firm's net zero commitments.
- In-scope subsidiary entities are caught by Group level implementation and considered as part of climate-related financial information disclosures made under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 and the Limited Liability Partnership (Climate-related Financial Disclosure) Regulation.

Board responsibilities

Chair

- Leads the Board, sets its agenda and ensures it discharges its role effectively
- Supports and constructively challenges the CEO, promotes effective relationships between executive and non-executive Board members, and creates a culture of open debate
- Leads, with the support of the Nomination Committee, effective Board succession planning and the search for and appointment of new directors, taking account of the need for the development of Board skills, experience and diversity
- Ensures that the Board maintains effective engagement with shareholders and takes account of the interests of all stakeholders in its decision-making

CEO

- Has responsibility for the day-to-day management of the business with appropriate delegated authorities, risk management and internal controls
- Develops, for Board approval, business strategy and management's delivery against it
- Leads the Senior Executive Committee (see pages 76 and 77), which is responsible for developing and implementing the firm's strategy
- Communicates a shared purpose and set of business principles and builds management talent
- Works closely with the Chair and leverages the knowledge of non-executive Board members
- Maintains an effective dialogue with shareholders on the Company's strategy and performance

CFO & COO

- Manages the allocation and maintenance of the firm's capital, funding and liquidity in accordance with regulatory requirements
- Has responsibility for the preparation and integrity of the firm's financial information and its reporting
- Leads the development of annual budgets and medium-term plans for Board approval
- Has responsibility for the firm's risk management within the Board's risk appetite statements
- Maintains an effective dialogue with shareholders and stakeholders on the performance and financial structure of the firm
- Has responsibility for and leads the firm's corporate development strategy, including merger and acquisition activity
- Has responsibility for the Global HR and Talent functions

Senior Independent Director

- Maintains a broad overview of the work of the Board and its Committees
- Provides a sounding board for, and advice to, the Chair on Board matters including development and succession planning
- Acts as a point of contact for communications with the non-executive directors as required
- Leads the annual performance evaluation of the Chair
- Leads the search for the appointment of a new Chair
- Engages with shareholders

Diversity

The Board is a highly skilled, committed and diverse group of individuals who are focused on understanding its own strengths, challenges and operational style. The Board biographies on pages 74 to 75 and the analysis of the Board's composition on page 71 give an overview of the breadth, depth of talent and experience on Man Group's Board. The non-executive directors bring diversity through wide-ranging contributions and perspectives to Board review and decision-making from their current executive or portfolio careers. A mix of short and long tenure delivers fresh outlooks and challenge, complemented by a longer-term understanding of the business and its people. In 2022, the Board approved a revised Diversity & Inclusion Policy which articulates our approach to Board diversity now and in the future. More information can be found on pages 102 to 103.

Independence and time commitment

All of the non-executive directors are considered to be independent and the Chair was considered independent on his appointment to the role. There are a number of ways in which the independence of our non-executive directors is safeguarded:

- meetings between the Chair and the non-executive directors without the executive directors being present;
- meetings between each of the directors and the Senior Independent Director to discuss feedback on the performance of the Chair;
- separate and clearly defined roles for the Chair and CEO (as set out below); and
- formal review of independence as part of the process for renewing the appointment of non-executive directors.

To avoid 'over-boarding' and minimise potential conflicts, all Board members are required to inform the Chair of any proposed changes to their external roles, including an indication of the expected time commitment of any new external role so that an assessment can be undertaken as to whether the director will continue to have sufficient time to discharge their duties as a director of Man Group. Any proposed appointments that are considered to be significant, or represent potential conflicts, will be assessed by the Board and a decision taken on the extent to which any such conflicts can be managed. In addition, the Board carries out a formal bi-annual review of all such roles and interests to ensure that they do not represent an unmanageable business conflict or a time commitment which might prejudice directors' contribution. Before appointing a new Chair or non-executive director, consideration will be given to the prospective director's other appointments and interests. The letters of appointment of the non-executive directors contain provisions around the expected time commitment to firm related activities.

During the year, Jackie Hunt was appointed as a non-executive director of Standard Chartered plc, Standard Chartered Bank and Rothesay Life plc, and also informed the Chair of her plans to take on a role as a non-executive director of Willis Towers Watson PLC with effect from 1 April 2023. Ceci Kurzman was appointed as a non-executive director and member of the Audit, Nomination and Corporate Governance Committees of Lanvin Group. The appointments were considered to be significant for the purposes of Provision 15 of the 2018 UK Corporate Governance Code and in line with the process set out above, prior to each appointment, the Chair considered and assessed the demands of each role and associated time commitments, taking into account both directors' other appointments, and concluded that it would not affect their ability to fulfil their roles as a non-executive director of Man Group.

Non-executive directors	Company Secretary
• Contribute and provide constructive challenge to the development of business strategy • Contribute to the identification of principal business risks and the determination of risk appetite • Monitor and challenge management performance in delivering business strategy and objectives • Monitor and challenge the effectiveness of the internal control and risk management framework • Monitor compliance with the regulatory principles and requirements impacting asset management and distribution • Review and challenge the Company's financial statements and announcements • Keep Board composition and succession planning under review in light of changing business needs and recommend any changes to be considered	• Advises the Board on corporate governance matters, ensuring good governance practices • Supports the Board and Committees in discharging their respective roles • Maintains the books and records of the Company and prepares minutes of Board and Committee meetings • Facilitates the induction, and ongoing training and professional development, of non-executive directors to support them in carrying out their responsibilities • Monitors and ensures compliance with company law, Listing Rules, Disclosure Guidance and Transparency Rules and the Market Abuse Regulation • Organises Man Group plc's AGM and other shareholder meetings • Acts as the main point of contact for retail shareholders

Board induction process

All non-executive directors receive a comprehensive and tailored induction to the business and, if required, the asset management industry. Induction programmes are structured around one-to-one briefings with the Senior Executive, Executive Committee members and the Company Secretary, with relevant briefing materials circulated in advance and follow-up meetings arranged. New Board members are invited to provide feedback on the programme they receive to ensure it is useful and well targeted. They are encouraged to seek updates on any topics which arise following Board meetings on which they would like further information. Details of the induction programme for non-executive directors are given on our website. Executive directors receive an induction which takes account of their existing skills, knowledge and experience. Jackie Hunt and Alberto Musalem who were appointed as non-executive directors during the year, each received a tailored induction in the months following their appointment.

Continuous development of the Board

Throughout the year, the Board is kept updated on key areas of the business and regulatory changes through the following methods:

- briefings included within Board papers;
- presentations from senior management and other employees on specific issues; and
- educational sessions from internal subject matter experts and external advisers.

The main training topics covered during the year were:

- the hedge fund industry, investor sentiment and industry trends;
- update on the Market Abuse Regulation and the US regulatory landscape;
- Man AHL 'teach-in';
- the Information Security landscape;
- perspectives on the competitive landscape and the use of technology; and
- ESG, stewardship and responsible investing.

In addition, opportunities continued to be made available to non-executive directors to attend seminars and workshops virtually on topical business and regulatory issues offered by professional services firms and law firms.

Board evaluation

Determining Board effectiveness

Progress on actions agreed in 2021 Board evaluation

The 2021 Board evaluation was externally facilitated by Clare Chalmers, who has no other connection with the Company or any individual director.

Area of assessment	Agreed actions	Progress made in 2022
Succession planning	• Review skills composition. To design and implement a skills matrix to assess the current capabilities of the Board and future desirable skills.	• A skills matrix was designed and implemented in 2021 and updated during 2022. The revised results were shared with and discussed by the Nomination Committee. Details of the aggregated skills and experience of the Board are set out below. • Succession planning continued to be an area of focus for the Nomination Committee during 2022 which will also extend into 2023.
Committee composition	• Consider extending membership of the Nomination Committee and Audit and Risk Committee.	• Jackie Hunt and Alberto Musalem were appointed as members of the Audit and Risk Committee (and the Remuneration Committee) during the course of 2022. • It was agreed that the Nomination Committee would retain its current membership with formal reporting to the Board enhanced instead.
Board training and development	• Develop bespoke training programmes for existing directors, as well as senior management (where appropriate) to support ongoing development of Board members.	• The skills matrix was used to review director training requirements. Training sessions were held during 2022 in response to Board feedback. New directors received tailored induction programmes.
Strategy	• Consider introducing further data/ metrics when assessing performance against strategy.	• Senior management considered the use of additional data and metrics to assess progress on strategic priorities. Full-day strategy session held in June 2022.

2022 internal Board effectiveness evaluation process

1 Design and initiate process

An evaluation questionnaire was developed by the Company Secretary and the Board Chair. The questions focused on progress made on 2021, agreed actions and current Board practices. The questionnaire was circulated to all Board members for completion.

2 Collation of responses

Responses were collated, anonymised and consolidated by the Company Secretary and shared with the Board Chair. A report was prepared which included an executive summary and detailed suggestions for focus and discussion.

3 1:1 meetings

The Chair met with each Board member to discuss the evaluation feedback, personal contributions made during the year and identify areas where they might bring additional benefit. The Senior Independent Director (SID) also met with each Board member to discuss the Chair's leadership of the Board. The SID relayed this feedback to the Chair.

4 Discussion, outcomes and actions

The Board discussed the findings of the review at its December 2022 meeting. Strengths and actions relating to development areas were agreed upon. Key findings are set out below and development areas on the opposite page.

Key findings

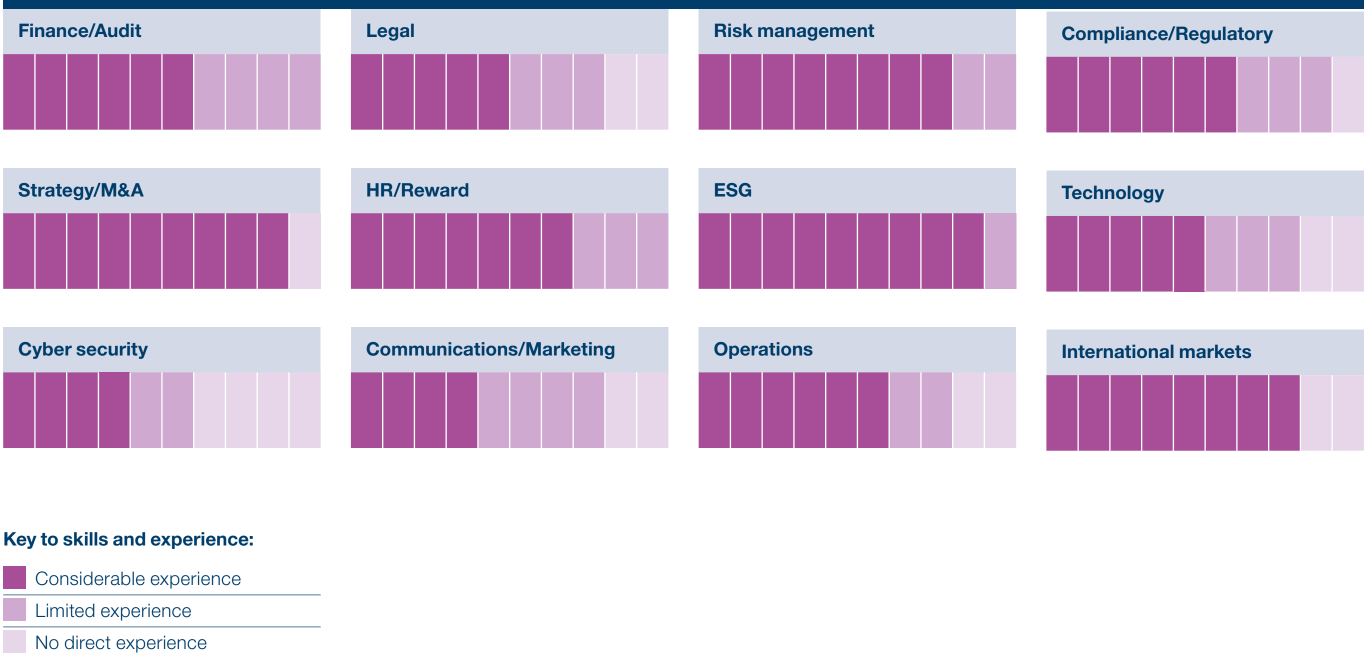
- Board and Committee performance is strong, members are engaged and supported by a well-established executive team who produce consistently high-quality papers, presentations and supporting materials. Members facilitate rigorous debate and challenge, fostering an open and transparent culture.
- The Board's visit to Boston was a success with plans to visit the new office in New York in 2023.
- Board and Committee succession planning was identified as a key area of focus for 2023.
- Details of the key findings of the Committee evaluations are set out in the individual Committee reports.

Summary of 2022 internal effectiveness development areas

The results of the Board's internal effectiveness evaluation were positive and demonstrated an effective, well run and diverse Board. Development areas were also proposed and actions were agreed.

Area of assessment	Key findings	Agreed actions
Meeting conduct	Board papers are of high quality, but some could benefit from additional context and scene-setting. Increase frequency of NED-only sessions at Board meetings.	• Discussions to be held with paper authors to ensure the appropriate level of detail is included within papers and supporting documentation. • NED-only sessions introduced at the start of every Board meeting.
Management presentations	Arrange additional management presentations for NEDs outside of Board meetings.	• Sessions with GLG senior management and Portfolio Managers arranged for Q1 2023.
Succession planning	Board would benefit from additional structure around director and senior management succession planning.	• Continue to ensure that executive/senior management succession is considered consistently throughout the year.
Strategy	Continue to focus on longer-term strategic priorities and tracking progress against these.	• Ensure topics at the strategy session in 2023 are sufficiently focused on the firm's longer-term strategy. • Agree key milestones to assist with progress tracking of strategic objectives.

Aggregated skills and experience of Board members as at 31 December 2022



Audit and Risk Committee report

Lucinda Bell
Chair, Audit and Risk Committee

The ARCom devoted significant time to the oversight of the external audit tender process.

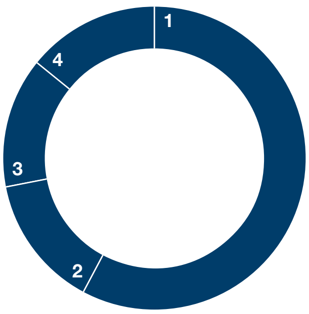
Summary of the ARCom's main activities during 2022

- Monitored the financial information within Man Group's 2022 interim and annual financial statements and challenged the key accounting policies, judgements and estimates adopted by management. Concluded that the statements were fair, balanced and understandable, and recommended their approval to the Board.
- Monitored and reviewed the effectiveness of the firm's risk management systems and internal controls.
- Conducted a robust assessment of principal and emerging risks.
- Approved the 2022 Internal Audit Plan and conducted an internal effectiveness review of the function. Received regular updates on the progress of Internal Audit reviews and monitored management's response to address actions.
- Oversaw the external audit tender process and recommended to the Board the selection and reappointment of Deloitte as external auditor.
- Approved the 2022 External Audit Plan.
- Undertook a mapping exercise of the firm's principal risks against the Committee's agenda to ensure each area received appropriate focus.

Membership:

Lucinda Bell (Chair)
Richard Berliand
Kate Barker
Jackie Hunt
Alberto G. Musalem

Proportion of the committee time spent on key responsibilities



1. Risk management	58%
2. Financial reporting	14%
3. External audit	14%
4. Internal audit	14%

Dear Stakeholder

I am pleased to present the report of the Audit and Risk Committee (the ARCom). The ARCom plays a key role in assessing the integrity of Man Group's financial reporting, monitoring the effectiveness of the firm's systems and processes of risk management and internal controls, and reviewing and monitoring the activities of the Internal Audit function and the external auditor.

I would like to welcome Jackie Hunt and Alberto Musalem, who became members of the ARCom in February and November 2022 respectively. The ARCom has benefited greatly from their vast experience and fresh insights. Dev Sanyal stepped down from the ARCom in May 2022 following his retirement from the Board and I would like to thank Dev for his valued contributions to the ARCom during his tenure. Kate Barker has decided not to seek re-election for a third term on the Board and will therefore be stepping down as a member of ARCom on 1 April 2023.

Key achievements for 2022

The ARCom devoted significant time to the oversight of the external audit tender process during 2022, which resulted in the recommendation to the Board that Deloitte continue as the firm's external auditor. The firm will be required to undertake a mandatory rotation in advance of the 2034 financial year. The ARCom reviewed and approved the approach to the process, including the selection criteria and establishment of the selection panel and appropriate delegations, resulting in a highly robust and efficient process.

The ARCom continued its oversight of the firm's ESG risk monitoring and governance framework, working with management to assess appropriate Responsible Investment (RI) systems and controls, while also scrutinising a new RI control framework dashboard which summarises and tracks the key related risks that the ARCom monitors.

We also maintained a focus on cyber and information security risk matters, working with management to conduct a 'hygiene check' of the firm's controls and providing feedback on a new cyber security dashboard which resulted in a more focused reporting format to assist the ARCom in its ongoing oversight of cyber risk matters.

Throughout the year, the ARCom closely monitored risks arising from high inflation and rising interest rates, scrutinising the controls in place to navigate the challenges presented by this environment. Liquidity, counterparty and geopolitical risks were all themes that featured prominently in the ARCom's work during the year.

Focus areas for 2023

For 2023, as well as considering the standing items of business, the ARCom will focus on the following areas:

- monitoring parliamentary progress and further guidance in respect of the future of the UK audit and financial oversight regime following the publishing of the government consultation response in 2022;
- developing an audit and assurance policy that describes the firm's approach to seeking assurance of its reported information;
- assessing geopolitical and economic risk factors which will impact the firm and its stakeholders; and
- reviewing the outsourced internal audit model to ensure it remains appropriate for the firm's structure and risk environment.

I hope you find this report a useful insight into the work of the ARCom and I look forward to continuing our work in 2023.

Lucinda Bell
Chair, Audit and Risk Committee

How the ARCom operates	
Forward agenda	• Covers key events in the financial reporting cycle, specific risk matters and standing items set out in the terms of reference. • Reviewed as part of an open discussion with ARCom members and updated in response to changing business risks and priorities.
Agenda setting meeting	• Held in advance of each ARCom meeting to identify key issues impacting the business that may require consideration by the ARCom. • Attended by the ARCom Chair, CFO & COO, Global Head of Compliance and Business Operational Risk & Resilience, Head of Internal Audit, representatives from Deloitte (as external auditors) and the ARCom Secretary.
Briefing sessions	• Prior to each ARCom meeting, the ARCom Chair meets with the ARCom Secretary to discuss the papers, consider any particular matters of concern and identify those matters which require meaningful discussion at ARCom meetings. The ARCom Chair also has one-to-one briefings with the presenters where necessary.
Committee meetings	At each meeting, the ARCom considers: • standing governance items; • regular dashboards and/or metrics which highlight and monitor changes in the key risks impacting the business, compliance matters, the financial controls framework and internal controls; • 'deep dive' assessments of topical risk items identified by the ARCom and management; and • reports and presentations on key financial reporting, risk, compliance and audit matters from management.
Board reporting	• The Board is updated by the ARCom Chair on the key areas of discussion with recommendations made, as appropriate.
Training	• ARCom members periodically attend training sessions delivered by industry experts on audit and regulatory matters, as well as other items of interest.

Roles and responsibilities	
Financial reporting	• Review the integrity of the Company's interim and year-end financial reports and statements, and recommend their approval to the Board.
Risk management, internal controls and compliance	• Review and report to the Board on the effectiveness of the firm's systems of risk management and internal controls. • Review the effectiveness of the firm's Risk and Compliance functions, regulatory reporting activities and channels available for its workforce to raise concerns.
Internal Audit	• Approve the annual Internal Audit Plan and review the effectiveness of the Internal Audit function and management's response to their findings.
External audit	• Recommend to the Board the appointment, and approve the remuneration, of the external auditor, including reviewing the external auditor's effectiveness and independence.

Membership

The members of the ARCom are Lucinda Bell (Chair), Kate Barker, Richard Berliand, Jackie Hunt and Alberto Musalem.

The ARCom as a whole has a combined skillset relevant to the sector in which the Group operates and both Lucinda, as Chair of the ARCom, and Jackie have recent and relevant financial experience for the purposes of the 2018 UK Corporate Governance Code (the Code). Further details of the ARCom members' experience and areas of expertise are provided on pages 74 and 75.

The Board Chair, CEO and CFO & COO are invited to attend ARCom meetings along with the Head of Internal Audit and representatives from Deloitte, in their capacity as Man Group's external auditor. Other members of the management team attend for those items that are relevant to them. The ARCom meets periodically during the year with the Head of Internal Audit and representatives from Deloitte without management present.

Roles and responsibilities

The ARCom is fundamental to Man Group's governance framework through its monitoring of financial reporting, the relationship with the external auditor, the effectiveness of risk management and internal controls, and the monitoring of the Internal Audit and Compliance functions. A high-level summary of the ARCom's roles and responsibilities is outlined above, together with an explanation of how it has discharged its responsibilities during the year. Full terms of reference for the ARCom, which are reviewed on an annual basis and were referred to the Board for approval in December 2022, are available on the Company's website.

How the ARCom has discharged its roles and responsibilities

Financial reporting

Key accounting judgements, estimates and disclosures

The ARCom reviewed the key accounting policies, judgements and estimates adopted by management as part of the monitoring the integrity of the financial information contained in the interim and annual financial statements. The appropriateness of the disclosures in the financial statements were also reviewed. A fundamental judgement applied in preparing the financial statements is the appropriateness of adopting the going concern assumption. The ARCom's actions in relation to this judgement are outlined below together with the other key areas of judgement, estimation and disclosure.

Audit and Risk Committee report continued

Key accounting judgements, estimates and disclosures

Matters considered	Action	Outcome
Going concern and viability Judgement is exercised when considering the ability of Man Group to continue in operation and meet its financial obligations as they fall due over the 12-month period following the approval of the financial statements, and therefore in determining whether it is appropriate to apply the going concern assumption in their preparation, as disclosed in Note 2 of the Group financial statements. Further judgement needs to be applied when assessing the viability of the business over the course of the next three years, and therefore the appropriateness of the viability statement on page 35, particularly as the ability to accurately forecast financial performance diminishes for periods further into the future. + Please refer to Note 2 in the Group financial statements for further details	The ARCom considered forecast financial performance, net financial assets and liquidity resources and requirements across a range of scenarios to assess the impact on the short and medium term ability of the business to continue in operation and meet its financial obligations as they fall due. The principal and emerging risks, which are outlined on pages 30-34, all of which are monitored by the Board on a regular basis, were considered, selecting the appropriate range of scenarios to assess in the context of going concern and viability. The ARCom also reviewed the going concern disclosure in the financial statements and viability statement in the Annual Report (as set out on pages 144 and 35).	After due consideration, the ARCom confirmed to the Board that it was appropriate for the Man Group financial statements to be prepared on a going concern basis. The ARCom reviewed the going concern disclosure in the financial statements and confirmed it appropriately reflected the judgement applied. After discussion and having considered the firm's prospects, emerging and principal risks, forecast capital position and liquidity resources and requirements, the ARCom concluded that the three-year assessment period, in line with the firm's business planning horizon, remained appropriate and recommended the draft viability statement to the Board for approval.
Consolidation of investments in funds Man Group holds seeding investments in a number of funds which it manages. Judgement is exercised when assessing whether these investments are controlled by Man Group and therefore need to be consolidated into the financial statements. This is considered to be a critical accounting judgement, as disclosed in Note 3 of the financial statements. + Please refer to Note 12.2 in the Group financial statements for further details	The ARCom reviewed management's assessment of any new judgements made in assessing investments Man Group is deemed to control in accordance with IFRS 10 'Consolidated Financial Statements' and the disclosure of these assessments as a critical judgement in the financial statements. The ARCom also considered the resulting complexity this adds to the interpretation of Man Group's results, and the appropriateness of Man Group's use of APMs to address this.	The ARCom concluded that it was satisfied with management's assessment of the entities which are deemed to be controlled by Man Group, the associated accounting treatment and the critical judgement disclosure in the financial statements. 43 investments have been consolidated on a line-by-line basis with a grossing up impact on the balance sheet of $539 million. The ARCom agreed that real estate assets held by funds controlled by the firm should be presented in a new line in the Group balance sheet.
Pension valuation assumptions Man Group has defined benefit pension plans in the UK and Switzerland, which are well-funded and result in a net pension asset. The assessment of the actuarial assumptions applied in valuing these plans determines the carrying value on Man Group's balance sheet and is considered to be a critical accounting estimate, as disclosed in Note 3 of the financial statements. + Please refer to Note 22 in the Group financial statements for further details	The ARCom discussed and agreed with management the pension valuation assumptions applied by our external actuarial experts, noting that these are in the middle of the range of established market practice and fairly reflect the valuation of our pension assets and pension obligations in accordance with IAS 19 'Employee benefits'. The ARCom also considered the disclosure of the valuation of the net pension asset as a critical accounting estimate in the financial statements. The actuarial assumptions underlying the valuation of the defined benefit pension plans were updated at 31 December 2022 to reflect the impact of changes in macroeconomic factors, most notably on the discount rate and evolving practice on incorporating the impact of COVID-19 and climate change on mortality assumptions.	The ARCom confirmed that it agreed with the external valuation assumptions applied in determining the carrying value of the net pension asset, as set out in Note 22, and the critical accounting estimate disclosure in Note 3 to the Man Group financial statements.
Impairment assessment of goodwill Testing for impairment is undertaken at least annually through the application of a 'value in use' model. This requires estimates of future cash flows, growth rates and associated discount rates. + Please refer to Note 17 in the Group financial statements for further details	The ARCom considered reports from management outlining the methodology for the impairment assessment and challenged the assumptions underpinning the goodwill valuation model including cash flow projections, discount rates, the cost allocation methodology, and levels of available headroom.	The ARCom agreed that it was appropriate that no impairment was recognised for the year ended 31 December 2022.
Deferred tax assets (DTA) Man Group has deferred tax assets in the US which largely represent historical tax losses and future deductions for amortisation of goodwill and other intangible assets that will reduce the tax payable in the US. The value of the US DTA recognised requires judgement regarding the assessment of probable future profits. + Please refer to Note 19 in the Group financial statements for further details	The ARCom reviewed the assumptions underpinning the future forecast profits which supported the valuation of the US DTA and considered management's assessment of the expected timing of forecast profits, including the expiry of certain US tax losses over time.	The ARCom confirmed that it was satisfied that the methodology adopted continued to be appropriate. A credit to the income statement of $7 million was recognised in the year due to the derecognition of DTAs following changes in forecast future profits.

Matters considered	Action	Outcome
Impairment of right-of-use (ROU) lease asset – investment property Man Group sub-leases a portion of its Riverbank House premises and assesses at the end of each reporting period whether there are any indicators that the associated ROU lease asset may be impaired. If any such indicator exists, the estimated recoverable amount of the ROU lease asset is calculated using future sub-lease cash flows. + Please refer to Note 16 in the Group financial statements for further details	The ARCom discussed and challenged management's assumptions around the timing and rental values which drive future cash flows and the discount rate applied to the cash flows. The ARCom also noted that the firm had signed a lease with a new sub-tenant for space in Riverbank House which extends to the end of the head lease with no break option, which will result in the derecognition of the associated ROU lease asset for this space upon its commencement in 2023.	The ARCom confirmed that it agreed with management's judgements in determining that there were no indicators of impairment in relation to the ROU lease asset for investment property at 31 December 2022, and therefore that there is no impairment expense to be recognised for the year then ended.
Alternative performance measures (APMs) Man Group assesses its performance using a variety of APMs, most significantly core EPS. The Board focus on core profit as this reflects the revenue and costs that drive Man Group's cash flows and inform the basis upon which its variable compensation is assessed. + Please refer to pages 175 to 179 for further details	The ARCom reviewed and discussed the APMs contained in the Interim and Annual Reports, including the appropriateness of their definition, application and disclosure. The balance between the use of APMs and the use of statutory measures when discussing the Man Group financial results in the period was also considered. In making this assessment, the ARCom considered a paper prepared by management which compared core profit to operating cash flows for the last five years.	The ARCom noted that core profit over the last five years was broadly consistent with operating cash flows and therefore concluded that the APMs, including core profit, were appropriate, provided a fair assessment of the operating performance of the business and were appropriately defined and reconciled to statutory measures as disclosed on pages 175 to 179. The ARCom concluded that an appropriate balance and level of prominence was presented across statutory and core measures.
Consideration of climate change impact on accounting estimates and assumptions Man Group considers and assesses the impact of climate change as part of its broader risk governance framework which captures both short and longer term risks. This assessment informs the firm's judgement as to whether climate change impacts the accounting estimates and assumptions used in the financial statements. + Please refer to Note 3 in the Group financial statements for further details	The ARCom reviewed the possible impact of climate change on accounting estimates and assumptions.	The ARCom confirmed with respect to the impact of climate change that there are no key assumptions concerning the future or other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of Man Group's assets and liabilities within the next financial year.

Fair, balanced and understandable assessment

At the request of the Board, the ARCom reviewed the interim and annual financial statements in conjunction with the narrative sections of the Interim and Annual Reports to ensure that there was consistency in the information reported, that sufficient weight had been given to both positive and negative aspects of business performance, that there was an appropriate balance between statutory and alternative performance measures, and that key messages had been presented coherently. The ARCom concluded that, taken as a whole, the Interim and Annual Reports were fair, balanced and understandable and provided the information necessary for shareholders, and other stakeholders, to assess Man Group's position and performance, business model and strategy.

Climate related disclosures

Pursuant to the ARCom's delegated authority from the Board to ensure compliance with regulations and disclosures related to climate, sustainability and ESG, the Committee reviewed the greenhouse gas (GHG) emissions and TCFD disclosures contained in the Annual Report. KPMG were engaged to assist in the assurance of the GHG emissions disclosures, which were presented to the ARCom for approval at its February 2023 meeting. Further details on these disclosures can be found in the Responsible business section on pages 44 to 63.

European Single Electronic Format (ESEF)

The ARCom was briefed on the process supporting the preparation of the consolidated financial statements in digital form under ESEF. Deloitte was engaged to provide assurance on the ESEF report. Robust procedures and controls had been established to support the preparation and review processes to ensure high-quality and timely filing in line with the requirements of the regulation and the FRC's recommendations of best practice, including full review of the tagged file and challenge of the judgements made by the outsourced tagging provider, in discussion with Deloitte, where appropriate.

Correspondence with the Financial Reporting Council (FRC)

The Company received no specific correspondence from the FRC in the period. The areas identified in the FRC's 'Key matters for 2022/23 reports and accounts' publication were reviewed, however no specific changes were required to Man Group's draft accounts as a result.

Audit and Risk Committee report continued

Risk management and internal controls

Monitor and review of risk and control environment – key business areas

In addition to its careful monitoring of macroeconomic and geopolitical risks, which were at the forefront of its agenda during the year, the ARCom also tracked ESG regulatory developments, working with management to formulate an appropriate framework to enhance monitoring and oversight of risks relevant to the firm's RI strategies. Key areas of risk-based discussion are set out below.

Emerging risks analysis

In addition to the review of emerging risks undertaken as part of the review of the Annual Report, the ARCom undertook a further deep-dive analysis of the firm's emerging risks, identifying geopolitical risk and challenging financial markets as key areas of focus, these risks having been recurring themes in the ARCom's work during the year.

Increasing geopolitical risk, exemplified by the Russian invasion of Ukraine, had driven inflationary pressures and contributed to the anticipated longer-term fragility in financial markets amid higher interest rates. The ARCom had explored the impact of the UK liability-driven investment crisis, and implementation of controls relating to sanctioned Russian assets.

The ARCom scrutinised the categorisation of the emerging risks identified in the analysis mapping and discussed appropriate controls. Examples of the controls in place include robust business continuity planning measures to mitigate increasing geopolitical risk and extensive counterparty and liquidity monitoring processes to manage elevated financial market risks.

RI systems and controls framework

The ARCom continued to closely monitor ESG regulatory developments during the year, including notable greenwashing investigations launched by regulators during the period.

Pursuant to the firm's development of its ESG governance, systems and controls, the ARCom worked with management to formulate a new RI control framework and dashboard intended to provide an ongoing summary of key issues integral to the controls relating to the firm's RI strategy. The ARCom provided feedback on the dashboard, including on the adoption of a heatmap format to track the status of key items, allowing monitoring of issues such as level 2 Sustainable Finance Disclosure Regulation (SFDR) and EU Taxonomy regulatory compliance as well as resourcing within the firm to support the RI strategy.

Monitor and review of risk and control environment – key functional areas

The ARCom also considered presentations from each of the firm's key functional areas.

Risk

At its May meeting, the ARCom received an update from the Risk function and discussed its role in supporting Man Group's governance processes. The ARCom also considered the firm's risk culture, focusing specifically on the role of the firm's investment risk teams. At the October meeting, the ARCom received a detailed overview of the investment risk team structure and the culture of proactive collaboration with front office teams. The discussion enabled the ARCom to gain a greater understanding of the constant engagement between the teams which fosters an open, honest and productive dynamic, all of which contributes to a culturally vigilant and collaborative approach to the management of investment risk.

A review of the impact of the senior role changes effected during the year, prompted by the retirement of Shanta Puchtler (former Man Group President), was also undertaken by ARCom with a particular focus on any resulting changes to the firm's current corporate governance framework.

The ARCom monitored people related risks during the year, including the thematic impact of inflationary pressures and a specific examination of key person risk in the infrastructure and investment risk functions.

During the year, the Committee also received an update on financial fraud risks and discussed the efforts undertaken by management to continuously scrutinise and enhance existing controls in this area, including the risk of collusive fraud and strength of controls over the Group's cash balances.

During the year, the ARCom reviewed proposed amendments to the Risk Governance and Appetite Framework (the Framework), focusing in particular on the integration of references to the 'three harms' driven by the introduction of the UK Investment Firm Prudential Regime. The ARCom endorsed the revised Framework and recommended it to the Board for approval (a summary of Man Group's risk appetite statements is available on the Company's website).

Finance

The ARCom received updates at each meeting from the CFO & COO and Group Financial Controller on the Finance function's operations and controls. The ARCom, having worked closely with the new Group Financial Controller who joined the firm in early 2022, sought her fresh perspectives on the structure and functioning of the Finance team. The ARCom endorsed the view that the Finance function performed strongly and supported management initiatives to create additional opportunities for collaboration across the team.

The ARCom considered the government's final proposals following the Department for Business, Energy and Industrial Strategy consultation on restoring trust in audit and corporate governance, with a particular focus on the development of an audit and assurance policy intended to describe the firm's approach to seeking assurance of its reported information. The ARCom agreed that the development of such a policy should be targeted for 2023.

At the December meeting, the Head of Tax was invited to present on the firm's tax position, the key projects undertaken by the Tax team during 2022 and areas of focus for 2023.

Compliance

During the year, the Global Head of Compliance and Business Operational Risk & Resilience presented the 2022 Compliance Review. Particular focus was given to the assessment of value and consumer duty projects, SFDR implementation, and suspicious transaction surveillance projects. Consideration was also given to resourcing levels, global themes around regulatory risk, current priorities of key regulators and Compliance function-led initiatives. The ARCom continued to monitor steps taken by the management team to raise awareness of the channels available to Man Group's workforce to raise concerns.

The ARCom also committed significant time to examining the firm's controls in respect of surveillance of electronic communications and noted regulatory fines handed to other financial institutions during the year. The ARCom endorsed the proactive approach that management had taken during the year in reminding employees of the electronic communications policies in place at the firm, including the firm's approved communications channels.

In addition, the Money Laundering and Reporting Officer (MLRO) presented their Annual Report at the February 2022 meeting and confirmed that Man Group had established and maintained effective anti-money laundering and counter-terrorist financing systems and controls. The timing of the update coincided with the beginning of the Russian invasion of Ukraine, enabling a full discussion of the international sanctions applied to Russian assets, which the Financial Crime Compliance team had fully implemented.

Cyber security

Cyber security remained an area of focus for the ARCom throughout the year and it continued to receive regular reports on key themes and trends in cyber security. The ARCom also reviewed the output of a 'hygiene check' of the firm's information security controls and policies. The findings indicated that while the control environment remained robust, certain enhancements were possible. The ARCom endorsed the recommendations and highlighted the increasing regulatory scrutiny on cyber security matters, which would necessitate an enhanced cyber security programme which complied with all relevant standards.

The findings of the review were utilised to produce a new cyber security reporting dashboard which enabled the ARCom to focus on five key cyber risk scenarios. Each of these would be rated and tracked in the dashboard, enabling the ARCom to better understand and monitor key cyber risk items and ensure controls remain effective and robust.

During the course of the work undertaken, the subject matter expertise of the firm's outsourced Internal Auditor function (KPMG) was leveraged to provide assurance that best practice controls and methodologies in cyber and information security from across the industry were adopted and applied.

Ongoing monitoring of the Group's systems of risk management and internal control

The ARCom is satisfied that – through regular review of reports and dashboards, in-depth assessment of key business areas and functions, consideration of changes to the Risk Governance and Appetite Framework and ongoing review of progress against the Internal Audit Plan (more detail below) – it is appropriately monitoring the ongoing effectiveness of Man Group's systems of risk management and internal control. Further details can be found in the Risk Management section on page 28.

During the year, a number of operational matters were reported to the ARCom. These were discussed as necessary throughout the year and papers summarising these matters were considered by the ARCom at its February 2023 and December 2022 meetings. Whilst Man Group sought to improve its processes in response to the matters identified, they were not considered sufficiently material in number or nature either to require separate disclosure in the financial statements or to indicate that the control environment had not been operating effectively. The ARCom also concluded that there were no specific matters to bring to the Remuneration Committee's attention which may impact its decision on discretionary remuneration payments, given management action had already been taken where necessary.

Internal Audit

Internal Audit Plan

The Group's Internal Audit function continues to be performed by KPMG. The ARCom reviewed and approved the 2023 Internal Audit Plan which included details of the planned audit reviews for 2023 and the proposed team responsible for delivering the 2023 plan led by Stuart Wooldridge, KPMG partner and Head of Internal Audit.

The ARCom discussed Internal Audit reports presented by the Head of Internal Audit at each meeting, reviewed progress against the 2021 and 2022 Internal Audit Plan and monitored the closure of management actions arising from Internal Audit's recommendations to address control enhancements. Whilst no significant weaknesses were identified in any of the Internal Audit reports, a number of improvements to certain processes and controls were implemented in response to the recommendations.

Effectiveness of Internal Audit function

During the year, a review of the Internal Audit function was undertaken by the ARCom in order to assess its effectiveness. The internally conducted review considered areas such as resourcing, delivery, reporting and adding value, and the independence of the function. Feedback was obtained from ARCom members and certain regular attendees through conversations with the ARCom Chair. The output of the review indicated that, overall, the Internal Audit function continued to perform to a satisfactory level and provided an independent perspective on Man Group's control environment.

External audit

2022 External Audit Plan

At the October meeting, the 2022 External Audit Plan was presented by Bevan Whitehead, who has been lead engagement partner since 2021. The plan, which was discussed and approved by the ARCom, set out the proposed materiality threshold, the scope of the audit and the significant audit risks that had been identified.

Auditor independence and the provision of non-audit services

In order to safeguard the independence and objectivity of the external auditor, the ARCom is responsible for the development, implementation and monitoring of Man Group's policies on the provision of non-audit services and oversight of the hiring of personnel from the external auditor should this occur. The ARCom reviewed and approved the Company's non-audit services policy at the October 2022 meeting.

Summary of non-audit services policy

In accordance with the non-audit services policy, any potential services to be provided by the external auditor, which are not excluded under the non-audit services policy and are prescribed by the FRC's Revised Ethical Standard 2019 but which have an expected value of $75,000 or more, must be approved by the ARCom in advance. The non-audit services fees in aggregate must not exceed 70% of the statutory audit fee for the previous three years, which is equivalent to $1.7 million for 2022. Further details can be found on the Company's website.

The table below shows the remuneration paid to Deloitte in 2021 and 2022.

	2022 $'000	2021 $'000
Fees payable to the external auditor for the audit of the Company and the consolidated financial statements	**786**	599
Other services:		
The audit of the Company's subsidiaries pursuant to legislation	**2,295**	1,842
Audit-related assurance services	**464**	463
All other services	**56**	1
Total auditor's remuneration	**3,601**	2,905

The increase in the remuneration paid to Deloitte in 2022 is due to cumulative market realignment and inflation.

Audit and Risk Committee report continued

The independence of the external auditor is safeguarded by control measures including:

- policies limiting the nature of non-audit services (see the previous page) and hiring of personnel from the external auditor, both of which are subject to annual review by the ARCom;
- an independent reporting line from the external auditor to the ARCom and provision of private sessions without management presence;
- rotation of the lead engagement partner every five years;
- provision of a confidential helpline which employees can use to report concerns (see page 68 for further information); and
- provision of an annual letter from the external auditor confirming its independence.

Following a formal assessment of the external auditor's independence and objectivity in February 2023, the ARCom concluded that Deloitte continued to be independent and objective.

Effectiveness of external audit process

At the May 2022 meeting, the ARCom considered feedback from ARCom members and various members of the management team in order to facilitate the ARCom's formal assessment of the effectiveness of the external audit process. Respondents were asked for their views on several components of the external audit process including the quality of the audit partner and team, planning and execution of the audit, quality of audit reporting and the external auditor's independence and objectivity.

The responses indicated that, overall, Deloitte was performing in line with expectations, with the audit team demonstrating appropriate challenge and understanding of Man Group's business. Deloitte's management of the transition of the lead engagement partner during 2021 was cited as a particularly positive area, with the continued involvement of key members of the wider Deloitte team and the proactive approach of the new lead engagement partner having resulted in a successful and smooth transition.

The output of the effectiveness review also praised the efficiency of the audit, several audits having been brought forward to earlier in the process, as well as the quality of the wider audit team.

A number of areas, including the development of audit quality indicators and enhanced coordination with Internal Audit, were identified as requiring further consideration and Deloitte's plans to address these issues were set out alongside their 2022 Audit Plan. After discussion, the ARCom concluded that the external audit process in respect of the 2021 financial statements had been effective.

An example of an area where Deloitte challenged management's assumptions and judgement was in relation to the underlying assumptions used in the assessment of the investment property right-of-use lease asset for impairment and the appropriate recognition of deferred tax assets. In all areas, Deloitte concluded that the assumptions and judgements applied by management were appropriate.

External audit tender process – reappointment of Deloitte as external auditor

Deloitte was appointed as the Group's external auditor in 2014, following a tender process led by the ARCom in 2013. In accordance with the Code and the Competition and Markets Authority's Order 2014 (the Order), the Company was required to put its external audit out to tender again in 2023 at the latest.

Following initial planning initiated in 2021, a decision was taken to proceed with the external audit tender in 2022 for the audit in respect of the financial year ending 31 December 2024. This approach was taken to allow for maximum participation, ensuring sufficient time to allow for a smooth transition, if required. The key aspects of the tender process conducted during 2022 are documented below.

Following the ARCom's review of the effectiveness of the external audit process earlier in the year, its assessment of the external auditor's independence and objectivity, and considerations relating to the audit tender process undertaken during the year, it has recommended the reappointment of Deloitte as Man Group's external auditor to the Board. The Board has subsequently recommended the reappointment of Deloitte for approval by shareholders at the 2023 Annual General Meeting.

Summary of tender stages and process

April – May 2022

Approved the scope of the audit tender, as well as the overall approach and composition of a selection panel who would have delegated authority to recommend the chosen audit firm to the ARCom. The selection panel was composed of Lucinda Bell, Jackie Hunt, Antoine Forterre and Julie Fountain, the Group Financial Controller. It was agreed that the ARCom Secretary would also attend certain selection panel meetings.

Multiple candidates, including challenger firms, were approached for preliminary discussions.

May – July 2022

A selection of the candidates to participate in the tender was approved by the ARCom. Each firm was issued with a request to submit a formal expression of interest in participating in the tender process, along with a request for confirmation of independence where applicable.

The ARCom Chair led a partner selection process for each candidate which was also completed following interviews of the relevant individuals proposed by the firms.

July 2022

The ARCom approved the request for proposal document to be completed by each participating firm. The selection panel then reviewed written proposals from the candidates, assessing each of these against the following criteria:

- reputation of firm (including FRC reports and findings on past audits by candidates)
- audit approach
- transitional arrangements
- ESG assurance credentials
- proposed fees and terms
- independence considerations

The ARCom will continue to assess the external audit process annually to ensure that it remains effective and the audit fee represents good value to shareholders, while mandatory rotation of the external auditor is required by the 2034 financial year. The ARCom confirms that the Company has complied with the provisions of the Statutory Audit Services Order 2014 for the financial year under review.

How the ARCom has assessed its effectiveness

Outlined in the table below are the key areas that were identified in the ARCom's 2021 evaluation as requiring further consideration and development during 2022, together with the progress that has been achieved in 2022.

2022 progress on 2021 actions

2021 evaluation	2022 progress
Discuss and agree appropriate balance between audit versus risk coverage at meetings	Meeting agendas continued to be split into roughly equal risk and audit sections to allow for the necessary focus on each area to be clearly drawn out. The balance was monitored throughout 2022 and feedback on the approach was sought as part of the 2022 evaluation. It was determined that there was sufficient delineation between risk and audit and Committee members were happy with the level of discussion in each portion of the meeting.
Monitoring of attendance of non-ARCom members at ARCom meetings	Pursuant to the review undertaken in 2021, meeting attendance was recommended such that only ARCom members and key contributors attended the audit portion of ARCom meetings during 2022. Feedback indicated that non-ARCom Board members continued to find attendance at the risk portion of the meeting valuable in furthering their understanding of the risk environment at the firm, complimenting their obligations as Board members with responsibility for oversight of risk matters, alongside the scrutiny and challenge driven by ARCom members during meetings.

In December 2022 the ARCom conducted its annual effectiveness evaluation, which was facilitated internally. Responses were obtained from ARCom members and certain regular attendees through a combination of written feedback and meetings conducted with the ARCom Chair. Responses indicated that the ARCom continued to operate as a thoughtful and collaborative forum, with paper submissions consistently of a high quality, forming a basis for productive debate and challenge. The responsiveness of the management team in addressing ARCom questions and requests was praised by ARCom members.

Areas identified for focus in 2023 included the continued consideration of an appropriate balance between audit and risk matters at meetings, as well as monitoring of the approach to meeting attendance for non-ARCom members.

Lucinda Bell
Chair, Audit and Risk Committee

September 2022

Candidates were invited to gather more information through a series of meetings with management, and a review of documents provided in a data room available to all participants.

Candidates then submitted their written proposal documents in September.

October 2022

Presentations to the selection panel took place in October and the selection panel reported the outcome to the ARCom. The ARCom discussed the presentations and the relative merits of each candidate's bid and resolved to present two candidates to the Board for consideration, with a recommendation that Deloitte be appointed to continue to serve as external auditor of the firm.

The Board was briefed on key considerations discussed by the selection panel and by the ARCom.

November 2022

The Board resolved to recommend the appointment of Deloitte as external auditor to shareholders for approval. Deloitte was notified of the decision and provided with several feedback points arising from the tender process. Feedback was provided to unsuccessful candidates who were thanked for their contributions.

Nomination Committee report

John Cryan
Chair, Nomination Committee

I am delighted that Anne will be taking over as Board Chair following my departure in the second half of 2023.

Summary of the Nomination Committee's activities during 2022 and early 2023

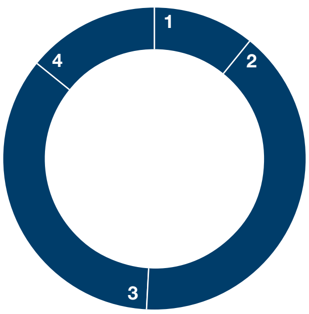
- Reviewed the size, composition, diversity and skillset of the Board and its Committees and dedicated significant time to succession planning for the Board and senior management.
- Undertook a review of candidates to succeed John Cryan as Chair and recommended to the Board for approval the appointment of Anne who will take over the role in H2 2023. The Nomination Committee was chaired by the Senior Independent Director, Richard Berliand, when dealing with this matter.
- Recommended to the Board for approval the appointments of Jackie Hunt and Alberto Musalem as non-executive directors of the Company.
- Recommended to the Board for approval the renewal of the appointments of Lucinda Bell, Ceci Kurzman and Anne Wade as non-executive directors for a further three-year term, subject to shareholder approval.
- Considered changes to Senior ExCo responsibilities following Shanta Puchtler's decision to retire from his role as President at the end of 2022.
- Considered implications of new Listing Rule disclosure requirements in relation to gender and ethnic diversity at Board and executive management level and agreed that relevant disclosures should be included in the 2022 Annual Report (relevant data set out on page 71.
- Recommended to the Board for approval changes to the Board Diversity & Inclusion Policy.
- Considered feedback from the Committee effectiveness evaluation.

Membership:

John Cryan (Chair)	Richard Berliand
Lucinda Bell	Anne Wade

Where appropriate, Luke Ellis is invited to attend Committee meetings.

Proportion of the committee time spent on key responsibilities



1.	Board and Committee composition	11%
2.	Board search and appointment	40%
3.	Succession planning	35%
4.	Governance and other	14%

Dear Stakeholder

2022 proved to be another very busy year for the Committee. Significant time was spent considering potential successors for my role as Chair of the Board given that, in line with the UK Corporate Governance Code (the Code), I would be expected to retire from the Board by 15 January 2024, nine years after my initial appointment as a director of the Company. The Committee considered potential internal candidates and undertook a thorough preparatory external benchmarking exercise. Following this process, the Committee was pleased to recommend to the Board for approval the appointment of Anne as the next Chair. Whilst I had no involvement in the decision (in line with the Code), I am delighted that Anne will be taking over as Board Chair following my departure in the second half of 2023. Further details around the Chair selection process are set out by our Senior Independent Director, Richard Berliand, on page 101.

Significant Committee focus was also given to the search for a non-executive director with extensive markets experience. I highlighted in last year's report that, following the appointment of Jackie Hunt to the Board in February, we intended to focus our next search on individuals with strong technology experience. We progressed this search in the first half of 2022; however, the Committee subsequently decided that the Board would gain more benefit from additional markets experience and, as a result, the search efforts during the second half of 2022 were refocused. After a comprehensive search process, the Committee was pleased to recommend the appointment of Alberto Musalem to the Board.

The Committee also discussed a number of changes to the Senior Executive Committee (Senior ExCo) following the announcement that Shanta Puchtler, Man Group's President, would be retiring at the end of 2022. These included changes in responsibilities for Robyn Grew who was appointed President, Eric Burl who was appointed as Head of Discretionary and Steven Desmyter who now has sole responsibility for the firm's Sales and Marketing efforts. Given these changes, we have included a Q&A with each of the Senior ExCo members on page 77 to enable stakeholders to gain more of an understanding of their roles and responsibilities.

Given the importance of succession planning to the long-term success of the Company, the Committee continued to dedicate significant time and focus to considering this during the course of 2022. In the year, the non-executive directors were able to gather for the evening to discuss succession planning in relation to the senior members of the executive team. This was preceded by a presentation from the CEO on his assessment of the relative performance and the development needs of his senior team.

John Cryan
Chair

Role of the Committee

The Committee's full terms of reference, which are reviewed by the Committee and submitted to the Board for approval on an annual basis, are available on the Company's website. A summary of responsibilities is as follows:

- keep the Board's composition under regular review in terms of its size, structure, skills, experience and diversity in response to changing business needs and opportunities;
- identify the particular skills, knowledge and experience required for specific Board appointments and conduct the search and selection process;
- recommend the appointment of new candidates to the Board and the renewal, where applicable, of existing non-executive director appointments; and
- review plans for executive director and senior management development and succession.

Board and Committee changes

In late 2021, the Committee commenced a non-executive search for individuals with strong finance and asset management experience. Following a comprehensive search process, Jackie Hunt emerged as the preferred candidate and was appointed as a non-executive director and member of the Audit and Risk Committee (ARCom) and Remuneration Committee (RemCom) with effect from 28 February 2022. Following the Company's AGM on 6 May 2022, Dev Sanyal and Zoe Cruz stepped down from the Board and ceased to be members of the ARCom and RemCom respectively at that time.

As previously mentioned, the Committee decided to adjust the focus of its non-executive search process from candidates with technology expertise to those with strong markets experience to take account of retirements from the Board anticipated over time. Hedley May (who have no other connection with the Company or any individual director), with input from certain Board members, produced a longlist of candidates with the relevant credentials for the Committee's consideration. All Committee members and Luke Ellis met with a shortlist of candidates and were pleased to recommended the appointment of Alberto Musalem as a non-executive director and as a member of the ARCom and RemCom to the Board for approval. The Board approved Alberto's appointment which took effect on 1 November 2022. Alberto brings extensive investment management experience, economic and public policy expertise and broad knowledge of capital markets and regulation.

Kate Barker, who has been on the Board for six years, has decided not to seek re-election for a third term and will therefore be stepping down as a non-executive director and member of the RemCom and ARCom on 1 April 2023.

Renewal of existing non-executive director appointments

The Committee reviewed the profile of Board tenure of our non-executive directors in light of its future needs. As part of this, it considered the renewal of the appointments of Lucinda Bell and Ceci Kurzman, whose first three-year terms were due to expire in February 2023, and Anne Wade whose first three-year term was due to expire in April 2023. Lucinda, Ceci and Anne did not take any part in the consideration of the renewal of their individual appointments. The Committee agreed, taking account of the current cycle of Board development and succession and the feedback on their contributions to the Board, to recommend the renewal of their appointments for a further three-year term to the Board for approval, subject to annual reappointment by shareholders at the AGM.

Chair Succession

The Committee recognised that, in line with the Code, John Cryan would be expected to step down from the Board by 15 January 2024 at the latest, nine years after his appointment as a director of the Company. As a consequence, the Committee spent time during 2022 considering Chair succession and, as Senior Independent Director, I was invited to lead the process. Set out below are the main considerations and stages involved in that work. Neither John nor Anne (who had been identified relatively early on in the process as a potential successor) had any involvement in the discussions or the decisions reached, in line with best governance practice, although I kept John updated on progress and sought his views where appropriate in order to benefit from his insights and experience as the incumbent Chair.

Q3 2022:

- Private discussions held with Committee members to establish whether any current non-executive directors might be candidates for the role. Anne Wade identified as a potential candidate.
- Initial discussions took place with Hedley May (HM) to assess the support that they may be able to provide during the process. Given HM had worked on a number of other recent and ongoing Man Group Board searches, they were considered to have a good understanding of the Board, its dynamics and the required attributes of a successful Chair.
- Detailed role and character specification agreed focusing on desirable experience, including previous Board and financial services experience and a strong understanding of markets, as well as personal characteristics, including cultural fit and the ability to build strong relationships with the Board and executive team.
- Discussions held with non-executive directors. Anne formally indicated that she would like to be considered as a potential candidate for the role.
- HM instructed to undertake a desktop exercise to identify a longlist of potential external candidates who could be considered for the role, interview Anne for the role and calibrate her against the external list.

Q4 2022:

- Comprehensive interview/assessment of Anne undertaken by HM.
- Longlist of potential external candidates and output of Anne's interview (including external calibration against the list) provided by HM to the Committee.
- The Committee reviewed and discussed the list, taking account of previous experience and soft skills that each candidate brought, and concluded with support from Luke Ellis that Anne was the best candidate for the role. This was based on the breadth and depth of Anne's experience and the strong cultural alignment between Anne and the rest of the Board and management team.

Q1 2023:

- John informed the Board that he would be retiring towards the end of 2023.
- Upon the Committee's recommendation, the Board approved Anne's appointment as the next Board Chair following John's departure and agreed that a new Remuneration Committee Chair to succeed Anne (given she would be expected to step down from that role on appointment as Chair in line with the Code) would be announced in due course.
- John's retirement and Anne's appointment announced to the market.

Richard Berliand
Senior Independent Director

Nomination Committee report continued

Committee evaluation

Progress on the priority areas identified by the Committee in last year's evaluation is set out below, together with the areas for focus highlighted in the 2022 evaluation.

Progress on priority areas identified in 2021 evaluation

Priority Area	Agreed action	Progress during 2022
Board composition/ appointments	• Agreed to progress non-executive searches for individuals with strong finance and technology experience. • Agreed wider non-executive director involvement was appropriate when considering Board appointments and that communication channels could be further enhanced.	• Jackie Hunt, who brings significant finance experience, was appointed to the Board with effect from 28 February 2022. Priorities reassessed during the year and agreed that a non-executive search process for individuals with extensive markets experience should be prioritised over the search for individuals with strong technology experience. Alberto Musalem appointed to the Board with effect from 1 November 2022. • Involvement of other Board members in appointment process enhanced through comprehensive updates at Board meetings or via 1:1 discussions with John Cryan and Richard Berliand.
Skills matrix, training and development	• Agreed to implement and maintain a formal skills matrix, designed to support succession planning discussions and build out of bespoke Board training programme.	• Skills matrix implemented in late 2021 and updated during 2022 to take account of the new non-executive directors' experience. Output discussed by the Committee. + See page 90 • Board training programme strengthened with sessions held on the Market Abuse Regulation, the Information Security landscape and a Man AHL 'teach-in' to supplement the sessions hosted by legal/professional service firms that are attended by non-executive directors throughout the year.

The Committee also discussed the following areas which were identified in the 2022 Board evaluation as requiring further Committee consideration during 2023.

Board composition: continue to keep Board composition under review, particularly in light of the non-executive directors' remaining tenures and the resulting changes to the Board anticipated over the next two to three years.

Succession planning: enhance formality around executive succession planning process.

John Cryan
Chair

Board Diversity and Inclusion Policy

The Board Diversity and Inclusion Policy sets out the Board's understanding of the value and impact of diversity in its broadest sense and the measures, processes and inputs through which it seeks to increase diversity on the Board and influence and monitor its impact within the Company as a whole. The policy, which is summarised in the box adjacent, is fully aligned with Man Group's diversity, equity and inclusion statement. Further details of our diversity, equity and inclusion activities throughout the firm are given in the People and Culture section on pages 38 to 43. The developments regarding the number of women in Man Group's senior management roles (defined as those who are, or report directly to, members of our Executive Committee) are set out in the non-financial KPIs section on page 21.

Overview

The Board embraces and seeks to promote diversity and inclusion in its broadest sense, both in terms of its own composition and within Man Group's senior management and employee base as a whole. It sees diversity as the combination and interaction of people with different knowledge, skills, experience, backgrounds and outlooks and believes that this inclusion creates greater value and leads to better decision-making and performance at all levels of the organisation.

The Board is responsive to diversity and inclusion challenges within the financial services industry and endorses the steps initiated and implemented by the executive management team to help navigate these challenges. In addition to the internal diversity, equity and inclusion initiatives within Man Group, the Chair and CEO are members of the 30% Club; Man Group is represented on external inclusion-focused committees and working groups and is also a signatory to the Women in Finance Charter and Race at Work Charter.

The Board supports the adoption and disclosure of targets for building gender and ethnic diversity across FTSE company boards and senior management, including the recommendations set out in the FTSE Women Leaders Review (previously the Hampton-Alexander Review) on gender diversity and the Parker Review on ethnic diversity. The Board is committed to ensuring that there is at least 40% representation of either gender and at least one director from an ethnic minority background on the Board, whilst recognising that during periods of transition, this composition may not, temporarily, be maintained. Page 71 provides further details on current Board diversity metrics which are set out in the form prescribed by the Financial Conduct Authority. Set out opposite are three main areas on which we are focusing in pursuing our policy objectives.

Board and Board Committee appointments

When seeking to make a new appointment, the Board will focus first on identifying an individual with the capability, expertise and experience required to discharge the specific role, and will select the best candidate on that basis. Within this remit, it recognises the added value to be derived from all forms of diversity, including diversity of age, gender, gender identity, ethnicity, sexual orientation, disability, educational, professional and socio-economic background, and cognitive and personal strengths. To support this objective, we adopt a formal approach to Board searches which includes insisting on strong representation of under-represented groups on search firms' long and short lists and remaining conscious of any potential for bias in the interview and selection process. We will also consider and explore alternative routes to the supply of appropriate candidates.

Implementation in 2022
The Committee considered diversity in the context of the new non-executive appointments and as part of the Chair succession process and requested Hedley May (external search firm) to take account of this when identifying potential candidates for the relevant roles. As set out on page 71 we are pleased that we have maintained gender parity on our Board and that we have more than one director from an ethnic minority background.

Oversight of recruitment, development and inclusion

The Board continues to encourage and oversee the output from a wide range of recruitment and people development policies and initiatives led by the executive management team, which aim to grow the diversity of Man Group's talent pool, provide development opportunities for all and embed an inclusive culture. While we cannot lead such initiatives directly, our role as a Board is to monitor and challenge the impact they are having on the firm. As part of this oversight, we review and discuss the success of the diversity, equity and inclusion network activities across Man Group that aim to promote and support a diverse culture within the organisation. We also keep updated on Man Group's relationships with partners who can help source talent from more diverse backgrounds and under-represented groups, and Man Group's sponsorship of events that encourage more diverse talent into financial careers.

In addition, a key role of the Nomination Committee is to monitor and discuss with the CEO the career development and succession plans for senior management across the firm, including the progress of any under-represented groups. This enables us to promote the development of a strong and diverse pipeline of talent for future executive leadership and Board positions. The responsibilities of the Nomination Committee in relation to the implementation of its diversity and inclusion objectives are outlined in its Terms of Reference (available on the firm's website).

Implementation in 2022
In addition to the regular updates on specific people hires and promotions, the Board again undertook a specific review of Man Group's culture. This included consideration of the diversity, equity and inclusion network activities to promote and support a diverse culture within the organisation and management's continued efforts to improve diversity within the organisation. Further details are set out on pages 38 to 43.

Formal succession planning discussions at Board and Nomination Committee meetings were supplemented this year through more informal discussions during Board dinners around development and succession planning for Board and senior management positions.

The Board was also able to increase its exposure to executives below Board level and to assess the strength, breadth and diversity of management resource available to the business through:

- updates at Board and Committee meetings from Senior Executive Committee members and other members of the management team on the areas of the business for which they are responsible;
- attending presentations delivered by various individuals during the Board visit to Boston (see page 83 for further details); and
- participation by certain non-executive directors in an ExCo mentoring programme.

Review and reporting

The Board is committed to the development of diversity and inclusion on the Board and among Man Group's employees. It will seek feedback on Board balance, including the balance of skills and experience, in its annual Board evaluation and will keep the review and challenge of Man Group's people development, inclusion and diversity programmes firmly on the Board agenda. An account of the Board's activities and progress against its objectives in these areas will be given in the Annual Report each year.

Implementation in 2022
Feedback from the 2022 Board and Board Committee evaluations highlighted the strong gender diversity on the Board as well as the diversity of perspective and background whilst identifying the need to bring additional markets experience. The Board was pleased to appoint Alberto Musalem as a non-executive director in late 2022 who brings extensive investment management experience, economic and public policy expertise and broad knowledge of capital markets and regulation. The Nomination Committee will continue to focus on ensuring the composition of the Board remains appropriate along with the promotion of diversity through recruitment, talent management and succession.

The Nomination Committee spent considerable time during the year discussing the implications of the new disclosures to be required under the Listing Rules around gender and ethnic diversity at Board and executive management level. Despite the new requirements coming into force for reporting on financial years starting after April 2022, the Committee noted the FCA's encouragement of early adoption and agreed that metrics regarding diversity targets (gender and ethnicity) of Board and Executive Committee members, in the form prescribed by the FCA, should be included in the 2022 Annual Report (see page 71).

Directors' Remuneration report

1. Chair's annual statement

Anne Wade
Chair of the Remuneration Committee

Summary of the Remuneration Committee's activities in 2022 and early 2023

- Determined the total annual compensation for the executive directors, Executive Committee members, the Company Secretary and Remuneration Code staff.
- Completed the implementation of the new Directors' Remuneration Policy, including the inclusion of ESG-related metrics and objectives in the LTIP and bonus, which was approved by shareholders in May 2022.
- Considered compensation of the wider workforce, including by reference to both gender and ethnicity metrics, and reviewed the ratio of the CEO's pay to other employees.
- Reviewed the 2020 LTIP and considered whether a windfall gain had been made and what, if any, adjustment to the award would be appropriate.
- Considered the fee for the Chair and the salary of the CFO.
- Reviewed and approved the Directors' Remuneration report.

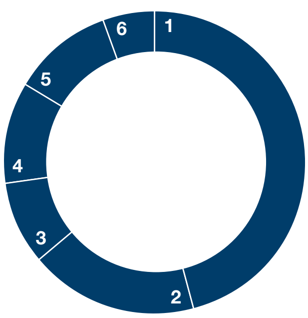
Membership[1]:

Anne Wade (Chair)
Richard Berliand
John Cryan
Jackie Hunt
Kate Barker
Alberto Musalem

Where appropriate, Luke Ellis is invited to attend Committee meetings.

1 Jackie Hunt and Alberto Musalem were appointed as members of the Committee on 28 February and 1 November 2022 respectively.

How the Committee spent its time in 2022



1.	Executive directors' remuneration	46%
2.	Employee remuneration	18%
3.	Senior management remuneration	9%
4.	Shareholder engagement, DRR and Remuneration Policy	11%
5.	Governance and other	11%
6.	Financial regulation	5%

Contents

Dear Stakeholder

On behalf of the Board, I am pleased to present the Directors' Remuneration report (the DRR) for the year to 31 December 2022. For ease of reference, this report contains the following sections:

- a detailed index to help you find the sections you need (page 104);
- this annual statement (pages 105 to 108);
- the remuneration 'at a glance' section, summarising how the Directors' Remuneration Policy has been implemented in 2022 (pages 109 to 112); and
- the annual report on remuneration (pages 113 to 127).

1.1 Introduction

I would like to start by again thanking those shareholders who participated in our extensive consultation on the new Directors' Remuneration Policy during late 2021 and the early part of 2022. We received thoughtful and constructive feedback which helped to shape the policy on which shareholders were asked to vote at the 2022 AGM resulting in support in favour of the policy from more than 90% of our shareholder base. During the remainder of the year, the Committee's particular areas of focus included: remuneration outcomes in the context of Man Group's performance, the impact of inflation on lower paid employees and a review of the 2020 LTIP.

Against a difficult backdrop in our industry, Man Group plc has delivered another year of outstanding performance and we believe the executive pay outcomes, as detailed below and in the sections that follow, appropriately reflect that level of sustained performance.

During 2022, increased inflation and its impact on the cost of living has been a growing area of concern for some employees and the Committee spent time discussing with management how best to support our workforce, as set out in more detail below.

We also undertook a detailed review of the vesting of the 2020 LTIP to determine whether we considered that a 'windfall' gain may have been made, as a result of the unique circumstances at the onset of the pandemic. After careful consideration, the Committee exercised its discretion to reduce the number of shares originally granted, as set out in more detail in section 1.6 below.

Man Group plc has delivered another year of outstanding performance and we believe the executive pay outcomes appropriately reflect that level of sustained performance.

Anne Wade | Chair of the Remuneration Committee

1.2 The Remuneration Policy

As a reminder, the policy that was approved by shareholders in May 2022 resulted in an equal split between bonus and long-term incentive opportunities, together with an increase in the amount of bonus deferred. We believe this change delivered greater alignment with the wider workforce. We also chose to use the opportunity of reviewing the Remuneration Policy to include explicit ESG-related objectives and metrics into the incentive arrangements for the executive directors, providing a clear link to that part of our strategy. The Committee will continue to keep the policy under review and is happy that it has operated as intended during 2022.

The performance metrics selected for use in the short and long-term incentive arrangements in the Directors' Remuneration Policy reflect Man Group's strategic priorities. The financial metrics are aligned with Man Group's financial key performance indicators (KPIs) which illustrate and measure the relationship between the investment experience of Man Group's clients, our financial performance and the creation of shareholder value over time. The non-financial objectives in the bonus, including those related to ESG, are aligned with our strategic focus and non-financial KPIs to ensure that executives remain focused on the delivery of annual performance whilst ensuring the building blocks for future growth are put in place. This alignment ensures that the link between strategy, the KPIs by which we measure performance and reward is clear, as shown in the table below.

Financial KPIs

- Relative investment performance
- Relative net flows
- Core management fee EPS growth
- Core EPS

Strategic priorities			
Innovative investment strategies	Strong client relationships	Efficient and effective operations	Returns to shareholders
Bonus metrics			
Relative net flows	Relative net flows		
		Core management fee EPS	Core management fee EPS
		Core EPS	Core EPS
ESG-related objectives	ESG-related objectives	ESG-related objectives	ESG-related objectives
Strategic and personal objectives	Strategic and personal objectives	Strategic and personal objectives	Strategic and personal objectives
LTIP metrics			
Relative investment performance	Relative investment performance		
			Relative TSR
Cumulative relative net flows	Cumulative relative net flows		
		3-year core management fee EPS	3-year core management fee EPS
		3-year core EPS	3-year core EPS
ESG scorecard	ESG scorecard	ESG scorecard	ESG scorecard

Non-financial KPIs

- Carbon footprint
- Women in senior management roles
- ESG integrated AUM
- Employee engagement

Directors' Remuneration report continued

1. Chair's annual statement continued

1.3 Shareholder engagement in 2022

As I mentioned earlier, extensive consultation with shareholders was undertaken as part of the finalisation of the policy presented at the 2022 AGM. At the time the DRR was published in March 2022, we again contacted shareholders, representing more than 60% of our shareholder base, together with the main shareholder representative bodies and proxy agencies, offering a meeting or call to discuss any aspects of the published policy or the DRR. We felt comfortable that, through the extensive engagement undertaken, we had addressed any material concerns or questions and this was reflected in the substantial support at the AGM for both the policy and DRR.

1.4 The link between the pay of executive directors and the workforce

During 2022, increased inflation and its impact on the cost of living has been a growing area of concern for some employees as they grapple with the impact of substantial cost increases. The Committee was pleased by the way management carefully considered this issue and took steps to address it, with a particular focus on supporting those employees at the lower end of the pay scale. For the first time, management conducted a tiered salary review whereby those on the lowest pay scale, representing approximately 20% of the global employee population, may expect to receive double-digit salary increases, subject to satisfactory performance. Overall salaries are budgeted to increase by an average of 6%.

In addition, as part of its consideration of the overall appropriateness of the executive directors' remuneration in 2022, the Committee undertook the following actions:

- approved the total bonus pool to be allocated to staff which, as a result of outstanding performance in the year, is 21% higher than in 2021, meaning our employees share in the continued success of the Company;
- carried out a detailed review of bonus proposals and evaluations for the Executive Committee, Company Secretary and individuals covered by the Remuneration Codes;
- reviewed the ratio of CEO pay to the UK employee population and discussed the reasons for the movement over previous years, as set out in the commentary under table R8 on page 119; and
- reviewed annual performance ratings and compensation outcomes by gender and ethnicity to ensure decision-making was objective and without bias. This analysis, which has now become an integral part of committee business, showed that compensation in the wider workforce was fair and reasonable, when taking account of the employee's role and location.

The Committee again engaged directly with employees by providing a simple document explaining how the remuneration of the executive directors is determined and how that links with the approach to the remuneration of the wider workforce, and employees were invited to submit any questions via a dedicated email address.

1.5 Review of performance in 2022

Against a backdrop of inflation which weighed significantly on financial markets throughout 2022, Man Group plc has again delivered outstanding performance.

Our relative net inflows outperformed our industry peers which highlights how our differentiated investment strategies and solutions continue to attract clients even when the macro environment becomes more challenging. The combination of management fees growing consistently ahead of market rates and continued good cost discipline delivered excellent core management fee EPS. In addition, Man Group delivered an exceptional performance fee outcome for a second consecutive year.

Our shareholders continue to share in our consistent performance. Since the appointment of Luke Ellis as CEO in September 2016 Man Group plc has delivered Total Shareholder Return (TSR) of 159%, dramatically outperforming both the broader FTSE 250 return of 24% and the return of our more direct peers in the FTSE 350 Financial Services Index at 48%.

1.6 Remuneration outcomes for 2022

As I said in my introduction, in a year in which the executives and employees of Man Group plc have delivered exceptional results for our shareholders, the Committee was pleased that the incentive outcomes reflected that outstanding performance.

In the Remuneration 'at a glance' section of this report (page 110) we have again detailed how we set stretching targets for the 2022 bonus. In a period when many of our peers have experienced net outflows we were pleased to deliver an increase in relative net flows of 5.3%, building on our industry-leading performance in 2021. The threshold for core management fee EPS of 15.5 cents was set just below the excellent performance of 15.7 cents delivered in 2021. At the maximum of 17.5 cents, growth on prior year of 11% was required so we are extremely pleased that 18.4 cents was delivered. The volatility of performance fee income means that it is appropriate to set a wide range for core total EPS bonus targets. Nevertheless, after an exceptional year in 2021, the threshold, target and maximum were set 30% higher than in 2021 at 20.7 cents, 25 cents and 31.8 cents respectively. A second year of outstanding performance fee delivery resulted in core total EPS of 48.7 cents. This resulted in an overall outcome on the financial component of the bonus of 65.8% out of a maximum of 70%.

In the first year that ESG-related objectives have been included explicitly in the bonus, the Committee noted that excellent progress had been made (as detailed on page 114). These objectives are common to both executive directors and a score of 14%, out of a maximum of 15% was awarded.

As set out earlier, the CEO's leadership has delivered exceptional performance again for Man Group plc's shareholders. The personal and strategic objectives in the bonus are intended to incentivise performance on the range of actions and activities in the business, the results of which we expect to see delivered over time in the quantitative outcomes in the LTIP. It was felt that expectations had been exceeded on these objectives by the CEO and an outcome of 15%, at the maximum for this element of the bonus, was warranted. Antoine Forterre also had an excellent year and an outcome of 13% was awarded.

1.6 Remuneration outcomes for 2022 continued

2020 LTIP

The 2020 LTIP award was granted at the onset of the COVID-19 pandemic on 13 March 2020, when global financial markets were impacted by significant uncertainty. At that time, the Committee undertook to review the award, at the time of vesting, to determine whether market-driven, rather than underlying performance-driven, increases in share price would result in a 'windfall' gain for executives. Due to the complexity of the matter, the Committee has considered a range of reference points and perspectives in determining the proposed approach.

Business performance

The management team has delivered continuing exceptional performance since the grant of the 2020 award, steering the business through the pandemic and its aftershocks, and demonstrating highly resilient financial performance over what was an extraordinary period. 2021 and 2022 are the two best years for Man Group since 2009.

In 2020, we increased our dividend by 8% and returned an additional $100m via share buybacks, being one of the first UK corporates to do so during the pandemic. Since then, we have moved to a progressive dividend policy with the dividend having been raised every year.

Our funds performed strongly overall, returning $11.5 billion in investment gains and delivering 2.3% of relative investment outperformance to our clients over the last three years. This is reflected in the excellent vesting level, at 84.6% of the 2020 LTIP, the performance conditions for which were set prior to the onset of the pandemic. Details of the performance against each of the metrics are set out in table R3 on page 116.

We saw record net inflows of $18.6 billion with all our main product categories experiencing positive net flows which has had a direct positive impact on our AUM.

Our Executives have demonstrated excellent leadership throughout this challenging period, prioritising the well-being of colleagues and protection of clients' assets whilst continuing to make progress on previously identified priorities.

Share price reference points

The Committee also considered a number of share price reference points in reflecting on the extent to which value delivered since grant might represent a 'windfall gain' under the LTIP.

The analysis of performance since grant confirmed that Man has significantly outperformed its asset management peers over the period. Man's share price increased by 112%, compared to a decrease of 1% at median amongst asset management peers. Over the three-year LTIP performance period, Man has delivered TSR of 65% which puts it well into the first quartile of its FTSE 250 peer group.

Man's share price increased by 29% in the 3 months following grant, compared to 14% for peers, reflecting the actions of the management team in navigating the pandemic, rather than Man's shares 'riding' an equity market recovery.

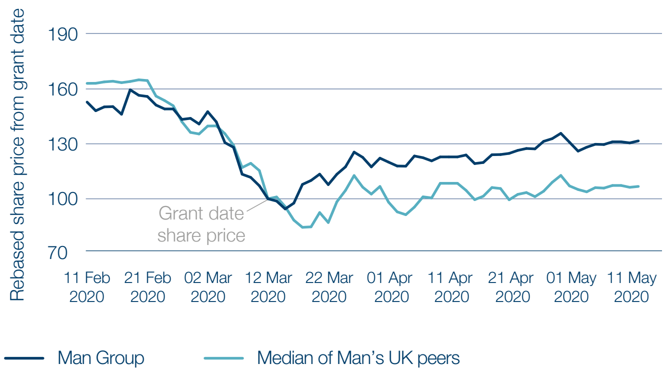
Adjustment to the award

The Committee also recognised, however, that the 2020 grant date was close to the 'trough' of the equity market. Given this and the extreme volatility at the time of grant the Committee determined that a reduction of 10.6% should be made to the number of shares originally awarded.

The Committee calculated the adjustment based on the market movement around the grant date, as this represents short-term market fluctuations that are arguably not directly linked to Man's underlying business performance, which has been excellent over the whole vesting period.

A period of +/-10 days was chosen as the period where the most significant changes in market prices occurred. Over this period, the median share price across Man's UK peers was, on average, 11.8% higher than the share prices on 12 March 2020 (the date the share price was based on for Man's 2020 grant).

Change in share price around 2020 LTIP grant



This 11.8% increase has been applied as an adjustment to the share price used to calculate the number of shares originally awarded. The number of shares that would have been granted at the new 'assumed' share price of £1.14 is 10.6% lower than the number of shares originally awarded at the actual grant price of £1.02. As a result the value of the CEO's LTIP at vesting has been reduced by the Committee by $0.8m compared to the amount he would have received if no discretion had been exercised.

In considering whether the overall remuneration of the executive directors for 2022 was appropriate, the Committee considered a number of factors, including:

- the outstanding performance delivered for a second successive year despite macro-economic headwinds which have proved challenging to most of our sector peers;
- the experience for Man Group's shareholders with excellent total shareholder returns including a higher dividend paid. Over the three-year LTIP performance period Man Group's relative TSR of 65% put it in the top quartile, ranking at position 11 out of 148 companies, when compared to the FTSE 250 peer group; and
- the experience of Man Group's employees with the bonus pool up 21% and the mean bonus having increased again, after 2021's substantial increase.

Directors' Remuneration report continued

1. Chair's annual statement continued

1.6 Remuneration outcomes for 2022 continued

Other 2022 Remuneration Decisions

Antoine Forterre was appointed as CFO of Man Group on 1 October 2021 and, after 15 months in the role, the Committee considered it appropriate to undertake a review of his salary. Antoine has performed extremely well and the Committee has increased his salary to reflect that performance and his greater experience in the role. Consequently, with effect from 1 January 2023, the CFO's salary increased to $654,000, from $625,000. This represents an increase of 4.6%, well below the average employee increase of 6%.

The annual reviews of the Chair and non-executive directors' (NEDs') fees were also undertaken during the year. No changes are being proposed to the fees for NEDs but the Committee considered it appropriate to raise the Chair's fee to £385,000 (from £350,000) from the beginning of 2023. When John Cryan's appointment as Chair was announced in September 2019, the fee for the role had been set at £450,000 for historical reasons, as explained in detail in the 2019 DRR. At that time, the Committee reviewed benchmarking of similar roles in broadly equivalent sized companies in the financial services sector and, taking into account the demands of the role, set the fee at £350,000 from John's appointment in January 2020. This is the first increase since then and is considered appropriate to reflect both the demands of the role and the development of Man Group since that time.

1.7 Conclusion

I hope that you find the information in this letter, and the sections of the DRR that follow, to be clear and useful and I would welcome any feedback you may have.

We look forward to welcoming you at our 2023 AGM and receiving your support for this DRR at that meeting.

Anne Wade
Chair of the Remuneration Committee

2. Remuneration at a glance

2.1 Directors' Remuneration Policy summary table

Key elements (2022 2023 2024 2025 2026 2027 2028)		Remuneration Policy	Implementation in 2022/23
Fixed pay	**Salary**	– Overall policy maximum of $1.1m will apply to all executive directors, meaning no increase for the CEO over the life of the policy	Salaries effective from 01/01/22: – Luke Ellis $1.1m – Antoine Forterre $625k Salaries effective from 01/01/23: – Luke Ellis $1.1m – Antoine Forterre $654k
	Pension allowance	– Maximum pension contribution aligned to the maximum available to all employees of 14% of salary and subject to the same service criteria to receive the highest contribution rate	
	Benefits	– Includes family private medical insurance, life assurance and permanent health insurance	
Cash bonus	**Maximum opportunity**	– 300% of salary	**Metrics** (%) Relative net flows 30 Core management fee EPS (cents) 20 Core EPS (cents) 20 ESG-related objectives 15 Strategic and personal objectives 15
Deferred bonus	**Operation**	– Awarded as a combination of cash (45%) and deferral (55%) into shares (and funds once the shareholding requirement has been met) vesting in three equal tranches in each of the following three years	
Long-term incentive	**Maximum opportunity**	– 300% of salary	**Metrics** (%) Relative investment performance 20 Relative TSR vs FTSE 250 20 3-year cumulative core management fee EPS 10 3-year cumulative core EPS 30 Cumulative relative net flows 10 ESG scorecard 10
	Operation	– Forward-looking three-year performance conditions with share grant at year 0, vesting year 3 with subsequent two-year holding period	
Share ownership	**Shareholding requirements**	– CEO 300% of salary – Other executive directors 200% of salary	Actual shareholdings as at 31/12/22: – CEO 1,917% – CFO 306%
	Post-employment requirements	– 100% of the requirement, or the actual holding on departure if lower, to be retained for two years after leaving	
Malus and clawback	**Circumstances**	**The Committee may apply malus and/or clawback to variable pay in certain specified circumstances, including:** – where the director fails to meet the required standards of fitness and propriety, – fraud or misconduct, – material misstatement of financial results affecting the assessment of a performance condition, or – where there has been an error or inaccuracy relating to the determination of variable pay. **In addition, it can apply malus if a director participates in, or was responsible or accountable for:** – a material error, – a material downturn in financial performance, – a material failure of risk management, – censure by any regulatory authority, or – a significant detrimental impact on the Company's reputation. Malus applies until the end of the vesting period with clawback applying until the end of any applicable retention period	

+ The full details of the executive directors' Remuneration Policy approved in May 2022 can be viewed at www.man.com.

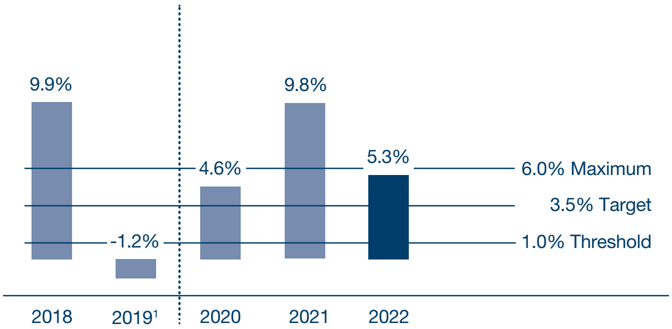
Directors' Remuneration report continued

2. Remuneration at a glance continued

2.2 Remuneration outcomes for 2022

2022 Bonus outcome (for the period from 1 January 2022 to 31 December 2022)
The targets for relative growth in net flows were set at the same percentage growth rates as in the previous two years but, given the considerably higher starting point for AUM, those growth rates translate into much higher absolute targets than last year. In that context, relative growth of 5.3% represents excellent performance.

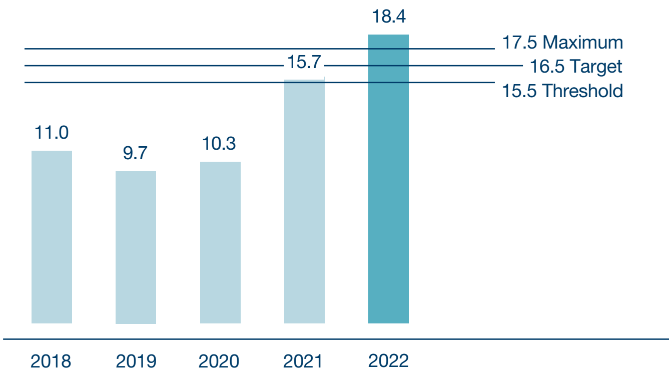
Net flows, relative growth (%)



1 For 2018 and 2019, the metric was growth in net flows; from 2020 the metric is growth in relative net flows. The chart shows absolute growth for 2018 and 2019 and relative growth from 2020 onwards.

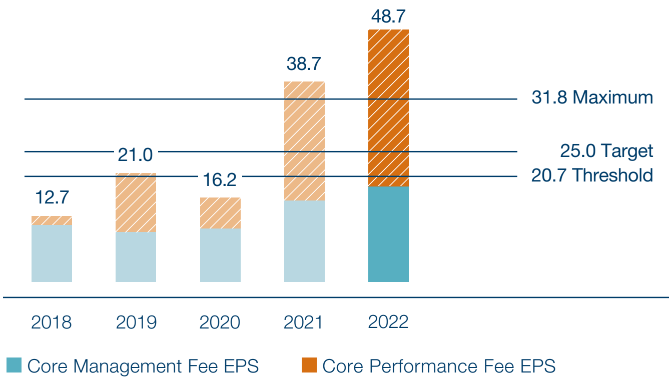
The targets for core management fee EPS built on the exceptional performance in 2021, with the threshold set just below the 2021 actual, the target set 5% higher and the maximum requiring growth of 11% on the excellent result last year. The combination of management fees growing consistently above market rates and good cost discipline delivered core management fee EPS of 18.4 cents, a 17% increase on 2021 and representing another year of outstanding performance which delivered a maximum payout under this metric.

Core Management Fee EPS (¢)



Core EPS includes both management fee and performance fee related core earnings. The targets are based on the core management EPS targets, to which are added implicit targets for performance fee EPS. Given the volatility and unpredictability of performance fees, those implicit targets are set with a wider range of outcomes. Following a year of record performance in 2021 the core EPS targets were set some 30% higher than in 2021, ahead of the 23% increase in performance fee eligible AUM between 2020 and 2021. This resulted in core EPS targets of 20.7 cents, 25.0 cents and 31.8 cents at threshold, target and maximum respectively. The realised core performance fee EPS of 30.3 cents for 2022 represents a 32% increase on the exceptional performance delivered in 2021, driven by a second record year. Added to core management fee EPS, this exceptional performance delivered core EPS of 48.7 cents, representing growth of 26% on the 2021 performance and the highest level since 2009.

Core EPS (¢)



Details of the performance against the ESG-related objectives, shared by both executive directors, and their individual strategic and personal objectives are set out in the table on pages 114 to 115.

2.2 Remuneration outcomes for 2022 continued

Long-Term Incentive Plan outcome (for the period from 1 January 2020 to 31 December 2022)
As set out in the Chair's statement, the Committee undertook a detailed review of the vesting of the 2020 LTIP to determine whether it considered that a 'windfall' gain may have been made, as a result of the unique circumstances at the onset of the pandemic. After careful consideration, the Committee exercised its discretion to reduce the number of shares originally granted by 10.6%, as explained in section 1.6 on page 107. The financial impact of this adjustment is shown in table R4 on page 116.

Targets and outcome
In the 2019 DRR, the Committee set out the targets for the LTIP grant to be made in March 2020 and explained in detail why it considered them to be appropriately stretching and, if achieved, to represent excellent returns to shareholders. As a reminder, the level of vesting at threshold is 0% meaning that the directors will only start to receive any value under the LTIP when threshold performance has been exceeded. This represents a much tougher hurdle than in many listed businesses. The table sets out the target ranges and the performance delivered against them with further detail below on each metric.

2020 LTIP (1 January 2020 to 31 December 2022)

Metric	Weighting	Threshold	Target	Maximum	Achievement	Outcome
Relative investment performance	25%	0.0%	3.0%	6.0%	2.3%	9.6%
Relative TSR vs FTSE 250	25%	Median	Mid 2nd quartile	Upper quartile	Upper quartile	25.0%
3-year cumulative core management fee EPS, cents	20%	30.0	33.0	36.0	44.4	20.0%
3-year cumulative core EPS, cents	20%	42.0	56.0	75.0	103.6	20.0%
Relative cumulative net flows	10%	3.0%	10.5%	18.0%	19.7%	10.0%
Total	**100%**					**84.6%**

Relative investment performance measures outperformance against our peers and the threshold of 0% means the directors are only rewarded under this measure if Man Group outperforms its peers. Over the three-year performance period relative investment performance of 2.3% was just below the target, resulting in a payout of 9.6% for this metric. Delivery of more than 2% relative outperformance versus our peers implies $9 billion more for our fundholders.

Relative TSR vs FTSE 250 measures how Man Group's Total Shareholder Return compares to that of the constituents of the FTSE 250 excluding investment trusts, funds and REITs. Out of a population of 148 stocks still listed at the end of December 2022 (from 179 at the beginning of the measurement period), Man Group has again delivered relative TSR in the top quartile, ranking at number 11 out of the peer group.

The targets for **3-year cumulative core management fee EPS** were established in absolute terms at 30 cents at threshold, 33 cents at target and 36 cents at maximum. The targets required core management fee EPS to be, on average, 4%, 15% and 25% higher than achieved in 2019 at threshold, target and maximum respectively over three years which the Committee considered to be appropriately stretching. Cumulative core management fee EPS of 44.4 cents has been driven by outstanding performance over the period, especially in the last two years.

As described earlier, **core EPS** is the sum of core management fee EPS and core performance fee EPS, which is the more volatile and unpredictable element of core EPS. The performance fee EPS targets for the 2020 grant were set in line with those for 2019 combined with the targets for cumulative core management fee EPS, set out above. The threshold, target and maximum were established at 42 cents, 56 cents and 75 cents. One way in which the Committee satisfied itself that these targets were appropriately stretching was by reviewing the cumulative core EPS delivered in the three-year periods ending on each of the previous five years. This showed that the threshold had only been achieved on two occasions during that time and the target and maximum were 6% and 42% higher respectively than had been achieved at any time during that period. Another outstanding year for performance fees has delivered a record three-year cumulative core EPS outcome of 103.6 cents.

The targets for **cumulative relative net flows** required outperformance of 3%, 10.5% and 18% at target, threshold and maximum respectively. The achievement of almost 20% of relative growth on this measure represents an excellent outcome for all Man Group's fund and shareholders.

Over the last three years, Man Group has delivered excellent results and this performance is reflected in the 2020 LTIP vesting level of 84.6%, as set out above and in more detail on page 116. The Committee specifically reviewed the impact of the share buybacks implemented over the period on the realised EPS metrics, and therefore the overall LTIP outcome, and concluded that no adjustments to the outcome were required. It noted that both the cumulative core management fee and cumulative core EPS metrics would have been fully met even if the share count was unchanged from the end of 2019. The Committee also reviewed the impact of foreign exchange movements and noted that they were negative overall. This was because the benefit on costs of a better USD:GBP exchange rate was outweighed by the negative impact on AUM and therefore revenues.

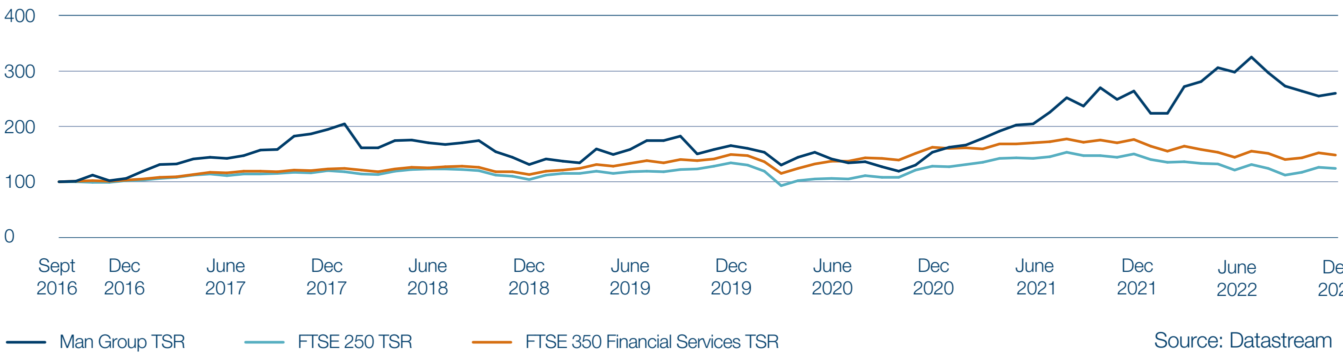
Directors' Remuneration report continued

2. Remuneration at a glance continued

2.3 Executive director pay in the context of Man Group's shareholders

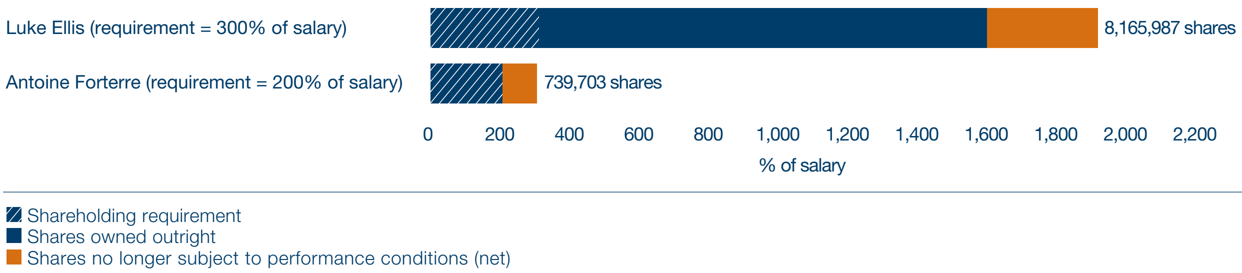
The chart below shows the TSR generated since Luke Ellis's appointment as CEO in September 2016, compared to both the FTSE 250 and the FTSE 350 Financial Services Index and shows Man Group's outperformance against both sets of peers.

Total Shareholder Return (TSR) (Sep 2016 – Dec 2022)



The chart below shows the executive directors' shareholdings compared to their shareholding requirements. Under the Remuneration Policy, shares owned outright and those deferred shares that no longer have performance conditions attached count towards the shareholding requirement. LTIP shares retained during the two-year post-vesting holding period also count towards the requirements. Shares which are not owned outright are shown net of tax (i.e. excluding that proportion of those shares expected to be sold on vesting to settle the associated tax liability). Both executive directors comfortably exceed their shareholding requirement.

Executive directors' shareholdings (number of shares)



2.4 Executive director pay in the context of Man Group's employees

In determining the appropriate remuneration for the executive directors, the Committee carefully considered conditions for employees across the firm. A high calibre, motivated workforce, appropriately rewarded for their contributions, is a critical component of our success and the table below illustrates remuneration paid to the executive directors in the context of the wider workforce.

	Year ended 31 December 2022	Year ended 31 December 2021[4]
CEO – single total remuneration figure (SFT) ($'000)	**11,288**	7,797
Ratio of SFT to median UK employee[1]	**64:1**	42:1
Compensation – all employees ($m)[2]	**716**	643
Compensation ratio[3]	**40%**	40%
Number of bonus-eligible employees	**1,508**	1,386
Mean annual bonus award per bonus-eligible employee ($'000)	**323**	303
Median annual bonus award per bonus-eligible employee ($'000)	**54**	56
CEO SFT as % of total compensation of all employees	**1.6%**	1.2%
Aggregate total SFT of all executive directors as % of total compensation of all employees	**1.9%**	1.9%

1 See table R8 on page 119 for the full disclosure of the CEO ratio.

2 Compensation for all employees represents total fixed pay (salary, pension and benefits) and variable pay in respect of 2022.

3 Compensation ratio represents total compensation costs for all employees (fixed base salaries, benefits, variable bonus compensation and associated social security costs) as a proportion of net revenue (gross management and other fees, performance fees, income or gains on investments and other financial instruments, and share of post-tax profits of associates, less distribution costs).

4 2021 numbers have been re-stated to reflect the actual value of the LTIP that vested in March 2022, based on the share price and exchange rate on that date; in the 2021 report, the number was estimated based on a three-month average share price and the exchange rate at the end of 2021.

3. Remuneration outcomes in 2022

3.1 Single total figure of remuneration for executive directors

The table below sets out a single figure for the total remuneration received by each executive director for the year ended 31 December 2022 and the prior year.

Single total figure of remuneration for executive directors (audited) – Table R1

	Executive directors			
	Luke Ellis		Antoine Forterre[1]	
All figures in USD	**2022**	2021	**2022**	2021
Salary	**1,100,000**	1,100,000	**625,000**	156,250
Taxable benefits[2]	**2,499**	2,678	**3,127**	558
Pension benefits[3]	**132,654**	134,812	**76,014**	12,214
Other[4]	**10,050**	5,151	**9,175**	596
Total fixed remuneration	**1,245,203**	1,242,641	**713,316**	169,618
Short-term variable[5]	**3,128,400**	2,708,750	**1,740,000**	351,563
Long-term variable[6]	**6,914,318**	3,846,040[7]	**–**	–
Total variable remuneration	**10,042,718**	6,554,790	**1,740,000**	351,563
Total	**11,287,921**	7,797,431	**2,453,316**	521,181

1 Antoine Forterre was appointed to the Board on 1 October 2021. Remuneration disclosed for 2021 reflects the period during the year that he was an executive director of the Company (1 October to 31 December 2021).

2 Taxable benefits include private medical insurance.

3 Pension benefits are paid into the Man Group Self-Invested Personal Pension with any contributions exceeding the annual or lifetime allowance paid as cash on a cost neutral basis to the Company.

4 'Other' includes non-taxable benefits (e.g. life insurance, Group income protection and fund fee rebates).

5 See table R2 for details of the short-term variable compensation award. The Committee has not applied any discretion to the formulaic outcome. Bonus amounts for Antoine Forterre disclosed for 2021 are calculated on the basis of the salary he received for the period he served as an executive director.

6 The 2020 award under the Man Group plc LTIP was made in March 2020 for the three-year performance period commencing on 1 January 2020 and ending on 31 December 2022. Vested shares will be delivered following a further two-year holding period. See Table R4 for details of the long-term variable compensation award. The LTIP award was originally based on the market value of a Man Group plc share on 12 March 2020 being £1.0205; as set out in detail on page 107, the Committee has exercised its discretion to reduce the number of shares granted by 10.6%, equivalent to the original grant price having been £1.1409. The value shown above therefore includes $3,657,859 which relates to share price growth over the performance period. Antoine Forterre did not receive an award under the March 2020 LTIP as he was appointed to the Board on 1 October 2021.

7 The long-term variable outcome reported in 2021 was estimated based on the three month average share price and year-end exchange rate. It has been restated above to reflect the actual share price of £1.9465 and exchange rate of £1:$1.3041 on the date it vested in March 2022. Vested shares are subject to a further two-year retention period.

3.2 Annual bonus in respect of 2022 performance

The annual bonus is based on the Committee's assessment of executive directors' performance against objectives agreed by the Board at the beginning of the year, split 70% based on quantitative metrics, 15% on ESG-related objectives and 15% on individual strategic and personal objectives. The threshold, target and maximum ranges are considered by the Remuneration Committee to represent appropriately stretching levels of performance and are set by reference to internal budgets and strategic plans, industry backdrop and external expectations, as covered in more detail in the Chair's letter and remuneration 'at a glance' section.

Table R2 shows the results of the Committee's assessment of the performance delivered in 2022.

Annual bonus in respect of 2022 (audited) – Table R2

Financial metric	Weighting	2021 actual	Threshold (25% of max)	Target (50% of max)	Maximum (100% of max)	**2022 outcome**	**% achieved**	**Bonus outcome after weighting (% of max)**
Increase in relative net flows	30%	9.8%	1.0%	3.5%	6.0%	**5.3%**	**86%**	**25.8%**
Core management fee EPS (cents)	20%	15.7	15.5	16.5	17.5	**18.4**	**100%**	**20.0%**
Core EPS (cents)	20%	38.7	20.7	25.0	31.8	**48.7**	**100%**	**20.0%**
Total financial metrics	**70%**							**65.8%**
ESG-related objectives[1]	**15%**	n/a						**14.0%**
Total financial metrics and ESG objectives	**85%**							**79.8%**

		Luke Ellis	Antoine Forterre
Strategic and personal objectives	15%	15.0%	13.0%
Percentage of maximum annual bonus awarded	100%	94.8%	92.8%
Quantum of award – total[2]		$3,128,400	$1,740,000
Quantum of award – paid in cash		$1,407,780	$783,000
Quantum of award – deferred		$1,720,620	$957,000[3]

1 The ESG objectives relating to the 2022 annual bonus can be found on page 114.

2 45% of the bonus is paid in cash with the remaining 55% deferred into Man Group plc shares; when a director achieves their shareholding requirement, up to half of the deferral may be into Man Group funds and the balance into shares. No further performance conditions apply to the deferral, which vests in three equal tranches on the first, second and third anniversary of grant subject, in normal circumstances, to continued employment.

3 In line with the MIFIDPRU Remuneration Code, an additional post-vesting retention period of six months will apply.

Directors' Remuneration report continued

3. Remuneration outcomes in 2022 continued

3.2 Annual bonus in respect of 2022 performance continued

Assessment of performance against qualitative objectives

Key

Criteria fully met or exceeded   Criteria partially met   Criteria not met

Objective	Outcome
ESG related[1]	
Environment	
Increase Man Group's intellectual leadership in ESG and climate in particular, and develop concrete plans towards net zero framework	Plans towards net zero implemented and our level of disclosure enhanced for our global carbon operational emissions, including emissions relating to our employees' commutes and their work from home arrangements. Carbon budgets rolled out to individual business units. Additional products launched including Man AHL TargetClimate, a systematic multi-asset strategy aligned with the global transition to a low carbon economy, GLG RI Sustainable Water & Circular Economy and Man Numeric Global/ Europe Climate. Additional thought leadership pieces, published by Man Institute, on climate and ESG including a number of proprietary research papers such as 'Carbon Emissions: Under the Microscope3', published in the Journal of Impact and ESG Investing.
Social	
Continue to establish Man Group as a leading organisation in our industry for talent and diversity, targeting communities of particular relevance	Strong engagement survey results of 8.2/10 overall (+0.1 on prior year) continue to evidence the positive and authentic culture which is also consistently highlighted by employees to our designated employee engagement non-executive directors during engagement sessions. Man Group has been a signatory to the Women in Finance Charter since 2018, pledging to promote gender diversity, including setting internal targets and reporting publicly on progress. Since signing the charter, we are pleased to have seen a positive trajectory in the proportion of women in senior management roles. In 2018, we were at 22% (up from 16% in 2016) and we met our initial target of 25% female representation in senior management roles by December 2020. Subsequent targets were set at 27.5% by the end of 2022 and 30% by 2024. In 2022, we achieved 30% female representation on our Executive Committee (up from 28.6% in December 2021); as of December 2022, we had 26% female representation in senior management roles more broadly. We remain focused on our initiatives to support and develop women at all levels across Man Group, to ensure that they are able to reach their full potential and progress to senior roles, and gender diversity targets have been rolled out by teams. 90% answer-rate on ethnicity status, building on progressive improvements over the last two years, to allow for better analysis in future. Additional Drive network and initiatives set up including the South Asian Network, Latin and Hispanic group and the Veterans workstream.
Governance	
Undertake evaluation of existing governance standards with a view to achieving an appropriate balance of interests among multiple key stakeholders	Continued strong governance evidenced by: – Increase in MSCI ESG rating to AA. – Maintenance of ISS Quality Score of 1 (top rating) for governance. – Man Group plc Annual Report shortlisted by the Corporate Governance Institute for Annual Report of the Year (FTSE 250 category) at the Corporate Governance Awards. – Directors' Remuneration Report ranked 4th out of 250 FTSE 350 companies using PwC's best stakeholders practice (Building Public Trust Awards) reporting criteria.

3.2 Annual bonus in respect of 2022 performance continued

Strategic and personal

Luke Ellis		
Innovation		
Oversee the development of new innovative investment strategies to support long-term profitable growth	At December 2022, 82% of our AUM is from clients investing in two products or more and 52% from clients investing in four products or more, which has grown from 71% and 48% respectively five years ago. Climate-focused strategies launched: GLG Water & Circular Economy; Man AHLTargetClimate; Man Numeric Global/ Europe Climate and there are now 32 ESG-orientated funds vs. 18 in 2021. 30 institutional solutions mandates (and an extra four pre-launch) versus 23 in 2021. Capital asset solutions set-up in progress. Additional new content developed including liquidity provisioning in credit; cryptos; Global ECM; index rebalancing. Monetisation of ESG tool with a first client. Expansion of discretionary capabilities with fund launches in High Yield, Credit Opps, Dynamic Income and new senior hire in capital markets. Seed programme continues to be a key way to support product launches and growth, with 20+ new strategies seeded during 2022.	●
Strategy		
Conduct a strategic review of the GPM Strategy	Review conducted as part of Board Strategy Day; rationalisation of focus on real estate and further review of operating model (e.g. tax and legal functions further embedded within investment teams). New leadership of Man GPM business.	●
Clients		
Diversify the client base, with a particular focus on North America and wealth channels globally	North America: $44 billion AUM versus $40 billion last year; American Beacon AHL managed futures now at $4 billion AUM, adding $1.6 billion in the year and now second largest liquid alternative mutual fund. Japan: Titanium family now at $3 billion AUM, $0.9bn million net retail flows in 2022. 2021 ($45.6 billion) and 2022 ($41.1 billion) were record years for gross subscriptions. Net inflows of $3.1billion during the year were 5.3% ahead of the industry.	●

Antoine Forterre		
Strategy		
Conduct a review of Man Group's liquidity deployment and M&A strategy	Review conducted as part of Board Strategy Day, redefining the approach to M&A. 120+ acquisition opportunities reviewed, with new approach enabling rapid assessment and decision-making.	●
Risk		
Develop a new risk framework for the balance sheet	Balance sheet investments brought in the overall investment risk framework, with expanded risk analytics (residual work to be done in 2023 to integrate CLOs).	●
Stakeholders		
Oversee the execution of a new investor relations strategy, strengthening relationships with existing shareholders and attracting new ones	Investor Day held in May, including innovative interactive demonstrations and new disclosure on performance fees. Increased level and frequency of engagement with analysts and shareholders: direct communication with top shareholders; annual analyst breakfasts. 65+ meetings with shareholders and attendance at all major conferences to engage with and attract new investors. New entries to register.	●

1 The ESG-related objectives are shared by the CEO and CFO.

Directors' Remuneration report continued

3. Remuneration outcomes in 2022 continued

3.3 Vesting outcome in respect of the 2020 Long-Term Incentive Plan

Long-term incentive awards are made under the Man Group plc Long-Term Incentive Plan (the LTIP). Awards vest at 0% for threshold performance, 50% for target performance and 100% of the award will vest if the performance conditions are achieved in full, with straight-line vesting between threshold and target and between target and maximum. The 2020 LTIP was awarded in March 2020 for the three-year performance period from 1 January 2020 to 31 December 2022. The vesting of the 2020 LTIP was subject to the achievement of five performance measures. The targets and vesting outcomes for the 2020 LTIP are shown in the table below:

Vesting outcome for 2020 LTIP award (audited) R3

Performance measures for 2020 LTIP	Performance targets			Actual performance			
Measure	Threshold	Target	Maximum	Outcome	Percentage met	Weighting	**LTIP outcome, after weighting**
Relative investment performance	0.0%	3.0%	6.0%	2.3%	38%	25%	**9.6%**
Cumulative relative net flows	3.0%	10.5%	18.0%	19.7%	100%	10%	**10.0%**
3-year cumulative core management fee EPS (cents)	30.0	33.0	36.0	44.4	100%	20%	**20.0%**
3-year cumulative core total EPS (cents)	42.0	56.0	75.0	103.6	100%	20%	**20.0%**
Relative TSR vs FTSE 250	Median	Mid point between median and upper quartile	Upper quartile	Upper quartile	100%	25%	**25.0%**
Vesting of LTIP (% maximum)							**84.6%**

Vesting outcome for 2020 LTIP award (audited) R4

	Date of grant	Shares awarded[1]	Reduction applied by the Committee[2]	Reduced Number of shares	Vesting percentage	Reduced number of shares vesting	Value after adjustment[3]	Vesting date	End of holding period
Executive director									
Luke Ellis	13 Mar 20	3,491,991	-368,564	3,123,427	84.6%	2,641,898	$6,914,318	Mar–23	Mar–25

1 Awards under the LTIP were made in March 2020 for the three-year performance period commencing on 1 January 2020 and ending on 31 December 2022; the proportion of the award which has vested was determined based on the measures, weightings and target ranges set out in Table R3 above. The monetary value of these awards was converted into a number of shares using the GBP/USD exchange rates of $1 = £1.2538 and a share price of £1.0205, being the market value on the immediately preceding dealing day to grant. This award attracts dividend accruals from grant date to the end of the two-year holding period for vested shares.

2 The LTIP award was originally based on the market value of a Man Group plc share on 12 March 2020; as set out in detail on page 107, the Committee has exercised its discretion to reduce the number of shares granted by 10.6%, equivalent to the original grant price having been £1.1409.

3 The reduction in the value of the vested award as a result of the Committee's exercise of discretion is $815,889.

3.4 Relative importance of spend on pay

The table below shows the year-on-year change in total employee expenditure compared to the change in shareholder distributions.

Relative importance of spend on pay – Table R5

	2022 $m	2021 $m	**% change**
Total employee expenditure[1]	**678**	596	**14**
Shareholder distributions[2]	**565**	340	**66**

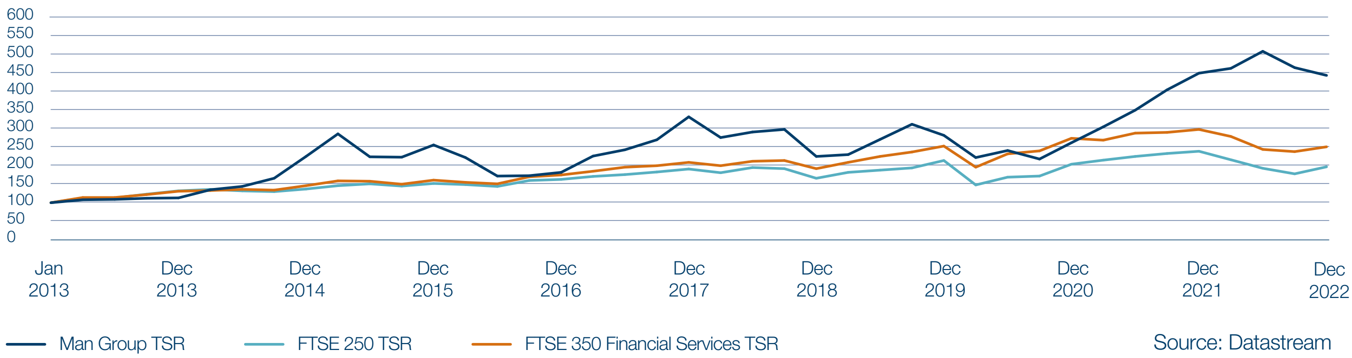
1 Remuneration paid to or receivable by all employees (i.e. accounting cost). Refer to Note 5 to the financial statements for further details.

2 Distributions to shareholders (dividends paid of $160 million and repurchase of shares of $180 million in 2021, dividends paid of $179 million and repurchase of shares of $386 million in 2022).

3.5 Review of past performance

The performance graph below compares the Company's Total Shareholder Return (TSR) performance against the FTSE 250 Index and the FTSE 350 Financial Services Index. The FTSE 250 has been chosen as the primary comparator to align with the peer group used in the LTIP. Prior to 2019, Man Group had chosen the FTSE 350 Financial Services Index as the comparator group so it has also been shown below, for reference.

Total Shareholder Return graph (Jan 2013 – Dec 2022)



Source: Datastream

Historical CEO remuneration – Table R6

Accounting period ended		31 Dec 2013	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	31 Dec 2021	**31 Dec 2022**
CEO single figure ($'000)	L Ellis[1]	n/a	n/a	n/a	1,347	6,215	2,856	2,804	3,150	7,797[3]	**11,288[3]**
	E Roman[1]	3,397	5,068	5,367	910	n/a	n/a	n/a	n/a	n/a	**n/a**
	P Clarke[1]	978	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**
Short-term variable award (as a percentage of maximum opportunity)	L Ellis[1]	n/a	n/a	n/a	40.2%	78.8%	58.3%	56.3%	69.4%	98.5%	**94.8%**
	E Roman[1]	70%	100%	83.3%	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**
	P Clarke[1]	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**
Long-term variable award (as a percentage of maximum opportunity)	L Ellis[1]	n/a	n/a	n/a	28.6%	46.2%	n/a[2]	n/a[2]	n/a[2]	60%[3]	**84.6%[4]**
	E Roman[1]	17%	40%	40.7%	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**
	P Clarke[1]	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**

1 Peter Clarke stepped down as CEO with effect from 28 February 2013 and was on garden leave until his retirement on 10 December 2013. Emmanuel Roman became CEO on 28 February 2013 and stepped down on 31 August 2016. Luke Ellis was appointed CEO on 1 September 2016. Remuneration for 2016, therefore, reflects four months' service only.

2 The first award under the LTIP was made in March 2019 and vested in March 2022. Consequently no long-term variable awards are shown for Luke Ellis in 2018, 2019 and 2020.

3 The long-term variable outcome reported in 2021 was estimated based on the three month average share price and year-end exchange rate. It has been restated in the CEO single figure above as set out in more detail on page 113.

4 The Committee has exercised its discretion to reduce the number of shares initially awarded under the 2020 LTIP by 10.6%. Further information can be found on pages 107.

Directors' Remuneration report continued

3. Remuneration outcomes in 2022 continued

3.6 Percentage change in directors' remuneration

The table below sets out the percentage change in remuneration for the directors compared to all staff. This requirement was introduced in 2020 and therefore the data will progressively build up to cover a five-year period. There are no employees of the Parent Company, other than the executive directors, so the comparison has been made, on a voluntary basis, to all staff.

Percentage change in directors' remuneration – Table R7

	2022			2021			2020		
	Salary/fees	**Benefits[1]**	**Bonus**	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus
Executive directors									
Luke Ellis	**0%**	**-7%**	**15%**	0%	6%	42%	0%	-9%	23%
Antoine Forterre[2]	**0%**	**-7%**	**24%**	–	–	–	–	–	–
Non-executive directors									
John Cryan	**0%**	**143%**	**–**	0%	273%	–	400%	-4%	–
Kate Barker[3]	**15%**	**73%**	**–**	1%	-6%	–	10%	1,153%	–
Lucinda Bell[4, 5]	**-11%**	**340%**	**–**	6%	618%	–	–	–	–
Richard Berliand[8]	**-6%**	**196%**	**–**	-10%	-40%	–	8%	341%	–
Zoe Cruz[9]	**-65%**	**0%**	**–**	0%	-100%	–	10%	-78%	–
Jackie Hunt[10]	**–**	**–**	**–**	–	–	–	–	–	–
Ceci Kurzman[4, 7]	**8%**	**313%**	**–**	0%	–	–	–	–	–
Alberto Musalem[10]	**–**	**–**	**–**	–	–	–	–	–	–
Dev Sanyal[9]	**-65%**	**851%**	**–**	0%	-44%	–	6%	10%	–
Anne Wade[4, 6]	**11%**	**-4%**	**–**	15%	–	–	–	–	–
All staff[11]	**6%[12]**	**4%[12]**	**18%[13]**	3%[12]	15%[12]	84%[13]	4%[12]	22%[12]	-15%[13]

1 Taxable benefits include private medical insurance for executive directors and includes travel and staff entertainment expenses and the tax paid in relation to such benefits for non-executive directors. The percentage change in benefits for the non-executive directors should be read in conjunction with the data showing actual taxable benefits in table R9 (page 119), which shows that the large percentage movements recorded above are explained by movements in small absolute numbers.

2 Antoine Forterre was appointed to the Board on 1 October 2021 and the salary, benefits and bonus he received as an executive director in 2021 have been annualised for the purpose of calculating the percentage change.

3 Kate Barker was appointed as a member of the Audit and Risk Committee on 1 December 2021 and therefore the increase in total fees has been reflected in the percentage change calculation for 2021 and 2022.

4 Lucinda Bell and Ceci Kurzman were appointed to the Board on 28 February 2020 and Anne Wade was appointed to the Board on 30 April 2020. For the purpose of the disclosure above, their 2020 Board fees have been annualised.

5 Due to an administrative error, Lucinda Bell was underpaid by £13,333 during 2020. The relevant adjustments to correct the error were made in 2021 resulting in an overpayment of £13,333 to her usual fees. The decrease shown for 2022 reflects the overpayment made in 2021 to correct the error.

6 Due to an administrative error, Anne Wade was overpaid by £3,333 during 2020. The relevant adjustments to correct the error were made in 2021 resulting in an underpayment of £3,333 to her usual fees. Anne Wade was also appointed as Chair of the Remuneration Committee on 7 May 2021. The increase shown for 2022 reflects the underpayment in 2021 to correct the administrative error and her appointment as Chair of the Remuneration Committee in 2021.

7 Ceci Kurzman was appointed as a designated employee engagement non-executive director during 2022 and is paid an annual fee of £7,500 for the role.

8 Richard Berliand stepped down as Chair of the Remuneration Committee on 7 May 2021 and therefore the decrease in total fees has been reflected in the percentage change calculation for 2021 and 2022.

9 The decrease in fees disclosed for 2022 reflects the fact that Zoe Cruz and Dev Sanyal stepped down from the Board on 6 May 2022.

10 Jackie Hunt and Alberto Musalem were appointed to the Board on 28 February 2022 and 1 November 2022 respectively and therefore no percentage change has been recorded above.

11 Figures are calculated on an annualised full-time-equivalent (FTE) basis (excluding directors). Figures shown for 2020 were disclosed on a per capita basis.

12 Represents the average increase in salary and taxable benefits in underlying currency in which each member of staff is paid.

13 For staff, bonus includes both variable cash compensation and deferred awards relating to the current year.

3.7 CEO pay ratio

The table below compares the 2022 single total figure of remuneration for Luke Ellis with that of Man Group's UK employees who are paid at the 25th percentile (lower quartile), 50th percentile (median) and 75th percentile (upper quartile).

Table R8

Year	Method	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2022	A	106:1	64:1	33:1
2021[1]	A	68:1	42:1	23:1
2020	A	29:1	19:1	11:1
2019	A	26:1	17:1	10:1

1 The long-term variable outcome reported in 2021 was estimated based on the three month average share price and year-end exchange rate. It has been restated in the CEO single figure for 2021 as set out in more detail on page 113; consequently the CEO ratio numbers above have also been restated.

The Committee reviewed the increase in the CEO ratio when compared with previous years. It noted that the outcome in 2021 included the vesting of the LTIP for the first time, following the replacement of the Deferred Executive Incentive Plan (DEIP) from 2018 onwards. In 2022, the LTIP is again the main driver of the increase in the ratio, even after the exercise of discretion by the Committee to reduce the number of shares originally granted. As set out in detail on page 116, the 2020 LTIP reflects the excellent performance of Man Group plc, especially in the last two years, with a vesting outcome of 84.6%. In addition, more than half the value of the long-term incentive outcome in 2022 is due to excellent share price growth since grant. The Committee was satisfied that remuneration for both the CEO and the wider workforce appropriately reflected the exceptional performance delivered in the year.

The ratio has been calculated using Option A methodology, which uses actual employee data. The Committee considered this to be the most accurate approach. Total full-time equivalent remuneration for people employed for the full 12-month period ending on 31 December 2022 has been calculated in line with the methodology for the 'single figure of remuneration' for the CEO (Table R1, page 113). This data was then ranked to identify the individuals at the 25th, 50th and 75th percentiles and the salary and total pay and benefits for the three identified quartile point employees are shown in the table below.

All figures in USD	25th percentile	50th percentile	75th percentile
Salary	86,294	110,949	221,898
Total pay and benefits	106,107	176,466	341,529

3.8 Retirement benefits

Luke Ellis and Antoine Forterre are not eligible for any defined benefits under the Man Group plc Pension Plan.

3.9 Single total figure of remuneration for non-executive directors

The table below sets out a single figure for the total remuneration received by each non-executive director for the year ended 31 December 2022 and the prior year.

Single total figure of remuneration for non-executive directors (audited) – Table R9

All figures in GBP	Fees		Taxable benefits[4]		Total	
	2022	2021	**2022**	2021	**2022**	2021
John Cryan (Chair)[1]	**350,000**	350,000	**104,414**	42,927	**454,414**	392,927
Kate Barker	**107,500**	93,750	**2,201**	1,275	**109,701**	95,025
Lucinda Bell	**110,000**	123,333	**2,751**	625	**112,751**	123,958
Richard Berliand	**115,000**	121,975	**2,422**	817	**117,422**	122,792
Zoe Cruz[2]	**32,612**	92,500	**417**	–	**33,029**	92,500
Jackie Hunt[3]	**83,718**	–	**3,165**	–	**86,883**	–
Ceci Kurzman	**81,250**	75,000	**7,946**	1,925	**89,196**	76,925
Alberto Musalem[3]	**16,667**	–	**4,331**	–	**20,997**	–
Dev Sanyal[2]	**31,731**	90,000	**7,767**	817	**39,498**	90,817
Anne Wade	**105,000**	94,673	**31,758**	33,020	**136,758**	127,693

1 John Cryan's contractual arrangements with his former employer, Deutsche Bank AG, mean that he is effectively unpaid for his role as Chair of Man Group plc, as he is required to sacrifice his post-tax receipts arising from his Man Group role to Deutsche Bank AG.

2 Zoe Cruz and Dev Sanyal stepped down from the Board on 6 May 2022 and their remuneration has been pro-rated accordingly.

3 Jackie Hunt and Alberto Musalem were appointed to the Board on 28 February 2022 and 1 November 2022 respectively and their remuneration has been pro-rated accordingly.

4 Taxable benefits comprise travel and staff entertainment expenses and the tax paid in relation to such benefits.

Directors' Remuneration report continued

3. Remuneration outcomes in 2022 continued

3.10 Payments for loss of office (audited)

There were no payments for loss of office made to executive directors during the year.

3.11 Payments to past directors (audited)

Mark Jones stepped down from the Board on 1 October 2021 and took up the role of Deputy CEO. As such, he retains his rights to his outstanding LTIP awards and the value of his 2020 award was $3,928,586. The Committee exercised its discretion to reduce the number of shares initially awarded (see page 107 for further detail). As a result, the value of Mark's 2020 LTIP award at vesting has been reduced by $463,572.

3.12 Directors' interests

Directors' interests in shares of Man Group plc (audited) – Table R10

	Number of ordinary shares[1] 31 December 2022[2]	Number of ordinary shares[1] 31 December 2021
Executive directors		
Luke Ellis	**6,806,054**	6,501,709
Antoine Forterre	**498,932**	–
Non-executive directors		
John Cryan	**40,000**	–
Kate Barker	**52,166**	49,834
Lucinda Bell	**–**	–
Richard Berliand	**75,000**	75,000
Zoe Cruz[3]	**–**	–
Ceci Kurzman	**–**	–
Jackie Hunt[4]	**–**	–
Alberto Musalem[4]	**–**	–
Dev Sanyal[3]	**90,496**	90,496
Anne Wade	**30,000**	–

1 All of the above interests are beneficial.

2 There has been no change in the directors' interests in the ordinary shares of Man Group plc from 31 December 2022 up to 27 February 2023, being the latest practicable date prior to the publication of this report.

3 Zoe Cruz and Dev Sanyal stepped down from the Board on 6 May 2022. Their shareholdings are shown as at that date.

4 Jackie Hunt and Alberto Musalem were appointed to the Board on 28 February 2022 and 1 November 2022 respectively.

Executive directors' shareholdings measured against their respective shareholding requirement as at 31 December 2022 (audited) – Table R11

	Shares owned outright	Shares no longer subject to performance conditions[1]	Total shareholding[2]	Value of shareholding[3] (USD)	Annual salary (USD)	Shareholding requirement as a % of salary	Current shareholding as a % of salary	Requirement met?
Executive directors								
Luke Ellis	6,806,054	1,359,933	8,165,987	21,085,698	1,100,000	300%	1,917%	Yes
Antoine Forterre[4]	498,932	240,771	739,703	1,910,015	625,000	200%	306%	Yes

1 Unvested deferred shares and vested LTIP shares are shown on a net of tax basis. Details of unvested awards can be found in tables R13, R14 and R15.

2 Shares that count towards achievement of the shareholding requirement are limited to: (i) shares owned outright; (ii) deferred shares granted under the Deferred Executive Incentive Plan (DEIP), Deferred Share Plan (DSP) and Partner Deferred Share Plan (PDSP), which are no longer subject to performance conditions and (iii) vested LTIP shares which are no longer subject to performance conditions and which will be delivered at the end of the two-year holding period.

3 Shareholding for Luke Ellis and Antoine Forterre valued at 31 December 2022 share price of £2.1370 and a GBP/USD exchange rate of £1 = $1.2083.

3.13 Directors' interests in shares and options under Man Group long-term incentive plans

Scheme interests to be awarded under the Man Group plc Long-Term Incentive Plan (LTIP)[1] (audited) – Table R12

	Award (% of salary)	Award value[2] (USD)	Vesting date	End of holding period date
Executive director				
Luke Ellis	300%	3,300,000	Mar-26	Mar-28
Antoine Forterre	300%	1,962,000	Mar-26	Mar-28

1 Awards under the LTIP will be made in March 2023 for the three-year performance period commencing on 1 January 2023 and ending on 31 December 2025; the proportion of the award which vests will be determined based on the measures, weightings and target ranges set out in table R20 (page 123). 0% of the award will vest at threshold with straight-line vesting between threshold and target and target and maximum performance. 100% of the award will vest for maximum performance.

2 The face value of the awards represents 300% of salary. The monetary value of these awards will be converted into a number of shares using the USD/GBP exchange rate and the market value on the immediately preceding dealing day to grant. The awards will be granted as conditional awards of shares and will vest, to the extent the performance conditions have been achieved, three years later and will then be subject to a further two-year holding period, under the LTIP rules, following which shares will be delivered. These awards attract dividend accruals from grant date to the end of the two-year holding period for vested shares.

Conditional share awards under the Long-Term Incentive Plan (LTIP) – subject to performance conditions and holding period (audited) – Table R13

	Date of grant	1 January 2022	Granted during the year[1,2]	Lapsed during the year	Dividends accruing[3]	**31 December 2022**	Vesting date[4]	End of holding period[5]
Executive director								
Luke Ellis	Mar-19	2,540,807	–	1,025,682	71,954	**1,587,079**	Mar-22	Mar-24
	Mar-20[6]	3,333,673	–	–	158,318	**3,491,991**	Mar-23	Mar-25
	Mar-21	1,861,118	–	–	88,385	**1,949,503**	Mar-24	Mar-26
	Mar-22	–	1,293,511	–	61,429	**1,354,940**	Mar-25	Mar-27
Antoine Forterre	Mar-22	–	734,949	–	34,902	**769,851**	Mar-25	Mar-27

1 The performance measures for these awards are: relative investment performance (20%), relative TSR versus FTSE 250 (20%), 3-year cumulative core management fee EPS (10%), 3-year cumulative core EPS (30%), cumulative net inflows (10%) and an ESG scorecard (10%). The targets were disclosed in detail in the 2021 DRR. Following a review of our carbon emission metrics by KPMG, the ESG scorecard metric for the reduction in Scope 1 to 3 emissions, which accounts for one-third of the ESG scorecard in the 2022 LTIP, has been restated. The revised targets for the 2022 LTIP are: Threshold 7.3 $MTCO_2e$, Target 6.7 $MTCO_2e$ and Maximum 6.0 $MTCO_2e$. The Committee was satisfied that the restatement was appropriate to account for improvements and changes in methodology and that the revised targets were at least as stretching as those originally disclosed.

2 The awards under the LTIP were granted in March 2022 for the three-year performance period commencing on 1 January 2022 and ending on 31 December 2024. The monetary value of these awards was $3,300,000 for Luke Ellis and $1,875,000 for Antoine Forterre, each representing 300% of base salary converted into a number of shares using the GBP/USD exchange rates of £1 = $1.3127 and a share price of £1.9435, being the market value on the immediately preceding dealing day to grant. The awards have been granted as conditional awards of shares and will vest, to the extent the performance conditions have been achieved, three years later and will then be subject to a further two-year holding period, under the LTIP rules. These awards attract dividend accruals from grant date to the end of the two-year holding period for vested shares.

3 On 20 May 2022, dividend accruals of 229,269 and 21,053 shares were added to Luke Ellis's and Antoine Forterre's awards respectively based on a sterling dividend of 6.74 pence. On 9 September 2022, dividend accruals of 150,817 and 13,849 shares were added to Luke Ellis's and Antoine Forterre's awards respectively based on a sterling dividend of 4.7 pence.

4 Awards vest at 0% at threshold, 50% at target and 100% at maximum, with straight-line vesting between these points.

5 Vested shares are delivered to participants at the end of a two-year holding period.

6 The Committee has exercised its discretion to reduce the number of shares initially awarded under the 2020 LTIP by 10.6% as set out in detail on page 107 and in table R4 on page 116.

Conditional share awards under the Deferred Executive Incentive Plan (DEIP) – subject only to service conditions (audited) – Table R14

	Date of grant[1]	1 January 2022	Vested during the year	Lapsed during the year	Dividends accruing[2]	**31 December 2022**	Date vested
Executive director							
Luke Ellis	Mar-17	115,73	115,713	–	–	–	Mar-22
	Mar-18[3]	806,892	403,445	–	19,159	**422,606**	Mar-22

1 No further awards are to be granted under the DEIP following the adoption of the LTIP.

2 On 20 May 2022, dividend accruals of 11,557 shares were added to Luke Ellis's awards based on a sterling dividend of 6.74 pence. On 9 September 2022, dividend accruals of 7,602 were added to Luke Ellis's awards based on a sterling dividend of 4.7 pence.

3 Remaining award vests in March 2023.

Directors' Remuneration report continued

3. Remuneration outcomes in 2022 continued

3.13 Directors' interests in shares and options under Man Group long-term incentive plans continued

Options granted under the Man Group Deferred Share Plans – subject only to service conditions (audited) – Table R15

	Date of grant	1 January 2022	Granted during the year	Exercised/ vested during the year	Lapsed during the year	Dividends accruing[6]	31 December 2022	Exercised/ vested date
Executive directors								
Luke Ellis	Deferred Share Plan (DSP)							
	Mar-19	**88,169**	–	88,169	–	–	**–**	Mar-22
	Mar-20[1]	**223,483**	–	111,741	–	5,306	**117,048**	Mar-22
	Mar-21[2]	**230,747**	–	76,915	–	7,304	**161,136**	Mar-22
	Mar-22[3]	**–**	265,439	–	–	12,603	**278,042**	
Antoine Forterre	Partner Deferred Share Plan (PDSP)							
	Mar-18[4]	**127,584**	–	127,584	–	–	**–**	Mar-22
	Mar-19[4]	**18,307**	–	18,307	–	–	**–**	Mar-22
	Mar-20[4]	**432,941**	–	432,941	–	–	**–**	Mar-22
	Mar-21[4]	**362,554**	–	362,554	–	–	**–**	Mar-22
	Deferred Share Plan (DSP)							
	Mar-22[3, 5]	**–**	433,696	–	–	20,589	**454,285**	

1 Remaining award vests in March 2023 and is exercisable until March 2030.

2 Remaining award vests in two equal instalments in March 2023 and March 2024. All are exercisable until March 2031.

3 Award vests in three equal instalments in March 2023, March 2024 and March 2025. All are exercisable until March 2032.

4 This award was granted prior to Antoine Forterre's appointment as director as a conditional award under the Partner Deferred Share Plan.

5 A proportion of the award is attributable to the period prior to Antoine Forterre's appointment as an executive director.

6 On 20 May 2022, dividend accruals of 15,209 and 12,420 shares were added to Luke Ellis's and Antoine Forterre's awards respectively based on a sterling dividend of 6.74 pence. On 9 September 2022, dividend accruals of 10,004 and 8,169 shares were added to Luke Ellis's and Antoine Forterre's awards respectively based on a sterling dividend of 4.7 pence.

Options granted under the Man Group Sharesave Scheme (audited) – Table R16

	Date of grant	1 January 2022	Number of options: Granted during the year	Number of options: Exercised during the period	Number of options: Lapsed during the year	31 December 2022	Option price	Earliest exercise date	Latest exercise date
Executive director									
Luke Ellis	Sep-17	11,363	–	11,363[1]	–	**–**	132.0p	Oct-22	Mar-23
	Sep-19	11,811	–	–	–	**11,811**	127.0p	Oct-24	Mar-25
Antoine Forterre	Sep-22	–	14,925	–	–	**14,925**	201.0p	Oct-27	Mar-28

1 Option exercised on 13 December 2022 at a price of 219.5153 pence per share.

3.14 Shareholder voting and engagement

At the AGM held on 6 May 2022, votes cast by proxy and at the meeting in respect of directors' remuneration were as follows:

Table R17

Resolution	Votes for	% for	Votes against	% against	Total votes cast	Votes withheld (abstentions)
Approve the annual report on remuneration	956,291,633	92.93	72,716,731	7.07	1,029,008,364	189,660
Approve the Directors' Remuneration Policy	939,700,962	91.37	88,798,755	8.63	1,028,499,717	698,307

4. Implementation of Directors' Remuneration Policy for 2023

4.1 Base salary

Salaries are reviewed annually taking into account market benchmarks for executives of comparable status, responsibility and skill.

Base salary of executive directors – Table R18

Base salary at	Luke Ellis	Antoine Forterre
1 January 2022	$1,100,000	$625,000
1 January 2023	$1,100.000	$654,000

4.2 Annual bonus for 2023

The following table shows the performance metrics and weightings for the annual bonus in 2023, which remain unchanged from 2022. The Committee considers that the disclosure of detailed performance targets in advance for 2023 would be commercially sensitive and they are not, therefore, disclosed here.

Table R19

Metrics	Weighting %
Relative net flows, growth %	30%
Core management fee EPS	20%
Core EPS	20%
Strategic and personal	15%
ESG objectives	15%
Total	100%

4.3 Long-Term Incentive Plan for 2023

The threshold to maximum ranges for the Man Group plc LTIP are set out in the table below. Awards vest at 0% at threshold, 50% at target and 100% at maximum, with straight-line vesting between these points. Vested awards are subject to a two-year holding period.

Table R20

Metrics	Threshold	Target	Maximum	Weighting %
Relative investment performance	0%	3%	6%	20%
Relative TSR vs FTSE 250	Median	Mid-point between median and upper quartile	Upper quartile	20%
3-year cumulative core management fee EPS, cents	50¢	55¢	60¢	10%
3-year cumulative core EPS, cents	70¢	90¢	110¢	30%
Cumulative relative net flows	0%	9%	18%	10%
ESG scorecard[1]				10%
Total				100%

1 The ESG scorecard metric includes the following equally weighted objectives: to increase the number of women in senior positions (threshold 28.0%, target 29.0% and maximum 30.0%), to reduce Scope 1 to 3 emissions per FTE (threshold 7.9 $MTCO_2e$, target 7.2 $MTCO_2e$ and maximum 6.5 $MTCO_2e$ and to grow the percentage of ESG-integrated AUM excluding market beta (threshold 24%, target 36% and maximum 48%).

4.4 Non-executive directors' Remuneration Policy for 2023

During 2022, the Remuneration Committee approved a 10% uplift in the Chair's fees with effect from 1 January 2023. This is the first increase in the Chair's fee since John Cryan's appointment as Chair in January 2020. There have been no changes to the fees for non-executive directors since January 2020.

Non-executive directors' fees for 2023 – Table R21

Position (all figures in GBP)	**2023**	2022	% change
Chair of the Board[1]	**385,000**	350,000	10%
Board fee[2]	**75,000**	75,000	–
Senior Independent Director	**15,000**	15,000	–
Audit and Risk Committee Chair	**35,000**	35,000	–
Other Audit and Risk Committee members	**15,000**	15,000	–
Employee Engagement NEDs	**7,500**	7,500	–
Remuneration Committee Chair	**30,000**	30,000	–
Other Remuneration Committee members	**10,000**	10,000	–

1 Chair does not receive Board or Committee membership fees.

2 Includes Nomination Committee membership where appropriate.

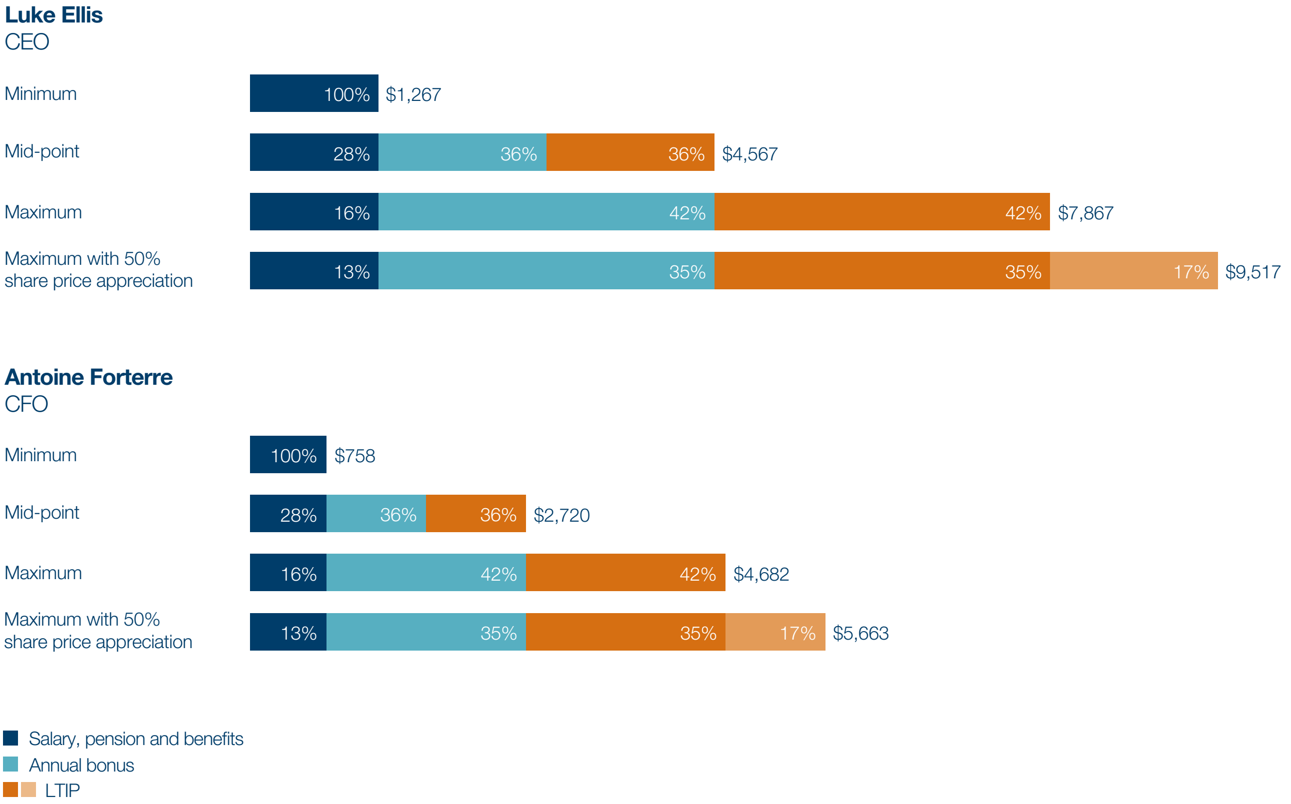
Directors' Remuneration report continued

4. Implementation of Directors' Remuneration Policy for 2023 continued

4.5 Illustrative pay for performance scenarios

The chart below provides an illustration of some of the potential reward opportunities for executive directors in respect of the operation of the Directors' Remuneration Policy in 2023 showing the potential split between the different elements of remuneration under different performance scenarios: 'minimum', 'mid-point', 'maximum' and 'maximum with 50% share price appreciation'.

Illustrative pay for performance scenarios ($'000)



Assumptions used:

- The minimum scenario reflects base salary, pension (of 14% of salary) and benefits as disclosed in the single figure of total remuneration (i.e. fixed remuneration), which are the only elements of the executive directors' remuneration packages not linked to performance during the year under review.
- The 'mid-point' scenario reflects fixed remuneration as above, plus a target payout of 50% of the maximum annual bonus and 50% vesting for the LTIP.
- The 'maximum' scenario reflects fixed remuneration as above, plus full payout of both the annual bonus and LTIP.
- The minimum, mid-point and maximum illustrations are based on initial award value and do not, therefore, reflect potential share price appreciation or any dividend equivalent received over the vesting/deferral periods.
- The 'maximum with 50% share price appreciation' shows the impact of a 50% increase in the value of the LTIP share award from grant; it does not reflect any potential dividends received over the vesting period.
- Annual bonus includes both the cash bonus and the amount of the bonus deferred.

5. Remuneration Committee

5.1 Membership and attendance

The Committee met five times during 2022 with attendance by members as indicated on page 70. All members held office throughout the year, except for Jackie Hunt and Alberto Musalem, who joined the Man Group plc Board and the Committee on 28 February and 1 November 2022 respectively, and Zoe Cruz and Dev Sanyal, who retired from the Board at the AGM on 6 May 2022. In addition, certain urgent proposals relating to the retention of awards by good leavers were circulated and agreed by email between meetings.

Committee meetings are regularly attended by the CEO and, where appropriate, by the CFO at the invitation of the Chair. The Committee is supported by the Senior Reward Executive, who routinely attends, as do the Heads of HR for UK and EEA and Rest of World (RoW). Members of the Legal, Compliance and Executive Incentive Plans teams attend meetings when required to provide information and advice on remuneration, regulatory and executive incentive plan matters. The Company Secretary acts as Secretary to the Committee.

At the end of each meeting there is an opportunity for private discussion between Committee members without the presence of executive directors and management.

Roles and responsibilities

The Committee's principal responsibilities are to:

- Determine the Company's remuneration philosophy and the principles and structure of its Remuneration Policy, ensuring that these support and promote the long-term sustainable success of the Company and are in line with the Company's purpose and values, business strategy, objectives, risk appetite and long-term interests and comply with all regulatory requirements and promote long-term shareholder and other stakeholder interests.
- Recommend to the Board the specific Remuneration Policy for the executive directors, for approval by shareholders, and make remuneration decisions within that approved policy.
- Approve the total annual compensation for individual executive directors based on their achievement against objectives set by the Committee and Board at the start of the year for the short-term annual bonus and at the start of the relevant performance period for the LTIP.
- Recommend to the Board the remuneration of the Board Chair.
- Approve the total annual compensation for Executive Committee members, the Company Secretary and Remuneration Code staff.
- Review and consider shareholder and proxy voting agencies feedback and agree the approach to ongoing engagement.

Decision-making process

The Committee's decision-making process takes account of legislation, regulation, corporate governance standards, guidance issued by regulators, shareholders and shareholder representative bodies. As covered in section 5.2, the Committee has independent external advisers and reviews their objectivity and independence annually. To avoid conflicts of interest, no Committee member or attendee is present when matters relating to his or her own remuneration are discussed. Full terms of reference for the Committee, which are reviewed on an annual basis and submitted to the Board for approval, are available on the Company's website: www.man.com/corporate-governance.

In compliance with the UK Corporate Governance Code (2018) (the Code), we have set out below how the Committee addresses the following factors:

Risk

Inappropriate risk-taking is avoided and good alignment with shareholders is achieved through a number of mechanisms including significant bonus deferral into shares and funds, a three-year performance period for the Long-Term Incentive Plan (the LTIP) with a subsequent two-year post-vesting holding period and shareholding requirements, including for two years after cessation of employment. Before any decisions about incentive outcomes are made, the Audit and Risk Committee reports to the Committee on any specific matters indicating excessive risk-taking or lack of regard for controls and procedures. Malus and clawback provisions apply to the incentives in a range of specified circumstances, as set out in the table on page 109.

Predictability

The charts on page 124 illustrate the potential remuneration outcomes under a range of scenarios (including in the event of a 50% increase in the share price). Each year a detailed review is undertaken in order to set stretching annual and three-year performance targets in the bonus and LTIP respectively.

Proportionality

The link between strategic priorities and incentive metrics is set out in detail in the chart on page 105. The Committee considers wider employee remuneration, holistic business performance and shareholder experience in determining the appropriate level of executive director remuneration.

Alignment to culture

The key principles that underpin our approach to remuneration (and which apply at all levels of the organisation) are:

- remuneration is structured to support corporate strategy and sound risk management;
- employees' interests are aligned with shareholders and the bonus pool is drawn from profit;
- incentives are designed to encourage behaviour focused on longer-term strategic and sustainable performance; and
- our total remuneration is competitive in the talent markets from which we hire.

Directors' Remuneration report continued

5. Remuneration Committee continued

5.1 Membership and attendance continued

Simplicity
Incentive schemes are straightforward in their structure and operation with explicit links between strategic priorities, key performance indicators and incentive metrics.

Clarity
A summary of the Remuneration Policy is clearly laid out in tabular form in the DRR on page 109 and the full policy is available on the Company's website: www.man.com/corporate-governance). Details of the operation of the Remuneration Policy have been explained to the wider workforce, as set out in the Chair's statement.

5.2 Independent advisers

Following a formal tender process in July 2017, the Committee appointed PricewaterhouseCoopers (PwC) to provide it with advice on a range of remuneration matters including the benchmarking of directors' compensation in the asset management sector, trends in market practice and regulatory disclosures. PwC also provide professional services in the ordinary course of business including tax and related advisory work to parts of Man Group. There are processes in place to ensure the advice received by the Committee is independent of any support provided to management. The Committee is satisfied on this basis that PwC are able to serve as an objective and independent remuneration adviser.

The total fees paid to PwC in 2022 were £109,000 (excluding VAT) on the basis of agreed fixed fees. The Committee also received legal advice from Herbert Smith Freehills LLP on compliance with legislation and regulations relating to remuneration matters.

5.3 Committee activities during 2022 and the early part of 2023

The summary below sets out the main issues considered and decisions made by the Committee in the period following the publication of the 2021 Directors' Remuneration report up to the current date.

Chair's fee
- Reviewed the fee level of the Chair in the context of benchmarking of similar roles in broadly equivalent-sized companies in the financial services sector and of the demands of the role.

Executive director compensation
- Established the threshold, target and maximum ranges to be achieved for the financial metrics and recommended to the Board for approval the objectives to be delivered under the non-financial component of the annual bonus.
- Assessed the 2022 performance, against the financial and non-financial metrics of the annual bonus, of the CEO and CFO and considered whether any discretionary intervention was required to adjust the formulaic outcome; approved the total cash sum payable and the amount to be deferred.
- Reviewed the level of achievement of each executive director in respect of their shareholding requirement and consequently determined that the option to defer up to 50% of the bonus deferral amount into funds could be offered.
- Undertook a detailed review of the 2020 LTIP to determine whether a 'windfall gain' may have occurred, as set out in detail in the Chair's statement on page 107.
- Reviewed the available benchmarking for the CEO and CFO roles within the selected peer group, to provide the business context for all the above reward decisions.

Shareholder engagement and reporting
- Reviewed shareholder voting and feedback on the 2022 AGM resolutions for the DRR and Directors' Remuneration Policy renewal, noting the substantial level of support.
- Reviewed the 2022 DRR taking account of best practice recommendations and institutional shareholder guidelines.

Compensation below Board level
- Reviewed, challenged and approved the 2022 bonus pool proposed by management in relation to the Company's performance for the year.
- Approved bonus deferral policies for different groups of staff.
- Approved total compensation proposals for Executive Committee members, taking account of the CEO's appraisal of their individual performance for 2022 and their adherence to the Company's business values.
- Approved the total compensation for individuals identified as Remuneration Code staff.
- Approved the total compensation for the Company Secretary.
- Retained oversight of the total compensation for staff earning over $1 million, taking account of the CEO's appraisal of their performance for 2022 and reports from the Risk and Compliance functions on any related risk issues arising during the year.
- Reviewed the approach to wider workforce compensation, including by reference to gender and ethnicity metrics.
- Reviewed the ratio of CEO pay to the lower quartile, median and upper quartile remuneration paid to UK employees (see page 119).

5.3 Committee activities during 2022 and the early part of 2023 continued

Financial regulation and governance

- Reviewed ongoing regulatory developments on remuneration and their implications for the Company's business, including the new MIFIDPRU Remuneration Code introduced by Investment Firms Prudential Regime (IFPR).
- Reviewed the Company's Financial Conduct Authority Remuneration Policy Statement and the Company's Remuneration Policy.
- Approved the list of Remuneration Code staff for 2022.

5.4 2022 Committee evaluation

Following a mid-year review by the Chair of the 2022 priority actions identified in the Committee's 2021 evaluation, the Chair undertook, at the year-end, a full-year evaluation of the operation and effectiveness of the Committee during 2022. The topics covered included progress on the priorities for 2022 and the conduct and outcomes of specific areas of Committee activity and focus during the year, including the support and advice available to the Committee.

In the evaluation feedback, the Committee again acknowledged the quality of the advice provided by its advisers and the thorough and professional papers delivered to the Committee to support its decision making. The following specific areas of focus were agreed for 2023:

- Deliver the 2022 DRR.
- Continue to engage with shareholders as appropriate and keep shareholder guidelines and corporate governance best practice under review to ensure the Committee is responding to any developments in these areas.
- Further deepen the Committee's understanding and consideration of compensation below the Board and build on the analysis of workforce remuneration by reference to gender and other diversity metrics; ensure this is considered in discussions about the level and appropriateness of executive director compensation and continue to engage with workforce.
- Keep the remuneration advice and industry knowledge available to the Committee under review as a matter of ongoing good governance.

5.5 Benchmarking and peer groups

Benchmarking is one of several factors considered by the Committee in its deliberations on remuneration as it is important that the Committee understands the level of remuneration paid by Man Group's competitors for similar positions and which they may be offering in the marketplace.

Many of Man Group's senior staff are geographically mobile, particularly between London and New York, and an explicit consideration of remuneration levels in both geographies is highly relevant. Man Group is one of the few listed companies anywhere in the world that operates in the liquid alternative investment industry. Most businesses in this industry are privately owned and systematic remuneration data is not publicly available. Man Group does compete for talent against these businesses and staff do move between Man Group and these private companies so, as part of its understanding of the broader business context, the Committee will continue to review available information on privately owned peers as well as the direct information about remuneration in those privately held companies that Man Group has acquired.

UK listed peer group		US listed peer group	
3i	Jupiter	Affiliated Managers	Blackstone
abrdn	M&G	Apollo Global Management	Carlyle
Ashmore	Ninety-One	Ares	Federated Hermes
Close Brothers	Schroders	Artisan Partners	Janus Henderson
Intermediate Capital Group	TP ICAP	BlackRock	KKR

Unless otherwise stated, all information in the DRR is unaudited. As the Company is Jersey-incorporated, it is not subject to the provisions of the UK Companies Act 2006 and therefore information on the directors' remuneration in the DRR is included on a voluntary basis. The disclosures contained in the DRR relate to the Company's statutory directors (as set out on pages 74 and 75 of the Annual Report) only. In respect of those directors, the disclosures are prepared in line with the provisions of the UK Companies Act 2006.

The information in the DRR should be read in conjunction with Man Group's APMs, outlined on pages 175 to 179.

For and on behalf of the Board

Anne Wade
Chair of the Remuneration Committee

27 February 2023

Directors' report

The Directors present their report, together with the audited consolidated financial statements, for the year ended 31 December 2022.

Man Group plc is incorporated as a public limited company and is registered in Jersey with the registered number 127570. The Company's registered office is 22 Grenville Street, St Helier, Jersey, JE4 8PX.

Although the Company is subject to Jersey law, the following report also includes certain disclosures required for a UK incorporated company under the UK Companies Act 2006 in the interests of good governance.

The Directors' report comprises pages 128 and 129 and the other sections and pages of the Annual Report and financial statements cross referenced below which are incorporated by reference. The Corporate Governance statement comprises pages 70 to 130. In line with common practice, certain disclosures normally included in the Directors' report have instead been integrated into the Strategic report (pages 2 to 69), the Governance report (pages 70 to 130) and the financial statements:

Disclosure	Location	Page(s)
Business relationships, stakeholders and their effect on decisions	Strategic report Governance report	10-11 80-87
Directors' responsibility statement and statement of disclosure to auditor	Directors' responsibility statement	130
Directors' share interests	Directors' Remuneration report	120-122
Employment policies including disability and equal opportunities and employee involvement	Strategic report Governance report	36-42 68-69 83
Financial risk management	Notes 8 and 14	149, 155
Financial instruments	Note 13	154
Future developments in the business	Strategic report	12-19
Going concern disclosure	Note 2	144
Greenhouse gas emissions, energy consumption and energy efficiency	Strategic report	46-63
Internal control and risk management	Strategic report	28-35
Research and development activities	Strategic report	14-19
Subsequent events	Note 29	171
Purchase of own shares	Note 24	169
Subsidiary undertakings listing	Note 31	172-173

Listing Rule 9.8.4R disclosure

The Employee Trust waived its rights to receive dividends on shares held by them. Information regarding long-term incentive schemes is contained within the Directors' Remuneration report on pages 104 to 127. Otherwise than as indicated, there are no further disclosures to be made under Listing Rule 9.8.4R.

Directors

Details of the directors, with their biographies, can be found on pages 74 and 75. The following director changes occurred during 2022:

Zoe Cruz	Stepped down from the Board on 6 May 2022
Dev Sanyal	Stepped down from the Board on 6 May 2022
Jacqueline Hunt	Appointed to the Board on 28 February 2022
Alberto G. Musalem	Appointed to the Board on 1 November 2022

Kate Barker, who has served as a non-executive director of the Company since 1 April 2017, will be retiring from the Board on 1 April 2023.

Powers of directors

The Board is responsible for the management of the business of the Company and may exercise all the powers of the Company subject to the provisions of relevant statutes and the Company's Articles of Association (the Articles). A copy of the Articles is available on the Company's website and by request from the registered office of the Company. The Articles may be amended by a special resolution of the shareholders.

Appointment, retirement and replacement of directors

The appointment, retirement and replacement of directors are governed by the Articles, the 2018 UK Corporate Governance Code and the Companies (Jersey) Law 1991. Under the Articles, the Board has the power to appoint further directors during the year, but any director so appointed must stand for reappointment at the next Annual General Meeting (AGM). In accordance with the Articles, one-third of the Board must retire by rotation at each AGM and may stand for reappointment. In practice, and in accordance with the UK Corporate Governance Code, all Board members retire and offer themselves for reappointment at each AGM.

The Articles give each director the power to appoint any person to be his/her alternate, such appointment being subject to Board approval where the proposed alternate is not an existing director of the Company.

Directors' indemnities and insurance cover

The Company has maintained third-party indemnity provisions for the benefit of the directors of Man Group plc and its subsidiaries, and these remain in force at the date of this report. New indemnities are granted by the relevant company to new directors on their appointment and cover, to the extent permitted by the UK Companies Act 2006, any third-party liabilities which they may incur as a result of their service on a Board within the Group. The Company arranges directors' and officers' liability insurance to cover certain liabilities and defence costs which an indemnity does not meet. The Company arranges separate pension trustee liability insurance to cover certain liabilities and defence costs of the pension trustees. Neither the indemnity nor the insurance policies provide any protection in the event of a director or trustee being found to have acted fraudulently or dishonestly in respect of the Company or its subsidiaries.

Annual General Meeting (AGM)

The 2023 AGM of Man Group plc will be held at Riverbank House, 2 Swan Lane, London EC4R 3AD on Friday 5 May 2023 at 10am.

Shares

Share capital
The issued share capital as at 24 February 2023 consisted of 1,350,556,782 ordinary shares of $3\frac{3}{7}$ US cents per share. Details of movements in issued share capital, together with the rights and obligations attaching to the Company's shares, are set out in Note 24 to the financial statements and in the Company's Articles.

Authority to purchase own shares
At the 2022 AGM, the Company was authorised by its shareholders to purchase up to a maximum of 136,949,799 of its ordinary shares. Details of shares purchased by the Company during the year are detailed in Note 24 to the financial statements.

Substantial interests

As at 31 December 2022, the Company had been notified of the following voting interests in the ordinary share capital of the Company in accordance with DTR 5 of the FCA's Disclosure Guidance and Transparency Rules. Percentages are shown as notified, calculated with reference to the Company's latest total voting rights announcement prior to the date of the movement triggering the notification.

It should be noted that these holdings are likely to have changed since the Company was notified. However, notification of any change is not required until the next notifiable threshold is crossed.

Shareholder	Number of voting rights notified to the Company	Percentage of issued share capital	Date of notification
Silchester International Investors LLP	65,180,511	4.93%	16 June 2022
Tameside MBC re Greater Manchester Pension Fund	39,475,389	2.99%	28 July 2022
BlackRock, Inc.	91,317,595	6.72%	21 April 2022
JPMorgan Asset Management Holdings, Inc.	69,079,558	5.40%[1]	11 December 2022

1 The Company was notified on 6 January 2023 that JPMorgan Asset Management Holdings, Inc.'s holdings in the Company as at the notification date was below 5%.

Dividend information

The directors recommend a final dividend of 10.1 cents per share in respect of the year ended 31 December 2022. Payment of this dividend is subject to approval at the Company's 2023 AGM. The Company offers a Dividend Reinvestment Plan (DRIP), where dividends can be reinvested in further Man Group plc shares. Further details on the proposed dividend payment, together with the Company's dividend policy, dividend payment methods and the DRIP, can be found in the Shareholder Information section on pages 180 to 181.

Restriction on voting rights

Employee Trust and share awards

Man Group operates share incentive arrangements for qualifying staff. Where vesting conditions are met, awards granted under these arrangements are settled in Company shares. In order to assist in hedging Man Group's exposure to such awards, the Company has established the Employee Trust, which assumes the Company's obligation to deliver shares to employees on vesting. To enable the Employee Trust to meet these obligations, Man Group provides funds by way of direct contributions or loans. The Employee Trust has independent trustees and its assets are held separately from those of Man Group. However, given its nature as a structured entity under IFRS, it is consolidated into the Group financial statements. For accounting purposes, the shares held by the Employee Trust are treated as though they were treasury shares. These shares remain, however, in issue as trust assets. Under the Employee Trust deed, the trustees have discretion to vote, or abstain from voting, on resolutions put to shareholders.

Treasury shares

Ordinary shares held by the Company in treasury do not carry voting rights. If the treasury shares are subsequently sold or transferred for the purposes of satisfying an employee share scheme as permitted by the Jersey (Companies) Law 1991, then the shares, at this point, will again carry their full voting rights. Further details on treasury shares can be found in Note 24 to the financial statements.

Share transfer restrictions

- In accordance with the current Directors' Remuneration Policy, the CEO is required to hold shares in Man Group plc representing at least 300% of salary and other executive directors are required to hold shares in Man Group plc representing at least 200% of salary. Directors are required to retain their shareholdings in full for two years after departure from Man Group plc or, where appropriate, in circumstances where directors have stepped down from the Board but remain with the Company; this will be at the lower of either their required or actual shareholding on leaving. Further information can be found in the Directors' Remuneration report on pages 104 to 127.
- The Board may decline to register a transfer of any share which is not a fully paid share. In addition, registration of a transfer of an uncertificated share may be refused in the circumstances set out in The Companies (Uncertificated Securities) (Jersey) Order 1999 and where the number of joint holders exceeds four.

Change of control

The Company is not party to any significant agreements that take effect, alter or terminate upon a change of control following a takeover bid except for the Company's $500 million revolving credit facility originally dated 9 December 2019 and amended and restated on 3 December 2021 which could, under specific circumstances, become repayable following a relevant change of control. The Company's employee share and fund product incentive schemes contain provisions whereby, upon a change of control of the Company, outstanding options and awards will vest and become exercisable, subject to any pro-rating that may be applicable. If a change of control of the Company relates to an internal reorganisation, the Board may determine, with the consent of the new controlling company, that in the case of share awards the outstanding options and awards will not vest and will be automatically surrendered in consideration for the grant of new equivalent awards or options in the new controlling company and that fund product awards will not vest but will continue to subsist.

Independent auditor

The Company's external auditor, Deloitte, has indicated its willingness to continue in office and a resolution to reappoint Deloitte as auditor of the Company will be proposed at the 2023 AGM.

An external audit tender was conducted during 2022 which has resulted in the Board recommending to shareholders that Deloitte be reappointed as the Company's external auditor. Additional detail can be found in the Audit and Risk Committee report on pages 98 and 99.

Political donations

The Company's policy is not to make any donations or contributions to political parties or organisations and no such payments were made during the year.

For and on behalf of the Board

Elizabeth Woods
Company Secretary

27 February 2023

Directors' responsibility statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Companies (Jersey) Law 1991 requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing Man Group's financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Jersey, Channel Islands governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the directors as at 31 December 2022, whose names and functions are on pages 74 and 75, confirm that, to the best of each person's knowledge and belief:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face;
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's and Group's position, performance, business model and strategy; and
- there is no relevant audit information of which the Group's auditor is unaware, and that they have taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that Man Group's auditor is aware of that information.

Financial statements contents

Independent auditor's report to the members of Man Group plc

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Man Group plc (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's affairs as at 31 December 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards; and
- have been properly prepared in accordance with Companies (Jersey) Law 1991.

We have audited the financial statements which comprise:

- the group income statement;
- the group statement of comprehensive income;
- the group balance sheet;
- the group cash flow statement;
- the group statement of changes in equity; and
- the related notes 1 to 31.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the group.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matter	The key audit matter that we identified in the current year was the accuracy of performance fees.
Materiality	The materiality that we used for the group financial statements was \$19.0m (2021: \$18.3m) which was determined on the basis of 2% of management and other fees, which is consistent with the basis of determination used in the prior year.
Scoping	We performed full scope audits of 20 (2021: 28) components and audits of specified account balances within a further 10 (2021: seven) components across 10 (2021: nine) geographic locations. Together, this accounts for 99% (2021: 99%) of the group's revenue, 98% (2021: 98%) of the group's profit before tax and 98% (2021: 98%) of the group's total assets.
Significant changes in our approach	There were no significant changes in our approach.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's ability to continue to adopt the going concern basis of accounting included:

- Considering the available cash and cash equivalents balance at year end of \$349m explained in Note 8 and assessing how this is forecast to fluctuate over the coming 12 months in line with management's forecasted performance. This analysis includes assessing the amount of headroom in the forecasts considering cash and regulatory liquidity requirements;
- Assessing the nature and terms of the financing facilities available to the group;
- Assessing the impact of downside scenarios considered by management including those capturing the potential impact of climate change;
- Testing of the clerical accuracy and assessing the sophistication of the model used to prepare the forecasts; and
- Assessing the reasonableness of the assumptions used in the forecasts and the historical accuracy of forecasts prepared by management alongside the historical conversion of accounting profits to cash in the business.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

In relation to the reporting on how the group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accuracy of performance fees

Key audit matter description	At \$778m (2021: \$567m) performance fee revenue is a material revenue balance, and has increased further in the current year from a historically high level in the prior year. The measurement of performance fee revenue requires the accurate implementation of methodologies as set out in investment management agreements which are often bespoke for each client or fund. Performance fees are manually calculated, are performed less frequently based on the crystallisation dates specified in the agreements (generally once a year), and are more complicated than management fee calculations, increasing the relative risk of misstatement. The performance fee calculation requires the use of estimated valuations which can change after the period end. There is a fraud risk associated with the accuracy of performance fee revenue due to this balance's importance to stakeholders and link to long term incentives. Given the complexity of the calculations and level of judgement involved in determining if the revenue has crystallised, accuracy of performance fees is deemed to be a key audit matter. The accounting policy for performance fees is detailed in Note 4 to the financial statements.
How the scope of our audit responded to the key audit matter	Our procedures included: **Assessing related controls:** We obtained an understanding of the relevant controls over performance fees, and tested the relevant controls over the accuracy of performance fees. We placed reliance on these controls as a part of our audit approach. We also obtained an understanding of the relevant controls at service organisations. **Tests of detail:** We independently agreed a sample of calculation methodologies to investment management agreements and source documentation, verified the calculation methodology and the accuracy of the inputs used in the calculation (for example, fee rates, crystallisation dates, fund product profit and relevant benchmarks), assessed the arithmetic accuracy of the underlying calculation of the performance fee and challenged any judgements when interpreting governing documents. For estimates subsequently finalised and invoiced after the year end, we assessed the amounts invoiced against the accrued estimate at the year end in mid-February.
Key observations	Based on our work, we concluded that performance fees are appropriately recorded.

Independent auditor's report to the members of Man Group plc continued

6. Our application of materiality

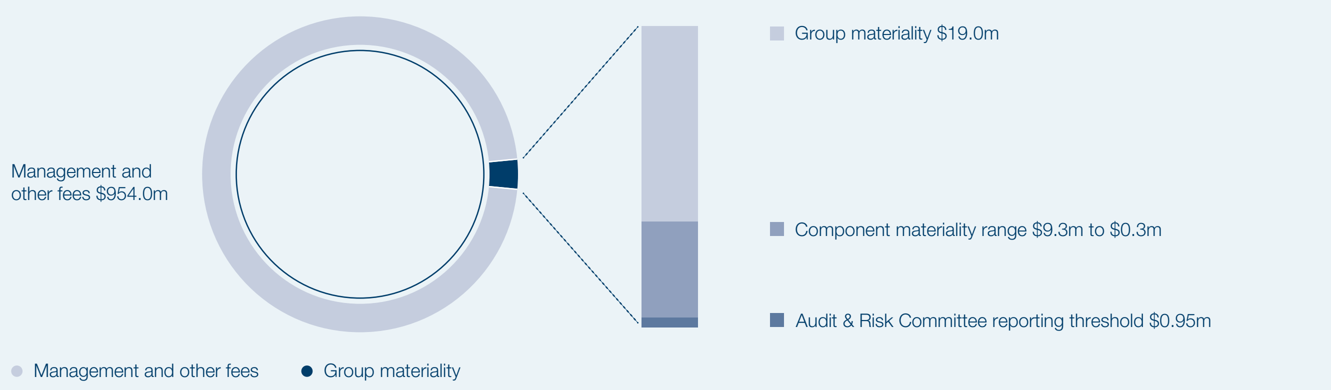
6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	$19.0m (2021: $18.3m)
Basis for determining materiality	2% of management and other fees (2021: 2% of management and other fees)
Rationale for the benchmark applied	We have determined management and other fees to be an appropriate basis for determining materiality as it is statutory in nature, and reflects current-year performance whilst being relatively stable compared with other benchmarks. We did not include performance fees in our materiality determination to avoid undue fluctuations in materiality that would result due to year-on-year variability in performance fees if total revenues, or a profit measure, were used instead.

Materiality ($m)



6.2 Performance materiality
We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Group performance materiality was set at 70% of group materiality for the 2022 audit (2021: 70%).

When considering performance materiality we have considered our past experience of the audit, and our accumulated understanding of the group and its environment. In particular, we took into account the reliability of the group's internal controls over financial reporting and that we were able to rely on controls for a number of business processes. We also took into account the level of corrected and uncorrected misstatements identified in prior periods, and allowed for a degree of unpredictability of the full year result as at the time of planning our audit.

6.3 Error reporting threshold
We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of $950k (2021: $900k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1 Identification and scoping of components
The group operates across 10 geographical locations with operations in Europe, North America, Asia and Australia. In determining the scope of work to be performed on specific components of the group, which are generally the group's subsidiaries, we considered both quantitative and qualitative factors. Our quantitative assessment was primarily based on each component's profit before tax and revenue, though we also considered the overall coverage obtained. Our assessment of qualitative factors included consideration of current-year events and any significant risks applicable to the component.

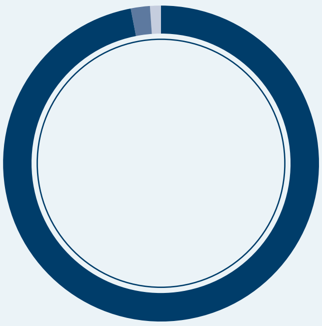
Based on that assessment, which is broadly consistent with the prior year, we performed full scope audits of 20 (2021: 28) components across the UK, the US, Switzerland, Channel Islands, Ireland and the Cayman Islands. A further 10 (2021: seven) components were subject to an audit of specified account balances where the extent of our testing was based on our assessment of the risks of material misstatement and materiality to the group of those components. The decrease in the number of full scope components reflects the exclusion from our scope of a number of smaller components which no longer require a local statutory audit, with minimal impact on our overall audit coverage as described below. All other components were subject to analytical review procedures.

Books and records for most geographies are maintained by the group's finance team in London, and accordingly these components were all audited by the group audit team. Local finance teams maintain books and records for the US and Switzerland, but with significant reliance on the finance function in the UK. Accordingly, the group audit team led the audit of these components with assistance from local audit staff as required.

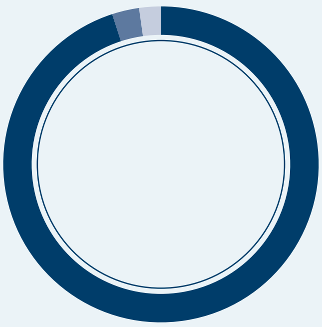
The scope of the work we performed represents all principal business units and accounts for 98% (2021: 98%) of the group's total assets, 99% (2021: 99%) of the group's revenue and 98% (2021: 98%) of the group's profit before tax on an absolute basis. This coverage also provides an appropriate basis of audit work to address the risks of material misstatement identified above. Our audit work at the 30 (2021: 35) components was executed at levels of materiality applicable to each individual component which were lower than group materiality and ranged from $0.3m to $9.3m (2021: $0.1m to $12.8m).

Independent auditor's report to the members of Man Group plc continued

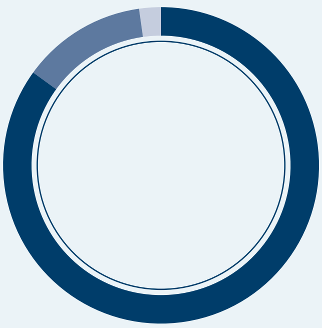
Revenue



Profit before tax



Total assets



7.2 Our consideration of the control environment

Where relevant, we followed a combined approach of performing substantive and controls testing. We took a controls reliance approach over management and performance fees and the related balance sheet receivables and accruals in all areas of the business except Man GPM. We also tested relevant controls over distribution costs, fixed compensation, asset servicing and investment in fund product plans. Where we placed reliance on service organisation reports specifically at administrators and transfer agents, we have obtained an understanding of the controls over the service organisation reports and tested any complementary controls performed by the group.

We have performed general IT controls testing over the group's financial reporting processes and the key IT systems for management fees, performance fees, distribution costs and compensation. In addition, we performed tests over manual relevant controls which complement these where needed.

7.3 Our consideration of climate-related risks

In planning our audit, we considered the potential financial impacts on the group and its financial statements of climate change and the transition to a low carbon economy. We considered management's own assessment of the related risks and opportunities as described on pages 34 and 35, together with our cumulative knowledge and experience of the group and the environment in which it operates. We assessed management's disclosures about critical judgements and key sources of estimation uncertainty, including the potential impact of climate change on those judgements and estimates, in Note 3 to the financial statements. We assessed management's going concern and viability disclosures, and identified no significant impact of climate change on those disclosures given the timeframes of those assessments. We have considered whether information included in the climate-related disclosures in the Annual Report is consistent with our understanding and knowledge of the business and the financial statements. Our knowledge obtained in the audit is from attending meetings with key management personnel responsible for climate change at the group, reviewing the group's risk register, reviewing board packs and meeting minutes and evaluating any public announcements or initiatives to which the group has committed.

7.4 Working with other auditors

As described in 7.1 above, all work was performed by the group audit team with assistance from local Swiss and US audit staff in certain limited areas. Local staff were supervised by the group audit team, with regular calls to provide direction, discuss progress and provide updates relevant to the group audit.

8. Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report to the members of Man Group plc continued

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for executive directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including component audit teams and relevant internal specialists, including tax, pensions, IT and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the accuracy of performance fees. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included Companies (Jersey) Law 1991, Listing Rules and the Disclosure Guidance and Transparency rules, pensions legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the group's solvency requirements and matters regulated by the Financial Conduct Authority (the group's lead regulator).

11.2 Audit response to risks identified

As a result of performing the above, we identified accuracy of performance fees as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter. In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of the Audit and Risk Committee, reviewing internal audit reports and reviewing correspondence with HMRC, Financial Conduct Authority (FCA) and other regulators globally; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinion on other matter prescribed by our engagement letter

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the basis described on page 127.

13. Corporate Governance Statement

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 144;
- the directors' explanation as to its assessment of the group's prospects, the period this assessment covers and why the period is appropriate set out on page 35;
- the directors' statement on fair, balanced and understandable set out on page 130;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 28;
- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 28; and
- the section describing the work of the Audit and Risk Committee set out on pages 92 to 99.

14. Matters on which we are required to report by exception

14.1 Adequacy of explanations received and accounting records

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the parent company or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters

15.1 Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed by the shareholders at the Annual General Meeting on 9 May 2014 to audit the financial statements for the year ending 31 December 2014 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 9 years, covering the years ending 31 December 2014 to 31 December 2022.

15.2 Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and those matters we have expressly agreed to report to them on in our engagement letter 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the FCA Disclosure Guidance and Transparency Rule (DTR) 4.1.14R, these financial statements will form part of the European Single Electronic Format (ESEF) prepared Annual Report filed on the National Storage Mechanism of the UK FCA in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditor's report provides no assurance over whether the Annual Report has been prepared using the single electronic format specified in the ESEF RTS. We have been engaged to provide assurance on whether the Annual Report has been prepared using the single electronic format specified in the ESEF RTS and will publicly report separately to the members on this.

Bevan Whitehead, FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Recognised Auditor
London, United Kingdom

27 February 2023

Group income statement

For the year to 31 December

	Note	2022 $m	2021 $m
Management and other fees	4	**954**	914
Performance fees	4	**778**	567
Revenue		**1,732**	1,481
Net income or gains on investments and other financial instruments	12	**7**	42
Third-party share of losses/(gains) relating to interests in consolidated funds	12	**14**	(3)
Sub-lease rental income	16	**5**	6
Distribution costs	5	**(31)**	(40)
Net revenue		**1,727**	1,486
Asset servicing costs	5	**(58)**	(58)
Compensation costs	5	**(678)**	(596)
Other costs	5	**(179)**	(165)
Finance expense	6	**(16)**	(14)
Finance income	6	**5**	1
Revaluation of contingent consideration	13	**–**	2
Impairment of right-of-use lease assets – investment property	16	**–**	(3)
Amortisation of acquired intangible assets	17	**(51)**	(61)
Share of post-tax loss of associates	21	**(5)**	(2)
Statutory profit before tax		**745**	590
Tax expense	7	**(137)**	(103)
Statutory profit attributable to owners of the Company		**608**	487
Statutory earnings per share	24		
Basic		**47.2¢**	34.7¢
Diluted		**45.8¢**	33.8¢

Group statement of comprehensive income

For the year to 31 December

	Note	2022 $m	2021 $m
Statutory profit attributable to owners of the Company		**608**	487
Other comprehensive (loss)/income:			
Remeasurements of defined benefit pension plans	22	**(2)**	22
Current tax on pension plans		**–**	4
Deferred tax on pension plans		**(1)**	(7)
Items that will not be reclassified to profit or loss		**(3)**	19
Cash flow hedges:	14		
Valuation gains taken to equity		**6**	9
Realised gains transferred to Group income statement		**(7)**	(8)
Net investment hedges	14	**4**	3
Foreign currency translation		**(4)**	(6)
Items that may be reclassified to profit or loss		**(1)**	(2)
Other comprehensive (loss)/income		**(4)**	17
Total comprehensive income attributable to owners of the Company		**604**	504

Group balance sheet

At 31 December

	Note	2022 $m	2021 $m
Assets			
Cash and cash equivalents	8	**457**	387
Fee and other receivables	10	**570**	485
Investments in fund products and other investments	12	**1,209**	974
Investments in associates	21	**14**	18
Leasehold improvements and equipment	15	**53**	43
Leasehold property – right-of-use lease assets	16	**92**	61
Investment property – right-of-use lease assets	16	**71**	77
Investment property – consolidated fund entities	12	**34**	–
Goodwill and acquired intangibles	17	**627**	678
Other intangibles	18	**50**	45
Deferred tax assets	19	**105**	128
Pension asset	22	**22**	27
Total assets		**3,304**	2,923
Liabilities			
Trade and other payables	11	**942**	702
Provisions	20	**14**	14
Current tax liabilities	7	**37**	15
Third-party interest in consolidated funds	12	**359**	254
Lease liability	16	**253**	250
Deferred tax liabilities	19	**–**	37
Total liabilities		**1,605**	1,272
Net assets		**1,699**	1,651
Equity			
Capital and reserves attributable to owners of the Company		**1,699**	1,651

The financial statements were approved by the Board of Directors on 27 February 2023 and signed on its behalf by:

Luke Ellis
Chief Executive Officer

Antoine Forterre
Chief Financial Officer

Group cash flow statement

For the year to 31 December

	Note	2022 $m	2021 $m
Cash flows from operating activities			
Cash generated from operations	9	**878**	581
Interest paid		**(6)**	(2)
Payment of lease interest	16	**(10)**	(12)
Tax paid	7	**(125)**	(83)
Cash flows from operating activities		**737**	484
Cash flows from investing activities			
Interest received		**5**	1
Purchase of leasehold improvements and equipment	15	**(21)**	(26)
Purchase of investment property – right-of-use lease assets	16	**(2)**	(5)
Purchase of other intangible assets		**(22)**	(18)
Purchase of interest in associate	21	**–**	(19)
Cash flows used in investing activities		**(40)**	(67)
Cash flows from financing activities			
Repayments of principal lease liability	16	**(13)**	(21)
Purchase of Man Group plc shares by the Employee Trust		**(47)**	(18)
Proceeds from sale of Treasury shares in respect of Sharesave		**2**	2
Share repurchase programmes (including costs)	24	**(386)**	(180)
Ordinary dividends paid to Company shareholders	25	**(179)**	(160)
Cash flows used in financing activities		**(623)**	(377)
Net increase in cash and cash equivalents		**74**	40
Cash and cash equivalents at beginning of the year		**387**	351
Effect of foreign exchange movements		**(4)**	(4)
Cash and cash equivalents at end of the year	8	**457**	387
Less: restricted cash held by consolidated fund entities	8	**(108)**	(64)
Available cash and cash equivalents at end of the year	8	**349**	323

Group statement of changes in equity

$m	Share capital	Reorganisation reserve	Profit and loss account	Man Group plc shares held by Employee Trust	Treasury shares	Cumulative translation adjustment	Other reserves	Total
At 1 January 2021	53	(1,688)	3,292	(60)	(148)	44	4	1,497
Statutory profit	–	–	487	–	–	–	–	487
Other comprehensive income/(loss)	–	–	19	–	–	(3)	1	17
Total comprehensive income	–	–	506	–	–	(3)	1	504
Share-based payment charge	–	–	39	–	–	–	–	39
Current tax on share-based payments	–	–	1	–	–	–	–	1
Deferred tax on share-based payments	–	–	10	–	–	–	–	10
Purchase of Man Group plc shares by the Employee Trust	–	–	–	(18)	–	–	–	(18)
Disposal of Man Group plc shares by the Employee Trust	–	–	(17)	17	–	–	–	–
Share repurchases	–	–	(225)	–	–	–	–	(225)
Transfer to Treasury shares	–	–	180	–	(180)	–	–	–
Transfer from Treasury shares	–	–	(6)	–	5	–	1	–
Disposal of Treasury shares for Sharesave	–	–	–	–	2	–	1	3
Cancellation of Treasury shares	(2)	–	(143)	–	143	–	2	–
Dividends paid	–	–	(160)	–	–	–	–	(160)
At 31 December 2021	51	(1,688)	3,477	(61)	(178)	41	9	1,651
Statutory profit	**–**	**–**	**608**	**–**	**–**	**–**	**–**	**608**
Other comprehensive loss	**–**	**–**	**(3)**	**–**	**–**	**–**	**(1)**	**(4)**
Total comprehensive income	**–**	**–**	**605**	**–**	**–**	**–**	**(1)**	**604**
Share-based payment charge	**–**	**–**	**45**	**–**	**–**	**–**	**–**	**45**
Current tax on share-based payments	**–**	**–**	**4**	**–**	**–**	**–**	**–**	**4**
Deferred tax on share-based payments	**–**	**–**	**(6)**	**–**	**–**	**–**	**–**	**(6)**
Purchase of Man Group plc shares by the Employee Trust	**–**	**–**	**–**	**(47)**	**–**	**–**	**–**	**(47)**
Disposal of Man Group plc shares by the Employee Trust	**–**	**–**	**(28)**	**28**	**–**	**–**	**–**	**–**
Share repurchases	**–**	**–**	**(375)**	**–**	**–**	**–**	**–**	**(375)**
Transfer to Treasury shares	**–**	**–**	**386**	**–**	**(386)**	**–**	**–**	**–**
Transfer from Treasury shares	**–**	**–**	**(24)**	**–**	**22**	**–**	**2**	**–**
Disposal of Treasury shares for Sharesave	**–**	**–**	**–**	**–**	**2**	**–**	**–**	**2**
Cancellation of Treasury shares	**(5)**	**–**	**(315)**	**–**	**315**	**–**	**5**	**–**
Dividends paid	**–**	**–**	**(179)**	**–**	**–**	**–**	**–**	**(179)**
At 31 December 2022	**46**	**(1,688)**	**3,590**	**(80)**	**(225)**	**41**	**15**	**1,699**

Under the Companies (Jersey) Law 1991, a company may make a distribution from any source other than the nominal capital account and capital redemption reserve. The Company has reserves available for distribution of $1.8 billion as at 31 December 2022 (2021: $2.4 billion).

Notes to the Group financial statements

1. Basis of preparation

Accounting
The audited consolidated financial information has been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations (IFRICs) as adopted by the United Kingdom. The consolidated financial statements are prepared on a going concern basis using the historical cost convention, except for certain financial instruments that are measured at fair value and defined benefit pension plans. Our significant accounting policies, which have been consistently applied in the current and prior years, are included in the relevant notes, except for those below which relate to the consolidated financial statements as a whole.

Man Group plc (the Company) has taken advantage of the exemption provided in Article 105 (11) of the Companies (Jersey) Law 1991 and therefore does not present its individual financial statements and related notes.

Consolidation
The consolidated group is the Company and its subsidiaries (together Man Group). The consolidated financial statements are presented in United States dollars (USD), the Company's functional currency, as the majority of our revenues, assets, liabilities and financing are denominated in USD.

Monetary assets and liabilities denominated in foreign currencies are translated at the spot rate on each balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated. Transactions denominated in foreign currencies are converted at the spot rate at the date of the transaction or, if appropriate, the average rate for the month in which the transaction occurs. The resulting exchange differences are recognised in the Group income statement.

For consolidated entities that have a functional currency other than USD, the assets and liabilities are translated into USD at the spot rate on balance sheet date. Income and expenses are translated at the average rate for the period in which the transactions occur. The resulting exchange differences between these rates are recorded in other comprehensive income.

The consolidated financial information contained within these financial statements incorporates our results, cash flows and financial position for the year to 31 December 2022 and includes our share of the results of any associates and joint ventures using the equity method of accounting. Subsidiaries are entities we control (including certain structured entities, as defined by IFRS 12 'Disclosure of Interests in Other Entities') and are consolidated from the date on which control is transferred to us until the date that control ceases. Control exists when we have the power to direct the relevant activities, exposure to significant variable returns and the ability to utilise power to affect those returns. All intercompany transactions and balances are eliminated on consolidation. Although the Employee Trust has independent trustees and its assets are held separately, it is consolidated into the Group financial statements given its nature as a structured entity which has the obligation to deliver deferred compensation awards to our employees.

Business combinations are accounted for using the acquisition method from the date on which we obtain control of the acquiree. The cost of an acquisition is measured as the fair value on the acquisition date of assets transferred, liabilities incurred and equity instruments issued by the Company. The fair value of an acquisition is calculated at the acquisition date by recognising the acquiree's identifiable assets and liabilities at their fair values at that date. Costs relating to acquisitions are recognised in the Group income statement as incurred. Any contingent consideration is recognised at fair value at the acquisition date, with any subsequent changes to the fair value recognised in the Group income statement.

Management information regarding revenues, net management fee margins and investment performance relevant to the operation of the investment managers, products and the investor base are reviewed by the Board and Senior Executive Committee. A centralised shared infrastructure for operations, product structuring, distribution and support functions for our investment management business means that operating costs are not allocated to constituent parts of the investment management business. As a result, performance is assessed, resources are allocated, and other strategic and financial management decisions are determined by the Board and Senior Executive Committee on the basis of our investment management business as a whole. Accordingly, we operate and report the investment management business as a single segment, together with relevant information regarding AUM flows and net margins, to allow for analysis of the direct contribution of products and the respective investor base.

Impact of new accounting standards
There were no new or amendments to existing accounting standards issued by the International Accounting Standards Board (IASB) effective for the first time in the year to 31 December 2022 that have had a significant impact on these Group financial statements.

No other standards or interpretations issued and not yet effective are expected to have a material impact on the Group financial statements.

2. Going concern

The preparation of the Group financial statements on a going concern basis is supported by the forecast financial performance and capital and liquidity analysis of Man Group, as approved by the Board. This analysis considers our net financial assets and liquidity resources and requirements and utilises the Man Group budget, medium-term plan and the capital and liquidity plan. These plans include rigorous downside testing, including analyses of stressed capital and liquidity scenarios, and incorporate Man Group's principal and emerging risks, which are outlined on pages 30 to 34 and monitored by the Board on an ongoing basis.

3. Judgemental areas and accounting estimates

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. We continually evaluate our estimates and judgements based on historical experience and expectations of future events that are considered reasonable in the circumstances. These judgements and estimates are an area of focus for the Board and, in particular, the Audit and Risk Committee.

Critical judgements
Man Group acts as the investment manager or adviser to fund entities. The most significant area of judgement is whether we control certain of those fund entities to which we are exposed via either direct investment holdings, total return swaps, or sale and repurchase arrangements. We assess such relationships on an ongoing basis to determine whether we control each fund entity and therefore consolidate them into our results.

Critical accounting estimates
Man Group's only key source of estimation uncertainty is the valuation of the net pension asset (Note 22). The Board has also considered the assumptions used in the assessments for impairment of goodwill and right-of-use lease assets and the recoverability of deferred tax assets. They have concluded that these assumptions do not have a significant risk of causing a material adjustment to the carrying amounts of our assets or liabilities at the balance sheet date.

The Board has also considered the impact of climate change on the Group financial statements, in particular in relation to the going concern assessment, the cash flow forecasts used in the impairment assessments of non-current assets and the assumptions around future life expectancies used in the valuation of the net pension asset. The impact of climate change on the Group financial statements is not currently expected to be material.

4. Revenue

Accounting policy
Fee income is our primary source of revenue, which is derived from the investment management agreements that we have in place with the fund entities or the accounts that we manage.

Management and other fees (net of rebates), which include all non-performance related fees, are recognised in the period in which contractual investment management services are provided and do not include any other performance obligations. Fees are generally based on an agreed percentage of NAV or AUM and are typically charged in arrears and receivable within one month.

Performance fees (net of rebates) relate to the performance of the funds or managed accounts managed during the year and are recognised when the performance obligation has been met, whereby the fee has crystallised and can be reliably estimated. This is generally at the end of the performance period or upon early redemption by an investor. Until the performance period ends, market movements could significantly move the NAV of the fund products and therefore the value of any performance fees receivable. For alternative strategies, we will typically only earn performance fees on any positive investment returns in excess of the high-water mark, meaning we will not be able to earn performance fees with respect to positive investment performance in any year following negative performance until that loss is recouped. For long-only strategies, performance fees are usually earned only when performance is in excess of a predetermined strategy benchmark (positive alpha). Once crystallised, performance fees typically cannot be clawed back. There are no other performance obligations or services provided which suggest these have been earned either before or after the crystallisation date.

Rebates, which relate to repayments of management and performance fees charged, typically to institutional investors, are recognised in the same period as the associated fees for services are provided. Rebates are presented net within management and other fees and performance fees in the Group income statement.

Notes to the Group financial statements continued

5. Costs

Accounting policy

Distribution costs

Distribution costs, which are paid to external intermediaries for marketing and investor servicing, largely in relation to retail investors, are typically variable with AUM and the associated management fee revenue. Distribution costs are expensed over the period in which the service is provided.

Asset servicing costs

Asset servicing includes custodial, valuation, fund accounting, registrar, research and administration functions performed by third parties as well as market data acquired under contract to Man Group, on behalf of the funds or managed accounts. Asset servicing costs are recognised in the period in which the services are provided. The costs of these services vary based on transaction volumes, the number of funds or managed accounts and their NAVs, and the mix of client strategies.

Compensation costs

Salaries, variable cash compensation and social security costs are charged to the Group income statement in the period in which the service is provided and include partner drawings. In the short term, the variable component of compensation adjusts with revenues and profitability.

Compensation can be deferred by way of equity-settled share-based payment schemes and fund product-based compensation arrangements. Where deferred compensation relates to our fund products, the fair value of the employee services received in exchange for the fund investments is recognised as a straight-line expense of the mark-to-market value of the awards over the relevant vesting period, with a corresponding liability recognised in the Group balance sheet. We generally elect to separately purchase the equivalent fund investments at grant date to offset any associated change in the value of deferred compensation due, and on vesting the value of the fund investment is delivered to the employee (subject to the terms of the plan rules, which include malus provisions). If a fund product-based award is forfeited, the cumulative charge recognised in the Group income statement is reversed in full.

5.1. Compensation costs

	2022 $m	2021 $m
Salaries	**174**	169
Variable cash compensation	**321**	266
Deferred compensation: share-based payment charge	**45**	39
Deferred compensation: fund product-based payment charge	**72**	54
Social security costs	**52**	54
Pension costs (Note 22)	**14**	14
Total compensation costs	**678**	596
Comprising:		
Fixed compensation: salaries and associated social security costs, and pension costs	**209**	208
Variable compensation: variable cash compensation, deferred compensation and associated social security costs	**469**	388

The unamortised deferred compensation at 31 December 2022 is $76 million (2021: $52 million) and has a weighted average remaining vesting period of 1.5 years (2021: 1.4 years).

5.2. Other costs

	2022 $m	2021 $m
Audit, tax, legal and other professional fees	**24**	21
Technology and communications	**22**	22
Occupancy	**18**	18
Temporary staff, recruitment, consultancy and managed services	**17**	13
Staff benefits	**14**	14
Insurance	**7**	7
Travel and entertainment	**7**	2
Marketing and sponsorship	**5**	4
Other cash costs, including irrecoverable VAT	**18**	18
Total other costs before depreciation and amortisation	**132**	119
Depreciation of leasehold improvements and equipment, and amortisation of other intangibles	**30**	29
Depreciation of right-of-use lease assets (Note 16)	**17**	17
Total other costs	**179**	165

Auditor's remuneration, including professional services, is disclosed in the Audit and Risk Committee report on page 97.

5. Costs continued

Average headcount

The table below details average headcount by function, including directors, employees, partners and contractors.

	2022	2021
Investment management	**427**	388
Sales and marketing	**238**	218
Technology and infrastructure[1]	**930**	847
Average headcount	**1,595**	1,453
Headcount at 31 December	**1,655**	1,498

Note:
1 Includes all staff performing technology-based roles, including those supporting the investment management side of our business.

6. Finance expense and finance income

	2022 $m	2021 $m
Finance expense:		
Unwind of lease liability discount (Note 16)	**(10)**	(12)
Other finance expense	**(6)**	(2)
Total finance expense	**(16)**	(14)
Finance income:		
Interest on cash deposits	**5**	1
Total finance income	**5**	1
Net finance expense	**(11)**	(13)

Notes to the Group financial statements continued

7. Current tax and tax expense

Accounting policy
Current tax is based on our taxable profit for the year. Taxable profit differs from net profit as reported in the Group income statement because it excludes items of income or expense that are taxable or deductible in other years, in addition to items that are never taxable or deductible. Accounting for tax involves a level of estimation uncertainty given the application of tax law requires a degree of judgement, which tax authorities may dispute. Tax liabilities are recognised based on the best estimates of probable outcomes, with regard to external advice where appropriate.

We are a global business and therefore operate across many different tax jurisdictions. Income and expenses are allocated to these different jurisdictions based on transfer pricing methodologies set in accordance with the laws of the jurisdictions in which we operate and international guidelines as laid out by the Organisation for Economic Co-operation and Development (OECD). The effective tax rate results from the combination of taxes paid on earnings attributable to the tax jurisdictions in which they arise.

The movements in our current tax liabilities are as follows:

	2022 $m	2021 $m
At beginning of the year	**15**	12
Charge to the Group income statement	**159**	99
Credit to other comprehensive income and equity	**(4)**	(5)
Tax paid	**(125)**	(83)
Other balance sheet movements	**(5)**	(8)
Foreign currency translation	**(3)**	–
At end of the year	**37**	15

	2022 $m	2021 $m
Current tax		
UK corporation tax on profits	**140**	86
Foreign tax	**19**	14
Adjustments to tax charge in respect of previous years	**–**	(1)
Current tax expense	**159**	99
Deferred tax		
Origination and reversal of temporary differences	**(13)**	5
Adjustments to tax charge in respect of previous years	**(9)**	(1)
Deferred tax (credit)/expense (Note 19)	**(22)**	4
Total tax expense	**137**	103

Factors affecting the tax expense for the year
The majority of our profits in the period were earned in the UK, Switzerland and the US. Our tax expense is lower (2021: lower) than the amount that would arise using the theoretical tax rate applicable to our profits as follows:

	2022 $m	2021 $m
Profit before tax	**745**	590
Theoretical tax expense at UK rate: 19% (2021: 19%)	**142**	112
Effect of:		
Overseas tax rates different to UK	**(2)**	1
Adjustments to tax charge in respect of previous years	**(9)**	(2)
Derecognition/(recognition) of US deferred tax assets (Note 19)	**7**	(2)
Impact of change in UK tax rate	**–**	(4)
Other	**(1)**	(2)
Tax expense	**137**	103

The current effective tax rate is 18% (2021: 17%).

Factors affecting our future tax charges
The principal factors which may influence our future tax rate are changes in tax regulation in the territories in which we operate, the mix of income and expenses earned and incurred by jurisdiction, and the consumption of available deferred tax assets. In particular, as the majority of our profits are earned in the UK, the increase of the UK corporation tax rate to 25% on 1 April 2023 will have an impact on our overall tax rate in future periods.

The OECD has published a draft Inclusive 'Pillar 2' Framework (the Framework) to support the introduction of a global minimum tax rate of 15%. Governments are still consulting on how to implement the Framework with the expectation that legislation and regulations in most jurisdictions will take effect from 2024. Pending final conclusions on the potential outcomes of the consultation, it is not currently practicable to assess fully the impact of the Framework on our future tax charges but we do not anticipate it will be significant. Although not currently in force, it is expected that the IASB will treat any impact as a permanent in-the-year difference for 2024 and onwards.

8. Cash, liquidity and borrowings

Accounting policy

Cash and cash equivalents comprise cash and short-term investments in money market funds or bank deposits with an original maturity of three months or less. Cash and cash equivalents are measured at amortised cost, which is approximately equal to fair value. Available cash and cash equivalents is invested in accordance with strict limits consistent with the Board's risk appetite, which consider both the security and availability of liquidity. Accordingly, cash is held in on-demand and short-term bank deposits and money market funds, and at times invested in short-term US Treasury bills (which meet the definition of cash equivalents). Cash and cash equivalents include restricted balances held by consolidated fund entities to which we do not have access and which are subject to legal or contractual restrictions as to their use.

	2022 $m	2021 $m
Cash held with banks	**124**	189
Short-term deposits	**95**	24
Money market funds	**130**	110
Cash held by consolidated fund entities (Note 12.2)	**108**	64
Cash and cash equivalents	**457**	387
Less: cash held by consolidated fund entities (Note 12.2)	**(108)**	(64)
Available cash and cash equivalents	**349**	323
Undrawn committed revolving credit facility	**500**	500
Total liquidity	**849**	823

Cash and cash equivalents

At 31 December 2022, the $349 million available cash and cash equivalents balance is held with 14 banks (2021: $323 million with 14 banks).

Credit ratings of banks	2022 $m	2021 $m
AAA	**103**	51
AA	**103**	154
A	**143**	118
Total	**349**	323

The single largest counterparty bank exposure of $101 million is held with an A- rated bank (2021: $85 million held with an AA- rated bank).

Liquidity risk management

Liquidity resources support ongoing operations and potential liquidity requirements under scenarios that assume stressed market and economic conditions. Our funding requirements relating to the investment management process are discretionary. Our liquidity profile is monitored on a daily basis and the stressed scenarios are updated regularly. The Board reviews our funding resources at each Board meeting and on an annual basis, as part of the strategic planning process. Our available liquidity is considered sufficient to cover current requirements and potential requirements under stressed scenarios.

Borrowings

Our $500 million committed revolving credit facility (RCF) is immediately accessible, incorporates an ESG target-linked interest rate component and does not include financial covenants in order to maintain maximum flexibility. The RCF was put in place in December 2019 as a five-year facility but has since been extended and, due to the exercise of the final one-year extension option in 2021, is now scheduled to mature in December 2026. The RCF was drawn at several points during the year in order to fund working capital requirements but was undrawn at 31 December 2022 (2021: undrawn). Drawdowns under the RCF are typically for maturities of one month or less and are therefore presented net of repayments in the Group cash flow statement.

Notes to the Group financial statements continued

9. Reconciliation of statutory profit to cash generated from operations

Accounting policy
Cash flows arising from the purchase and sale of investments in fund products and other investments, and from transactions with third-party investors in consolidated fund entities, are included in cash flows from operating activities in the Group cash flow statement. This classification reflects the fact that these investments are to build product breadth and to trial investment research before marketing the products broadly to investors as part of Man Group's ordinary operations, or are otherwise held in connection with settling employee remuneration, and are not intended to be held as long-term investments.

	Note	2022 $m	2021 $m
Cash flows from operating activities			
Statutory profit		**608**	487
Adjustments for:			
Share-based payment charge	5	**45**	39
Fund product-based payment charge	5	**72**	54
Net finance expense	6	**11**	13
Tax expense	7	**137**	103
Revaluation of contingent consideration	13	**–**	(2)
Depreciation of leasehold improvements and equipment	15	**12**	13
Depreciation of right-of-use lease assets	16	**17**	17
Impairment of right-of-use lease assets – investment property	16	**–**	3
Amortisation of acquired intangible assets	17	**51**	61
Amortisation of other intangibles	18	**18**	16
Share of post-tax loss of associates	21	**5**	2
Foreign exchange movements		**(13)**	9
Realised gains on cash flow hedges		**(7)**	(8)
Funding of defined benefit pension plan	22	**–**	(3)
Other non-cash movements		**(5)**	(7)
		951	797
Changes in working capital[1]:			
Increase in fee and other receivables		**(68)**	(102)
Increase in other financial assets including consolidated fund entities[2]		**(45)**	(163)
Increase in trade and other payables		**40**	49
Cash generated from operations		**878**	581

Notes:
1 Changes in working capital differ from the movements in these balance sheet items due to non-cash movements which either relate to the gross-up of the third-party share of consolidated fund entities (Note 12.2) or are adjusted elsewhere in the Group cash flow statement, such as movements relating to the fund product-based payment charge (within operating activities) and the share repurchase liability (within financing activities).
2 Includes $44 million (2021: $2 million) of restricted net cash inflows relating to consolidated fund entities (Note 12.2).

10. Fee and other receivables

Accounting policy
Fee and other receivables are initially recorded at fair value and subsequently measured at amortised cost using the effective interest rate method, except for derivatives (measured at fair value through profit and loss) and prepayments. Fee receivables and accrued income relate to management and performance fees and are received in cash following finalisation of the NAVs of the underlying funds or managed accounts. The majority of fees are deducted from the NAVs of the respective funds by the independent administrators and therefore the credit risk of fee receivables is minimal.

	2022 $m	2021 $m
Fee receivables	**35**	18
Accrued income	**359**	355
Collateral posted with derivative counterparties	**39**	29
Receivables from Open Ended Investment Collective (OEIC) funds	**20**	25
Other fund receivables	**36**	11
Prepayments	**17**	16
Derivatives (Note 13)	**9**	5
Sub-lease rental income receivable	**1**	2
Other receivables	**25**	19
Receivables relating to consolidated fund entities (Note 12.2)	**29**	5
	570	485

No balances are overdue and, under the expected credit loss model of IFRS 9 'Financial Instruments', no impairment has been recognised at 31 December 2022 (2021: nil). Included in fee and other receivables at 31 December 2022 are balances of $1 million (2021: $3 million) which are expected to be settled after more than 12 months.

11. Trade and other payables

Accounting policy
Trade and other payables are initially recorded at fair value, which is usually the invoiced amount, and subsequently measured at amortised cost using the effective interest rate method, except for derivatives which are measured at fair value through profit and loss.

	2022 $m	2021 $m
Trade payables	**4**	5
Compensation accruals	**453**	373
Other accruals	**86**	80
Share repurchase liability	**98**	109
Payables under repo arrangements	**54**	64
Payables to OEIC funds	**18**	25
Tax and social security	**30**	5
Derivatives (Note 13)	**6**	5
Other payables	**13**	17
Payables relating to consolidated fund entities (Note 12.2)	**180**	19
	942	702

Payables under repo arrangements relate to obligations to repurchase seed investments.

Trade and other payables can be analysed according to their contractual maturity date as follows:

	2022 $m	2021 $m
Within one year	**871**	674
Between one and three years	**71**	28
	942	702

Notes to the Group financial statements continued

12. Investments in fund products and other investments

Accounting policy

Investments in fund products are classified at fair value through profit or loss, with net gains due to movements in fair value recognised through income or gains on investments and other financial instruments. The fair values of investments in fund products are typically derived from their reported NAVs, which in turn are based upon the value of the underlying assets. The valuation of the underlying assets within each fund product is determined by external valuation service providers based on an agreed valuation policy and methodology. While these valuations are performed independently of Man Group, we have established oversight procedures and due diligence processes to ensure that the NAVs reported by the external valuation service providers are reliable and appropriate. Purchases and sales of investments are recognised on trade date.

Our holdings in collateralised loan obligation (CLO) risk retention assets are priced using a bottom-up valuation method. We use third-party valuations to price the securities within the underlying portfolios and then apply the percentage of the CLO notes we hold to these valuations. Holdings in subordinated tranches of CLOs are valued using an average of third-party valuations.

Seeding investments portfolio

We use capital to invest in fund products as part of our ongoing business, to build product breadth and to trial investment research developments before marketing the products broadly to investors. Seed capital is invested via direct holdings in fund products or sale and repurchase (repo) arrangements, which allow us to finance seed investments without consuming high levels of cash. Alternatively, we may obtain exposure to seed investments via total return swap (TRS) arrangements. Under a repo arrangement we are committed to repurchase the underlying seed investments at maturity and pay an interest charge over the period, with the obligation to repurchase the assets on maturity recorded as a liability within trade and other payables. Under a TRS arrangement, we are under no form of repayment obligation and have no ownership interest (or voting rights) in the underlying investment. In exchange for the returns on the underlying seed investments, we pay a floating rate of interest.

Consolidation

The control considerations under IFRS 10 ‘Consolidated Financial Statements’ apply to fund product investments, including those underlying our repo and TRS instruments. Fund entities deemed to be controlled are consolidated on a line-by-line basis from the date control commences until it ceases. Where we are not deemed to control the fund, our investment is classified within investments in fund products.

We only have limited exposure to the variable returns of the fund entities we manage unless we either hold an investment in the fund entity or receive the returns of the fund entity via a TRS or repo arrangement. For most fund entities: the existence of independent boards of directors; rights which allow for the removal of the investment manager or adviser; the influence of external investors; limited exposure to variable returns; and the arm’s length nature of our contracts with those fund entities, indicate that we do not control them. As a result, the associated assets, liabilities and results of these funds are not consolidated into the Group financial statements.

Investment property held by consolidated fund entities comprises land and buildings held to earn rent or for capital appreciation, and is measured at cost less depreciation and impairment. Other than land, which is not depreciated, depreciation is calculated on a straight-line basis over the asset’s estimated useful life (between three and 30 years).

Fund investments held for deferred compensation arrangements

We hold fund product investments related to deferred compensation arrangements to offset any change in the associated compensation cost over the vesting period. At vesting, the value of the fund investment is delivered to the employee. These fund product investments are measured at fair value and include balances held by the Employee Trust.

Financial assets at fair value through profit or loss	**2022 $m**	2021 $m
Investments in fund products	**304**	422
Investments in consolidated funds: transferrable securities (Note 12.2)	**905**	549
Other investments	**–**	3
Investments in fund products and other investments	**1,209**	974
Less:		
Fund investments held for deferred compensation arrangements	**(153)**	(119)
Investments in consolidated funds: exclude consolidation gross-up of net investment	**(368)**	(204)
Other investments	**–**	(3)
Seeding investments portfolio	**688**	648

12. Investments in fund products and other investments continued

12.1. Investments in fund products

At 31 December 2022, exposure to fund products via repo arrangements (included within investments in fund products, with an offsetting repayment obligation included within trade and other payables) was $54 million (2021: $64 million). Additional exposure via TRS was $138 million (2021: $108 million). The largest single investment in fund products at 31 December 2022 was $61 million (2021: $45 million).

Income or gains on investments and other financial instruments comprises the following:

	2022 $m	2021 $m
Net (losses)/gains on seeding investments portfolio	(12)	24
Consolidated fund entities: gross-up of net gains on investments	–	12
Foreign exchange movements	22	3
Net (losses)/gains on fund investments held for deferred compensation arrangements and other investments	(3)	3
Net income or gains on investments and other financial instruments	**7**	**42**

12.2. Consolidation of investments in funds

In 2022, our interests in 43 (2021: 26) funds met the definition of control and have therefore been consolidated on a line-by-line basis.

Consolidated fund entities are included within the Group balance sheet and income statement as follows:

	2022 $m	2021 $m
Balance sheet		
Cash and cash equivalents	108	64
Transferable securities[1]	905	549
Investment property	34	–
Fees and other receivables	29	5
Trade and other payables	(180)	(19)
Net assets of consolidated fund entities	896	599
Third-party interest in consolidated funds	(359)	(254)
Net investment held by Man Group	**537**	**345**
Income statement		
Net (losses)/gains on investments[2]	(31)	32
Management fee expenses[3]	(4)	(3)
Performance fee expenses[3]	(1)	(2)
Other costs[4]	(9)	(4)
Net (losses)/gains of consolidated fund entities	(45)	23
Third-party share of losses/(gains) relating to interests in consolidated funds	14	(3)
Net (losses)/gains attributable to net investment held by Man Group	**(31)**	**20**

Notes:
1 Included within investments in fund products and other investments.
2 Included within income or gains on investments and other financial instruments.
3 Relate to management and performance fees paid by the funds to Man Group during the year, which are eliminated within management and other fees and performance fees respectively in the Group income statement.
4 Includes depreciation and impairment of investment property held by consolidated fund entities.

Movements in the carrying value of investment property held by consolidated fund entities can be analysed as follows:

	2022 $m	2021 $m
Cost at beginning of the year	–	–
Additions	38	–
Cost at end of the year	**38**	**–**
Accumulated depreciation and impairment at beginning of the year	–	–
Depreciation	(1)	–
Impairment	(3)	–
Accumulated depreciation and impairment at end of the year	**(4)**	**–**
Net book value at beginning of the year	–	–
Net book value at end of the year	**34**	**–**

The fair value of investment property held by consolidated fund entities of $34 million at 31 December 2022 (2021: nil) is based on independent third-party valuations. The carrying value has been impaired to its fair value during the year, resulting in an impairment charge of $3 million (2021: nil) being recognised in the Group income statement within other costs.

Notes to the Group financial statements continued

13. Fair value of financial assets and liabilities

Accounting policy

We disclose the fair value measurement of financial assets and liabilities using three levels, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The majority of our investments in fund products fall within Level 2 due to the levels of subscription and redemption activity and the liquidity of the underlying investments. Level 2 investments in fund products primarily comprise holdings in unlisted, open-ended, active and liquid funds, which are priced using daily or weekly observable market information derived from third-party sources.

A transfer into Level 3 would be deemed to occur where the level of activity, as evidenced by subscriptions and redemptions, is deemed insufficient to support a Level 2 classification. Other factors, such as a deterioration of liquidity in the underlying investments, would also result in a Level 3 classification.

We assess the observability of the inputs used in the valuations of our financial assets and liabilities on an annual basis.

The fair values of our financial assets and liabilities held at fair value through profit and loss can be analysed as follows:

	2022				2021			
$m	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets held at fair value:								
Investments in fund products and other investments (Note 12)	**–**	**284**	**20**	**304**	3	243	179	425
Investments in consolidated funds (Note 12)	**–**	**905**	**–**	**905**	–	538	11	549
Derivatives (Note 10)	**–**	**9**	**–**	**9**	–	5	–	5
	–	**1,198**	**20**	**1,218**	3	786	190	979
Financial liabilities held at fair value:								
Derivatives (Note 11)	**–**	**(6)**	**–**	**(6)**	–	(5)	–	(5)
	–	**(6)**	**–**	**(6)**	–	(5)	–	(5)

During the year, CLO risk retention assets of $154 million which were previously classified within the Level 3 category were transferred to Level 2 following a change in valuation methodology as all inputs used in the valuation of those assets are now observable. The change in valuation methodology does not have a material impact on the fair value of the assets year-on-year.

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

	2022		2021	
$m	Assets	Liabilities	Assets	Liabilities
At beginning of the year	**190**	**–**	179	(2)
Transfers (out of)/into Level 3	**(154)**	**–**	9	–
Purchases	**1**	**–**	17	–
(Charge)/credit to Group income statement	**(5)**	**–**	(7)	2
Sales or settlements	**(1)**	**–**	(2)	–
Change in consolidated fund entities held	**(11)**	**–**	(6)	–
At end of the year	**20**	**–**	190	–

The $2 million credit to the Group income statement in 2021 relates to the revaluation of contingent consideration, being an adjustment to the fair value of acquisition earn-out payments.

14. Market risks and derivatives

Accounting policy

Derivatives

We use derivative financial instruments to manage market risk in certain circumstances. These consist primarily of market risk hedges on some of our seeding positions and foreign exchange contracts. The carrying value of these derivatives are included in fee and other receivables and trade and other payables.

Hedge accounting

We have elected to apply cash flow hedge accounting to fund investments related to deferred fund product awards granted from 1 January 2020, whereby the offsetting gains or losses on these fund products are matched against the corresponding fund product-based payment compensation charge in the Group income statement pro rata over the vesting period. Gains or losses are recognised through other comprehensive income and held within the cash flow hedge reserve in equity until they are recycled over the vesting period into the Group income statement.

We apply net investment hedge accounting to the net assets of material subsidiaries that have a functional currency other than USD. Gains or losses on derivatives are recycled from the Group income statement through other comprehensive income in the foreign currency translation reserve in equity to offset the impact of any currency translation of the net assets of these subsidiaries. The accumulated gains or losses are recycled to the Group income statement on disposal of the related subsidiary.

As in 2021, all derivatives are held with counterparties with ratings of A or higher and mature within one year.

Management of market risk arising from investments in funds

Investments in fund products expose us to market risk and are therefore managed within limits consistent with the Board's risk appetite. In certain circumstances, we use derivative financial instruments, specifically equity or credit default swaps, to hedge the risk associated with mark-to-market movements.

The market risk from seeding investments, including those financed via repo and TRS arrangements, is modelled using a value at risk methodology with a 95% confidence interval and one-year time horizon. The value at risk is estimated to be $43 million at 31 December 2022 (2021: $42 million).

Market risk hedges	2022 $m	2021 $m
Notional value of derivatives at 31 December		
Assets	**149**	148
Liabilities	**(71)**	(112)
Net assets	**78**	36
For the year ended 31 December		
Gain/(loss) recognised in the Group income statement	**39**	(9)

We generally hold an investment in the associated fund products to hedge the mark-to-market movement in deferred fund product-based compensation over the vesting period.

Management of foreign exchange rate risk

We are subject to risk from changes in foreign exchange rates on monetary assets and liabilities. In certain circumstances, we use derivative financial instruments, specifically forward foreign exchange contracts, to hedge the risk associated with foreign exchange movements.

During the year, there were $22 million (2021: $3 million) of net realised and unrealised foreign exchange gains recognised in the Group income statement through income or gains on investments and other financial instruments, including the effects of hedging. This primarily comprises a $25 million (2021: $2 million) unrealised gain relating to the revaluation of our $200 million (2021: $238 million) unhedged GBP lease liability.

Foreign exchange hedges	2022 $m	2021 $m
Notional value of derivatives at 31 December		
Assets	**82**	123
Liabilities	**(235)**	(364)
Net liabilities	**(153)**	(241)
For the year ended 31 December		
Gain/(loss) before the impact of hedging	**5**	(10)
Total gain on hedging instruments	**17**	13
Gain recognised in the Group income statement after the impact of hedging	**22**	3

The table below reflects the currency profile of our net foreign currency (non-USD) monetary assets and liabilities after the impact of hedging:

	2022 $m	2021 $m
Sterling	**(155)**	(208)
Australian dollar	**41**	–
Japanese yen	**19**	–
Other	**10**	–
Total	**(85)**	(208)

A 10% strengthening/weakening of the USD against all other currencies, with all other variables held constant, would have resulted in a foreign exchange loss/gain of $9 million (2021: $21 million), with a corresponding impact on equity. This pre-tax exposure is based on non-USD balances held by USD functional currency entities at 31 December.

Notes to the Group financial statements continued

14. Market risks and derivatives continued

Management of interest rate risk

We are subject to risk from changes in interest rates on monetary assets and liabilities, principally cash deposits and financing costs. In respect of our monetary assets and liabilities which earn/incur interest indexed to floating rates, as at 31 December 2022 a 100 basis point (2021: 50 basis point) increase/decrease in these rates, with all other variables held constant, would have resulted in a $1 million (2021: $1 million) increase/decrease in net interest income.

15. Leasehold improvements and equipment

Accounting policy

All leasehold improvements and equipment are recorded at cost less depreciation and impairment. Cost includes the original purchase price of the asset and costs directly attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated using the straight-line method over the asset's estimated useful life, which for leasehold improvements is the shorter of the life of the lease and that of the improvement (up to 24 years) and for equipment is between three and ten years.

	2022			2021		
$m	**Leasehold improvements**	**Equipment**	**Total**	Leasehold improvements	Equipment	Total
Cost at beginning of the year	**70**	**64**	**134**	58	59	117
Additions	**11**	**10**	**21**	14	12	26
Disposals	**(13)**	**(13)**	**(26)**	–	(7)	(7)
Transfer to/(from) leasehold improvements from/(to) investment property (Note 16)	**2**	**–**	**2**	(2)	–	(2)
Cost at end of the year	**70**	**61**	**131**	70	64	134
Accumulated depreciation and impairment at beginning of the year	**(45)**	**(46)**	**(91)**	(44)	(43)	(87)
Disposals	**13**	**13**	**26**	–	7	7
Transfer (to)/from leasehold improvements (from)/to investment property (Note 16)	**(1)**	**–**	**(1)**	2	–	2
Depreciation	**(3)**	**(9)**	**(12)**	(3)	(10)	(13)
Accumulated depreciation and impairment at end of the year	**(36)**	**(42)**	**(78)**	(45)	(46)	(91)
Net book value at beginning of the year	**25**	**18**	**43**	14	16	30
Net book value at end of the year	**34**	**19**	**53**	25	18	43

16. Leases

16.1. Man Group as lessee

Accounting policy

Our lease arrangements primarily relate to business premises property leases.

We assess whether a contract is or contains a lease at the inception of the contract. For arrangements where we are the lessee, a right-of-use (ROU) lease asset and a related lease liability are recognised on the Group balance sheet at the date from which we have the right to use the asset, usually the lease commencement date. For short-term leases (defined as leases with a term of one year or less) and leases of low-value assets, we recognise the lease payments on a straight-line basis over the lease term within other costs in the Group income statement. The lease term is determined as the non-cancellable period of a lease, together with periods covered by an option to extend the lease if we consider that exercise of the extension option is reasonably certain. Lease extension options and break clauses inherent in our leases do not have a significant impact on our ROU lease assets and lease liabilities.

ROU lease assets relating to the portion of our leased business premises which we then sub-let under operating leases are classified as investment property, with other ROU lease assets classified as leasehold property. Transfers from investment property to leasehold property occur when we commence development of a previously sub-let portion of our leased business premises with a view to occupying that space. Similarly, transfers from leasehold property to investment property occur when we cease to occupy a portion of the leased business premises with the intention of sub-letting that space under an operating lease.

All of our ROU lease assets, including those classified as investment property, are measured at cost less depreciation and impairment. Cost includes the amount of the initial measurement of the associated lease liability, lease payments made at or before the lease commencement date, lease incentives received, associated leasehold improvements classified as investment property and estimated costs to be incurred in restoring the property to the condition required under the terms of the lease. Depreciation is calculated on a straight-line basis over the asset's estimated useful life, which for leasehold improvements classified as investment property is the shorter of the lease term and the life of the improvement (up to 24 years) and for all other assets is the lease term, and is included within other costs. We assess ROU lease assets for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable.

All lease liabilities are measured at the present value of lease payments due over the lease term, discounted using our incremental cost of borrowing (being the rate we would have to pay to finance a similar asset) at the lease commencement date or the modification date. The lease liability is adjusted for lease payments and unwind of lease liability discount as well as the impact of any subsequent lease modifications. The unwind of lease liability discount is included within finance expense.

Cash payments in relation to leases, which reduce the lease liability recognised on the Group balance sheet, are presented as payment of lease interest (within operating activities) and repayments of principal lease liability (within financing activities) in the Group cash flow statement. Payments in relation to short-term leases and leases of low-value assets are included within cash flows from operating activities.

Right-of-use lease assets

	2022			2021		
$m	Leasehold property	Investment property	Total	Leasehold property	Investment property	Total
Cost at beginning of the year	**146**	**256**	**402**	168	240	408
Additions	**41**	**2**	**43**	4	5	9
Disposals	**(22)**	**(10)**	**(32)**	(15)	–	(15)
Transfer between leasehold property and investment property	**4**	**(4)**	**–**	(9)	9	–
Transfer (from)/to investment property (to)/from leasehold improvements (Note 15)	**–**	**(2)**	**(2)**	–	2	2
Remeasurement of lease liability	**–**	**–**	**–**	(2)	–	(2)
Cost at end of the year	**169**	**242**	**411**	146	256	402
Accumulated depreciation and impairment at beginning of the year	**(85)**	**(179)**	**(264)**	(94)	(162)	(256)
Disposals	**22**	**10**	**32**	14	–	14
Transfer between leasehold property and investment property	**(4)**	**4**	**–**	4	(4)	–
Transfer from/(to) investment property to/(from) leasehold improvements (Note 15)	**–**	**1**	**1**	–	(2)	(2)
Impairment	**–**	**–**	**–**	–	(3)	(3)
Depreciation (Note 5)	**(10)**	**(7)**	**(17)**	(9)	(8)	(17)
Accumulated depreciation and impairment at end of the year	**(77)**	**(171)**	**(248)**	(85)	(179)	(264)
Net book value at beginning of the year	**61**	**77**	**138**	74	78	152
Net book value at end of the year	**92**	**71**	**163**	61	77	138

Notes to the Group financial statements continued

16. Leases continued

Lease liability

The maturity of our contractual undiscounted cash flows for the lease liability is as follows:

	2022 $m	2021 $m
Within one year	**25**	25
Between one and five years	**97**	103
Between five and ten years	**125**	138
Between ten and 15 years	**74**	105
After 15 years	**–**	5
Undiscounted lease liability at end of the year	**321**	376
Discounted lease liability at end of the year	**253**	250

At 31 December 2022, $200 million (2021: $236 million) of the total discounted lease liability relates to our main premises in London (expiring in 2035) and is denominated in GBP.

Movements in the lease liability are as follows:

	2022 $m	2021 $m
At beginning of the year	**250**	272
Additions	**41**	4
Disposals	**–**	(1)
Cash payments	**(23)**	(33)
Unwind of lease liability discount (Note 6)	**10**	12
Remeasurement	**–**	(2)
Foreign exchange movements	**(25)**	(2)
At end of the year	**253**	250

16.2. Man Group as lessor

Accounting policy

Operating leases

Man Group acts as lessor in respect of certain ROU lease assets which are in turn sub-let under operating leases (investment property ROU lease assets). Sub-lease rental income is recognised on a straight-line basis over the lease term in the Group income statement.

An impairment expense is recognised for the amount by which the related ROU lease asset's carrying value exceeds its recoverable amount, being its value in use. For the purposes of assessing impairment, investment property ROU lease assets are grouped at the lowest levels for which there are separately identifiable cash flows, being the individual sub-lease contract level.

Finance leases

Amounts due from lessees under finance leases are recognised as receivables at the amount of the net investment in the lease. The net investment in the lease is measured at the present value of the lease payments due over the lease term, discounted using our incremental cost of borrowing under the head lease. The net investment in the lease is adjusted for lease payments and finance lease interest as well as the impact of any subsequent lease modifications. Finance lease interest is included within finance income.

Operating expenses of $5 million (2021: $6 million) arising from investment property that did not generate rental income during the period are included within other costs.

At 31 December 2022, the contractual undiscounted minimum operating lease payments receivable are as follows:

	2022 $m	2021 $m
Within one year	**5**	6
Between one and two years	**5**	6
Between two and three years	**5**	6
Between three and four years	**–**	5
	15	23

Fair value of investment property

	2022 $m	2021 $m
Value in use	**82**	94
Less:		
Carrying value	**(71)**	(77)
Headroom	**11**	17

17. Goodwill and acquired intangibles

Accounting policy

Goodwill

Goodwill represents the excess of consideration transferred over the fair value of identifiable net assets of the acquired business at the date of acquisition. Goodwill is carried on the Group balance sheet at cost less accumulated impairment, has an indefinite useful life, is not subject to amortisation and is tested for impairment annually, or whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment expense is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amounts of our cash-generating units (CGUs) or groups of CGUs are assessed each year using a value in use calculation.

Goodwill does not generate cash flows independently of other groups of assets and thus is assigned to a CGU or group of CGUs for the purposes of impairment testing. The groups of CGUs are based upon how management monitors the business and represent the lowest level to which goodwill can be allocated on a reasonable basis. For impairment review purposes, we have identified one group of CGUs, comprising our liquid asset managers.

The value in use calculation at 31 December 2022 uses cash flow projections based on the Board-approved financial plan for the year to 31 December 2023 and a further two years of projections (2024 and 2025), plus a terminal value. The valuation analysis is based on best practice guidance whereby a terminal value is calculated at the end of a discrete budget period and assumes, after this three-year budget period, no growth in asset flows above the long-term growth rate.

The assumptions applied in the value in use calculation are derived from past experience and assessment of current market inputs. We have applied a bifurcated discount rate to the modelled cash flows to reflect the different risk profile of management fee profits and performance fee profits. The discount rates are based on our weighted average cost of capital using a risk-free interest rate, together with an equity market risk premium and an appropriate market beta derived from consideration of our own beta, similar alternative asset managers, and the asset management sector as a whole. The terminal value is calculated based on the projected closing AUM at 31 December 2025 and applying the mid-point of a range of historical multiples to the forecast cash flows associated with management and performance fee profits.

The value in use calculation is presented on a post-tax basis, consistent with the prior year, given most comparable market data is available on a post-tax basis. This is not significantly different to its pre-tax equivalent.

Acquired intangibles

Following initial recognition, acquired intangibles are held at cost less accumulated amortisation and impairment. Acquired intangibles comprise investment management agreements and related client relationships (IMAs), distribution channels and brand names acquired in a business combination, and are initially recognised at fair value based on the present value of the expected future cash flows and are amortised on a straight-line basis over their expected useful lives, which are between three and 13 years (IMAs and brands), and eight and 12 years (distribution channels). Acquired intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Disposals of acquired intangibles are recognised in the year the related cash inflows are transferred.

	2022					2021				
$m	**Goodwill**	**IMAs**	**Distribution channels**	**Brand names**	**Total**	Goodwill	IMAs	Distribution channels	Brand names	Total
Cost at beginning of the year	**2,425**	**838**	**56**	**40**	**3,359**	2,429	857	58	41	3,385
Disposals	**–**	**(4)**	**–**	**–**	**(4)**	–	(19)	(2)	(1)	(22)
Foreign currency translation	**–**	**–**	**–**	**–**	**–**	(4)	–	–	–	(4)
Cost at end of the year	**2,425**	**834**	**56**	**40**	**3,355**	2,425	838	56	40	3,359
Accumulated amortisation and impairment at beginning of the year	**(1,836)**	**(758)**	**(49)**	**(38)**	**(2,681)**	(1,837)	(721)	(47)	(38)	(2,643)
Amortisation	**–**	**(47)**	**(3)**	**(1)**	**(51)**	–	(56)	(4)	(1)	(61)
Disposals	**–**	**4**	**–**	**–**	**4**	–	19	2	1	22
Foreign currency translation	**–**	**–**	**–**	**–**	**–**	1	–	–	–	1
Accumulated amortisation and impairment at end of the year	**(1,836)**	**(801)**	**(52)**	**(39)**	**(2,728)**	(1,836)	(758)	(49)	(38)	(2,681)
Net book value at beginning of the year	**589**	**80**	**7**	**2**	**678**	592	136	11	3	742
Net book value at end of the year	**589**	**33**	**4**	**1**	**627**	589	80	7	2	678

Notes to the Group financial statements continued

17. Goodwill and acquired intangibles continued

Goodwill impairment assumptions

Key assumptions at 31 December 2022	Pre-tax equivalent	Assumptions adopted[1]
Compound average annualised growth in AUM (over three years)		**6%**
Discount rate		
– Management fee earnings	**14%**	**11%**
– Performance fee earnings	**22%**	**17%**
Terminal value (mid-point of range of historical multiples)		
– Management fee earnings		**13.0x**
– Performance fee earnings		**5.5x**
– Implied terminal growth rate		**4%**

Key assumptions at 31 December 2021	Pre-tax equivalent	Assumptions adopted[1]
Compound average annualised growth in AUM (over three years)		6%
Discount rate		
– Management fee earnings	14%	11%
– Performance fee earnings	21%	17%
Terminal value (mid-point of range of historical multiples)		
– Management fee earnings		13.0x
– Performance fee earnings		5.5x
– Implied terminal growth rate		4%

Goodwill impairment and sensitivity analyses

Details of the valuations are provided below, including sensitivity tables which show scenarios whereby the key assumptions are changed to stressed assumptions, indicating the modelled headroom or impairment that would result. We have considered reasonably foreseeable changes in the compound average annualised growth in AUM forecast assumption, stressing this by 2% and 10% or to the point at which impairment would arise. Each assumption, or set of assumptions, is stressed in isolation. The results of these sensitivities make no allowance for mitigating actions that management would take if such market conditions persisted.

	2022 $m	2021 $m
Value in use	**4,950**	4,140
Less:		
Carrying value of CGUs	**(720)**	(760)
Headroom	**4,230**	3,380

Sensitivity analysis at 31 December 2022	Compound average annualised growth in AUM			Discount rates (post-tax) Management fee/ performance fee		Multiples (post-tax) Management fee/ performance fee	
Key assumption stressed to:	**6%**	**4%**	**(4)%[2]**	**10%/16%**	**12%/18%**	**14.0x/6.5x**	**12.0x/4.5x**
Modelled headroom ($m)	**4,230**	**3,790**	**2,140**	**4,350**	**4,110**	**4,630**	**3,830**
Increase/(reduction) in value in use ($m)				**120**	**(120)**	**400**	**(400)**

Sensitivity analysis at 31 December 2021	Compound average annualised growth in AUM			Discount rates (post-tax) Management fee/ performance fee		Multiples (post-tax) Management fee/ performance fee	
Key assumption stressed to:	6%	4%	(4)%[2]	10%/16%	12%/18%	14.0x/6.5x	12.0x/4.5x
Modelled headroom ($m)	3,380	2,940	1,340	3,480	3,280	3,690	3,070
Increase/(reduction) in value in use ($m)				100	(100)	310	(310)

Notes:
1 Earnings discount rate assumptions are presented post-tax. Earnings multiples apply to the forward year.
2 Stressed by 10%, as opposed to the point of impairment, given an impairment scenario is not reasonably foreseeable.

18. Other intangibles

Accounting policy
Other intangibles relate to capitalised computer software. Following initial recognition, other intangibles are held at cost, which includes costs that are directly associated with the procurement or development of identifiable and unique software products which will generate economic benefits exceeding costs beyond one year, less accumulated amortisation and impairment. Capitalised computer software is amortised on a straight-line basis over its estimated useful life (three years), with amortisation expense included within other costs in the Group income statement. Capitalised computer software is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Additions primarily relate to the continued investment in our operating platforms.

	2022 $m	2021 $m
Cost at beginning of the year	130	112
Additions	27	22
Disposals	(9)	(4)
Cost at end of the year	**148**	**130**
Accumulated amortisation at beginning of the year	(85)	(73)
Amortisation	(18)	(16)
Disposals	5	4
Accumulated amortisation at end of the year	**(98)**	**(85)**
Net book value at beginning of the year	45	39
Net book value at end of the year	**50**	**45**

19. Deferred tax

Accounting policy
Deferred tax is recognised using the balance sheet liability method in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities when they relate to income taxes levied by the same taxation authority and the Group intends to settle those current tax assets and liabilities on a net basis.

The movements in our net deferred tax assets and liabilities by category are as follows:

$m	Deferred compensation	Tax allowances over depreciation	Intangibles	Accumulated operating losses	Partnerships	Other	Total
1 January 2021	29	15	11	41	(14)	12	94
Credit/(charge) to Group income statement (Note 7)	17	3	(5)	(12)	(8)	1	(4)
Credit to other comprehensive income and equity	3	–	–	–	–	–	3
Other balance sheet movements	–	–	–	–	–	(1)	(1)
Foreign currency translation	–	–	–	–	–	(1)	(1)
31 December 2021	49	18	6	29	(22)	11	91
Credit/(charge) to Group income statement (Note 7)	8	(8)	6	(5)	22	(1)	22
Charge to other comprehensive income and equity	(6)	–	–	(1)	–	–	(7)
Foreign currency translation	–	–	–	–	–	(1)	(1)
At 31 December 2022	**51**	**10**	**12**	**23**	**–**	**9**	**105**

Deferred tax balances after offset, as presented in the Group balance sheet, are as follows:

	2022 $m	2021 $m
Deferred tax assets	105	128
Deferred tax liabilities	–	(37)
	105	**91**

Notes to the Group financial statements continued

19. Deferred tax continued

Deferred tax assets arise in relation to current year deferred compensation charges which are not deductible for tax purposes until future periods. Tax allowances over depreciation relate to deferred tax on depreciation charged on qualifying leasehold improvements and equipment and ROU lease assets.

The gross amount of UK non-trading losses for which a deferred tax asset has not been recognised is $25 million (2021: $25 million). These losses are not subject to an expiration period. The gross amount of other future taxable income deductions for which a deferred tax asset has not been recognised is $12 million (2021: $62 million). These deductions expire in 2024.

US deferred tax assets

We have recognised accumulated deferred tax assets in the US of $64 million (2021: $74 million) that will be available to offset future taxable profits. As the result of a decrease in forecast future taxable profits in the US, we derecognised $7 million of the available deferred tax assets in relation to state and city tax losses in 2022 (2021: recognised $2 million). At 31 December 2022, $18 million of the available US deferred tax assets (2021: $11 million) relating to state and city tax losses remain unrecognised. We do not expect to realise sufficient future taxable profits against which these losses can be offset before the majority expire in 2035. We do not currently expect to pay federal tax on any profits we may earn in the US until 2024.

US net deferred tax assets	2022 $m	2021 $m
Recognised		
At beginning of the year	**74**	81
(Charge)/credit to Group income statement:		
(Derecognition)/recognition of available tax assets (Note 7)	**(7)**	2
Other movements: consumption	**–**	(12)
(Charge)/credit to equity	**(3)**	5
Other balance sheet movements	**–**	(2)
At end of the year	**64**	74
Unrecognised		
At beginning of the year	**11**	14
Charge/(credit) to Group income statement:		
Derecognition/(recognition) of available tax assets (Note 7)	**7**	(2)
Other movements	**–**	(1)
At end of the year	**18**	11

The gross amount of US losses for which a deferred tax asset has not been recognised is $258 million (2021: $158 million).

20. Provisions

Accounting policy
Provisions are recognised when Man Group has a present obligation (legal or constructive) as a result of a past event, it is probable that we will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. All provisions are current given we do not have the unconditional right to defer settlement.

	2022 $m	2021 $m
At beginning of the year	14	9
Charge to Group income statement	1	6
Utilised	–	(1)
Foreign currency translation	(1)	–
At end of the year	14	14

Provisions relate to ongoing claims and leasehold property dilapidations.

21. Investments in associates

Accounting policy
Associates are entities in which Man Group holds an interest and over which we have significant influence but not control. In assessing significant influence, we consider our power to participate in the financial and operating policy decisions of the investee through its voting or other rights.

Associates are accounted for using the equity method. Under the equity method, associates are carried at cost plus our share of cumulative post-acquisition movements in undistributed profits/losses. Gains and losses on transactions between Man Group and our associates are eliminated to the extent of our interests in these entities. An impairment assessment of the carrying value of associates is performed annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, with any impairment recognised in the Group income statement.

	2022 $m	2021 $m
At beginning of the year	18	–
Acquisitions/contributions	1	20
Share of post-tax loss	(5)	(2)
At end of the year	14	18

In 2021, we acquired a 23% interest in Hub Technology Partners Ltd (HUB) for cash of $19 million and $1 million in contribution of other assets. We do not consider HUB's ongoing losses to be an indicator of impairment as its business remains in the development phase.

Notes to the Group financial statements continued

22. Pension

Accounting policy

We operate 13 (2021: 12) defined contribution plans and two (2021: two) funded defined benefit plans.

Defined contribution plans

We pay contributions to publicly or privately administered pension plans on a mandatory, contractual or voluntary basis. We have no further payment obligation once the contributions have been paid. Defined contribution costs are recognised as pension costs within compensation in the Group income statement when they are due.

Defined benefit plans

A defined benefit plan creates a financial obligation to provide funding to the pension plan to provide a retired employee with pension benefits usually dependent on one or more factors such as age, years of service and compensation. As with the vast majority of similar arrangements, we ultimately underwrite the risks related to the defined benefit plans. The risks to which this exposes us include:

- Uncertainty in benefit payments: the value of our liabilities for post-retirement benefits will ultimately depend on the amount of benefits paid out. This in turn will depend on the level of inflation (for those benefits that are subject to some form of inflation protection) and how long individuals live.
- Volatility in asset values: we are exposed to future movements in the values of assets held in the plans to meet future benefit payments.
- Uncertainty in cash funding: movements in the values of the obligations or assets may result in us being required to provide higher levels of cash.

The two defined benefit plans operated are the Man Group plc Pension Fund in the UK (the UK Plan) and the Man Group Pension Plan in Switzerland (the Swiss Plan).

– UK Plan

The UK Plan is operated separately from Man Group and managed by independent trustees. The trustees are responsible for payment of the benefits and management of the UK Plan's assets. Under UK regulations, Man Group and the trustees of the UK Plan are required to agree a funding strategy and contribution schedule for the UK Plan. We have concluded that we have no requirement to adjust the balance sheet to recognise either a current surplus or a minimum funding requirement on the basis that we have an unconditional right to a refund of a current or projected future surplus at some point in the future.

The UK Plan was closed to new members in May 1999 and to future accrual in May 2011.

– Swiss Plan

In Switzerland, we operate a retirement foundation whose assets are held separately from Man Group. This foundation covers the majority of employees in Switzerland and provides benefits on a cash balance basis. Each employee has a retirement account to which the employee and Man Group make contributions at rates set out in the plan rules based on a percentage of salary. Every year the pension fund commission (composed of employer and employee representatives) decides the level of interest, if any, to apply to retirement accounts based on their agreed policy. At retirement, an employee can take their retirement account as a lump sum or have this paid as a pension.

As the Swiss Plan is essentially a defined contribution plan with guarantees, the assets held aim to be at least as much as the total of the member account balances at any point in time. Member account balances cannot reduce, but interest is only applied to the account balances when sufficient surplus assets are available. As such, there is no specific asset/liability matching strategy in place, but if the liabilities (the sum of the member account balances) ever exceed the value of the assets, we will consider how to remove a deficit as quickly as possible. The Swiss Plan surplus is restricted by the value of the employer contribution reserve, which provides the asset ceiling on amounts available to Man Group.

Defined contribution plans

Defined contribution plan costs totalled $13 million for the year to 31 December 2022 (2021: $12 million).

Defined benefit plans

At 31 December 2022, the UK Plan comprised 90% (31 December 2021: 94%) of our total defined benefit pension obligations.

	2022 $m	2021 $m
Present value of funded obligations	(272)	(444)
Fair value of plan assets	294	473
Surplus	22	29
Amount not recognised due to asset ceiling (Swiss Plan)	–	(2)
Net pension asset	22	27

22. Pension continued

Impact on the Group financial statements

Changes in the present value of the defined benefit obligations and the fair value of the plan assets are as follows:

$m	2022 Assets	2022 Liabilities	2022 Asset ceiling adjustment	2022 Net pension asset/(liability)	2021 Assets	2021 Liabilities	2021 Asset ceiling adjustment	2021 Net pension asset/(liability)
At beginning of the year	**473**	**(444)**	**(2)**	**27**	492	(490)	–	2
Amounts recognised in profit and loss:								
Current service cost to employer	**–**	**(1)**	**–**	**(1)**	–	(2)	–	(2)
Interest income/(cost)	**8**	**(8)**	**–**	**–**	6	(6)	–	–
Foreign exchange movements	**(49)**	**46**	**–**	**(3)**	(5)	5	–	–
Amounts recognised in other comprehensive income:								
Remeasurements due to:								
– changes in financial assumptions	**–**	**124**	**–**	**124**	–	36	–	36
– changes in demographic assumptions	**–**	**3**	**–**	**3**	–	(6)	–	(6)
– experience adjustments	**–**	**(3)**	**–**	**(3)**	–	2	–	2
– actual return on plan assets less interest on plan assets	**(128)**	**–**	**–**	**(128)**	(8)	–	–	(8)
– adjustment due to change in asset ceiling	**–**	**–**	**2**	**2**	–	–	(2)	(2)
Employer contributions (including plan funding)	**1**	**–**	**–**	**1**	5	–	–	5
Employee contributions	**1**	**(1)**	**–**	**–**	1	(1)	–	–
Benefit payments	**(12)**	**12**	**–**	**–**	(18)	18	–	–
At end of the year	**294**	**(272)**	**–**	**22**	473	(444)	(2)	27

The allowance for the estimated cost of removing Guaranteed Minimum Pension inequalities in the UK Plan of $1 million at 31 December 2022 is unchanged from 31 December 2021.

No cash contributions were paid to the UK plan in 2022 (2021: $3 million).

Actuarial assumptions used

The most significant actuarial assumptions used in the valuations of the two plans are as follows:

	UK Plan 2022 % p.a.	UK Plan 2021 % p.a.	Swiss Plan 2022 % p.a.	Swiss Plan 2021 % p.a.
Discount rate	**4.8**	1.9	**2.2**	0.4
Price inflation	**3.3**	3.4	**1.2**	1.0
Future salary increases	**–**	3.4	**1.2**	1.0
Pension payment increases	**3.7**	3.8	**–**	–
Deferred pensions increases	**5.0**	5.0	**–**	–
Interest crediting rate	**–**	–	**2.2**	0.4
Social security increases	**–**	–	**1.0**	1.0

Illustrative life expectancy assumptions are set out in the table below.

Years	UK Plan 2022	UK Plan 2021	Swiss Plan 2022	Swiss Plan 2021
Life expectancy of male aged 60 at year end	**26.9**	27.1	**27.7**	27.6
Life expectancy of male aged 60 in 20 years	**28.4**	28.6	**30.1**	30.0
Life expectancy of female aged 60 at year end	**29.7**	29.5	**29.6**	29.4
Life expectancy of female aged 60 in 20 years	**31.1**	30.8	**31.6**	31.5

The duration of a pension plan is the average term over which the plan's benefits are expected to fall due, weighted by the present value of each expected benefit payment. The duration of the UK and Swiss Plans is approximately 13 years.

Sensitivity analysis

The table below illustrates the impact on the assessed value of the benefit obligations from changing the most sensitive actuarial assumptions in isolation. The increase in the range of possible discount and inflation rate assumptions considered in the analysis compared with the prior year reflects recent heightened volatility in interest rates and inflation. The calculations have been carried out using the same method and data as our pension figures. A combination of changes in assumptions could produce a different result.

$m	Increase in obligation at 31 December 2022 UK Plan	Increase in obligation at 31 December 2022 Swiss Plan
Discount rate decreased by 0.5% p.a.	**16**	**2**
Inflation rate increased by 0.5% p.a.	**5**	**1**
One year increase in assumed life expectancy	**9**	**–**

Notes to the Group financial statements continued

22. Pension continued

Pension asset investments

The assets held by the two plans at 31 December 2022 are as follows:

	UK Plan		Swiss Plan	
$m	**2022**	2021	**2022**	2021
Fund investments	**90**	162	**2**	1
Liability-driven investments (LDI)	**77**	104	**–**	–
Bonds	**66**	109	**12**	13
Index-linked government bonds	**21**	45	**–**	–
Equities	**–**	–	**9**	11
Property	**–**	–	**2**	3
Cash	**12**	23	**2**	1
Other	**–**	–	**1**	1
Total assets	**266**	443	**28**	30

The UK Plan investment strategy is set by the trustees. The current strategy is broadly split into growth and matching portfolios. The growth portfolio is invested in diversified growth funds and Man Diversified Risk Premia. The matching portfolio is invested primarily in government and corporate bonds (the latter through absolute return bonds holdings), and LDI funds. The UK Plan investment strategy hedges around 100% of the movement in the 'technical provisions' funding measure (as opposed to the IAS 19 accounting measure) for both interest rate and inflation expectation changes.

Part of the investment objective of the UK Plan is to minimise fluctuations in the UK Plan's funding levels due to changes in the value of the liabilities. This is primarily achieved using the LDI funds, which aim to hedge movements in the pension liability due to changes in interest rate and inflation expectations. LDI primarily involves the use of government bonds (including repurchase agreements) and derivatives such as interest rate and inflation swaps. There are no annuities or longevity swaps. These instruments are typically priced and collateralised daily by the UK Plan's LDI manager and/or central clearing houses. Given that the purpose of LDI is to hedge corresponding liability exposures, the main risk is that the investments held move differently to the liability exposures. This risk is managed by the trustees, their advisers and the UK Plan's LDI manager, who regularly assess the position.

During September and October 2022, a large increase and subsequent volatility in real gilt yields led to many LDI funds calling for collateral at short notice. There was limited impact on the UK Plan other than a sharp fall in fund values due to the high level of hedging (i.e. matching the fall in liabilities). The UK Plan's investments were rebalanced regularly, and the target hedging level of 100% of interest rates and inflation was preserved throughout the period, with the funding level volatility relatively muted as a result. At 31 December 2022, the UK Plan's hedging assets continue to hedge around 100% of interest rates and inflation on the technical provisions basis. The level of leverage utilised was in line with regulatory requirements, with the LDI funds themselves running a lower than target level of leverage. The UK Plan has sources of cash from the collateral waterfall, trustee bank account, and access to daily-dealing funds should further collateral calls be made.

The government bond assets and diversified growth funds have prices quoted in active markets and the absolute return bonds, LDI and Man Diversified Risk Premia are primarily unquoted. At 31 December 2022, around 33% of the UK Plan assets relate to those with quoted prices and 67% with unquoted prices (2021: around 35% quoted and 65% unquoted). The UK Plan does not invest directly in property occupied by Man Group or our shares.

23. Share-based payment schemes

Accounting policy

Man Group operates equity-settled share-based payment schemes which are remuneration payments to selected employees that take the form of an award of shares in the Company. These typically vest over three to five years, although conditions vary between different types of award. The fair value of the employee services received in exchange for the share awards/options granted is recognised as an expense, with the corresponding credit recognised in equity, and is determined by reference to the fair value of the share awards/options at grant date.

We calculate the fair value of share options using the Black-Scholes valuation model, which takes into account the effect of both financial and demographic assumptions. Forfeiture and early vesting assumptions are based on historical observable data. Changes to the original estimates, if any, are included in the Group income statement, with a corresponding adjustment to equity.

Share awards

The fair values of share awards granted in the year and the assumptions used in the calculations are as follows:

	Deferred share plan		Executive directors' long-term incentive plan	
Grant dates	**11/03/2022 – 02/08/2022**	12/03/2021 – 29/09/2021	**11/03/2022**	12/03/2021
Share awards granted in the year	**21,255,153**	11,648,047	**2,028,460**	2,798,475
Weighted average fair value per share award granted ($)	**2.6**	2.2	**2.6**	2.2

Movements in the number of share awards outstanding are as follows:

	2022	2021
Share awards outstanding at beginning of the year	**42,602,119**	40,284,892
Granted	**23,283,613**	14,446,522
Forfeited	**(2,363,058)**	(1,277,288)
Exercised	**(22,269,837)**	(10,852,007)
Share awards outstanding at end of the year	**41,252,837**	42,602,119
Share awards exercisable at end of the year	**25,518**	43,077

Share options

The fair values of share options granted in the year under the Sharesave employee share option scheme, and the assumptions used in the calculations, are as follows:

	2022	2021
Grant date	**06/09/2022**	07/09/2021
Weighted average share price at grant date ($)[1]	**2.9**	3.0
Weighted average exercise price at grant date ($)[2]	**2.3**	2.4
Share options granted in the period	**1,440,991**	938,879
Vesting period (years)	**3–5**	3–5
Expected share price volatility (%)	**30**	30
Dividend yield (%)	**5**	6
Risk-free rate (%)	**0.2**	0.2
Expected option life (years)	**3.5**	3.4
Number of options assumed to vest	**1,095,521**	715,196
Average fair value per option granted ($)	**0.7**	0.5

Notes:
1 Sterling share price at grant date each year of £2.48 and £2.15 respectively.
2 Sterling exercise price each year of £2.01 and £1.71 respectively.

The expected share price volatility is based on historical volatility over the past five years. The expected option life is the average expected period to exercise. The risk-free rate of return is the yield on zero-coupon UK government bonds of a term consistent with the assumed option life.

Notes to the Group financial statements continued

23. Share-based payment schemes continued

Movements in the number of share options outstanding are as follows:

	2022		2021	
	Number	**Weighted average exercise price[1] ($ per share)**	Number	Weighted average exercise price[1] ($ per share)
Share options outstanding at beginning of the year	**6,221,056**	**1.6**	33,501,391	3.4
Granted	**1,440,991**	**2.4**	938,879	2.3
Forfeited	**(682,302)**	**1.6**	(1,031,477)	1.7
Expired	**–**	**–**	(25,776,840)	–
Exercised[2]	**(1,002,968)**	**1.5**	(1,410,897)	1.7
Share options outstanding at end of the year	**5,976,777**	**1.7**	6,221,056	1.6
Share options exercisable at end of the year	**251,882**	**1.6**	127,826	1.9

Notes:
1 Calculated at 31 December exchange rates each year.
2 The weighted average share price of options exercised was $2.59 (2021: $2.18).

The share options outstanding at year end have expected remaining lives as follows:

	2022		2021	
Range of exercise prices ($ per share)	**Number of share options**	**Weighted average expected remaining life (years)**	Number of share options	Weighted average expected remaining life (years)
0.00–3.00	**5,976,777**	**2.0**	6,221,056	2.3

24. Share capital, Employee Trust, Treasury share reserve and earnings per share (EPS)

Accounting policy

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction from the proceeds, net of tax.

Share repurchases are recognised at the point we become committed to completing them. A liability is recognised for the full amount of the commitment, including directly attributable costs, with a corresponding debit to equity. Where repurchased shares are held in Treasury, a transfer from the profit and loss reserve to the Treasury share reserve is recognised for the full amount of the consideration paid. Where shares are repurchased and subsequently cancelled, the equivalent par value by which the Company's share capital is reduced is transferred to the capital redemption reserve.

The Employee Trust, which is consolidated into Man Group, has the obligation to deliver deferred share-based and fund product-based compensation granted to employees, and accordingly holds shares and fund investments to deliver against these future obligations. Man Group plc shares held by the Employee Trust and shares held in Treasury are recorded at cost, including any directly attributable incremental costs (net of tax), and are deducted from equity (within the respective reserves) until the shares are sold, cancelled or transferred to employees. Where such shares are subsequently sold, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity.

The authorised share capital of Man Group plc comprises US$100,000,000 divided into 2,916,666,666 ordinary shares with a par value of $3^3/_7$¢ each. Ordinary shares represent 100% of issued share capital and all issued shares are fully paid. The shares have attached to them full voting, dividend and capital distribution (including on wind up) rights. They do not confer any rights of redemption. Shareholders have the right to receive notice of, attend, vote and speak at general meetings. When a vote is taken on a poll, shareholders are entitled to one vote per ordinary share. When a vote is taken by a show of hands, shareholders present in person or by proxy have one vote.

Treasury shares are ordinary shares previously repurchased by the Company but not cancelled (and therefore deducted from equity and included within the Treasury share reserve) and, as they are no longer outstanding, they are excluded for earnings per share and voting rights purposes.

Movements in the number of ordinary shares in issue and the shares used to calculate basic and diluted EPS are provided below.

	2022			2021		
	Total number	**Weighted average**	**Nominal value $m**	Total number	Weighted average	Nominal value $m
Number of shares at beginning of year	**1,473,107,813**	**1,473,107,813**	**51**	1,541,794,770	1,541,794,770	53
Cancellation of own shares held in Treasury	**(122,551,031)**	**(52,130,209)**	**(5)**	(68,686,957)	(9,611,929)	(2)
Number of shares at end of the year	**1,350,556,782**	**1,420,977,604**	**46**	1,473,107,813	1,532,182,841	51
Shares held in Treasury share reserve	**(80,604,707)**	**(99,038,830)**		(79,040,317)	(98,674,820)	
Man Group plc shares held by Employee Trust	**(33,745,908)**	**(33,453,409)**		(30,611,905)	(31,044,822)	
Basic number of shares	**1,236,206,167**	**1,288,485,365**		1,363,455,591	1,402,463,199	
Dilutive impact of employee share awards		**36,356,550**			35,415,800	
Dilutive impact of Sharesave share options		**2,467,128**			2,165,726	
Dilutive number of shares		**1,327,309,043**			1,440,044,725	

	2022	2021
Statutory profit ($m)	**608**	487
Basic EPS	**47.2¢**	34.7¢
Diluted EPS	**45.8¢**	33.8¢

Share buybacks	**2022**	2021
Shares repurchased during the year ($m)	**386**	180
Average purchase price (pence)	**227.7**	199.9
Shares repurchased (million)	**135**	66
Accretive impact on earnings per share (%)	**6.0**	1.7

The $386 million of shares repurchased in the year comprise the completion of the remaining $234 million of the share repurchase programme announced in December 2021, the completion of the $125 million share repurchase announced in June 2022 and $27 million of the $125 million share repurchase announced in December 2022. The purpose of the share repurchases was to deliver returns to shareholders. All repurchased shares were held in Treasury.

Shares repurchased during the year represent 10.6% of issued share capital (excluding Treasury shares) as at 31 December 2022 and shares held in Treasury which were cancelled during the year represent 9.7% of issued share capital (excluding Treasury shares). At 24 February 2023, we had an unexpired authority to repurchase up to 38,049,057 of our ordinary shares. A special resolution will be proposed at the forthcoming Annual General Meeting, pursuant to which the Company will seek authority to repurchase up to 124,190,442 ordinary shares, representing 10% of the issued share capital (excluding Treasury shares) at 24 February 2023.

In 2022, we funded $91 million via contribution or loan (2021: $33 million) to enable the Employee Trust to meet its current period obligations. At 31 December 2022, the net assets of the Employee Trust amounted to $146 million (2021: $103 million). These assets include 33,745,908 (2021: 30,611,905) ordinary shares in the Company, and $65 million of fund product investments (2021: $41 million) which are included within investments in fund products.

The Employee Trust waived all dividend entitlements of the shares held in the current and prior years.

Notes to the Group financial statements continued

25. Dividends

Accounting policy
Dividend distributions to the Company's shareholders are recognised directly within equity in the period in which the dividend is paid or, for final dividends, approved by the Company's shareholders.

	2022 ¢/share	2022 $m	2021 ¢/share	2021 $m
Ordinary shares				
Final dividend paid for the previous financial year to 31 December	**8.4**	**110**	5.7	81
Interim dividend paid for the six months to 30 June	**5.6**	**69**	5.6	79
Dividends paid		**179**		160
Proposed final dividend for the current financial year to 31 December	**10.1**	**125**	8.4	115

26. Geographical information

Accounting policy
Disclosure of revenue by geographic location is based on the registered domicile of the fund entity or managed account paying our fees.

Non-current assets are allocated based on where the assets are located, and include goodwill and acquired intangible assets, other intangibles, leasehold improvements and equipment, and right-of-use lease assets. For goodwill and other acquired intangible assets, we consider that the location of the intangibles is best reflected by the location of the individuals managing those assets.

	2022		2021	
$m	Revenue	Non-current assets	Revenue	Non-current assets
Cayman Islands	**956**	**–**	701	–
Ireland	**197**	**–**	241	–
United Kingdom and the Channel Islands	**217**	**657**	189	693
United States of America	**235**	**228**	204	202
Other countries	**127**	**8**	146	9
	1,732	**893**	1,481	904

Revenue from one fund of $213 million (2021: revenue from one fund of $158 million) exceeded 10% of total annual revenue, driven by high levels of performance fees crystallising during the year. Excluding performance fees, revenue from no single fund exceeded 10% of revenue for the year.

27. Related party transactions

Accounting policy
Related parties comprise key management personnel, associates and fund entities which we are deemed to control. All transactions with related parties were carried out on an arm's-length basis.

The Executive Committee, together with the Company's non-executive directors, are considered to be our key management personnel, being those directors, partners and employees having authority and responsibility for planning, directing and controlling our activities.

Key management compensation	2022 $m	2021 $m
Salaries and other short-term employee benefits[1]	**80**	64
Share-based payment charge	**24**	25
Fund product-based payment charge	**21**	15
Pension costs (defined contribution)	**1**	1
Total	**126**	105

Note:
1 Includes salary, benefits and cash bonus.

We paid £35,000 to the Standards Board for Alternative Investments Limited during the year, which is considered a related party.

28. Other matters

In July 2019, the Public Institution for Social Security in Kuwait (PIFSS) served a claim against a number of parties, including certain Man Group companies, a former employee of Man Group and a former third-party intermediary. The subject matter of these allegations dates back over a period of 20 years. PIFSS is seeking compensation of $156 million (plus compound interest) and certain other remedies which are unquantified in the claim. We dispute the allegations and consider there is no merit to the claim (in respect of liability and quantum), and will therefore vigorously and robustly defend the proceedings.

We are subject to various other claims, assessments, regulatory enquiries and investigations in the normal course of business. The Board does not expect such matters to have a material adverse effect on our financial position.

29. Subsequent events

In February 2023, we signed a sub-lease with a new tenant for a substantial portion of the vacant space in our London office. The sub-lease meets the definition of a finance lease under IFRS 16 'Leases' and therefore on lease commencement we derecognised the associated portion of our ROU lease asset of $17 million and recognised a finance lease receivable of $20 million. The excess of the finance lease receivable over the derecognised ROU lease asset of $3 million has been recognised as a gain on disposal of the ROU lease asset in 2023.

30. Unconsolidated structured entities

Accounting policy

We have evaluated all exposures and concluded that where we hold an investment, fee receivable, accrued income, or commitment with an investment fund or a CLO, this represents an interest in a structured entity as defined by IFRS 12 'Disclosure of Interests in Other Entities'.

Investment funds are designed so that their activities are not governed by way of voting rights, and contractual arrangements are the dominant factor in affecting an investor's returns. The activities of these entities are governed by investment management agreements or, in the case of CLOs, indentures.

Our maximum exposure to loss from unconsolidated structured entities is the sum total of any investment held, fee receivables and accrued income.

Our interest in and exposure to unconsolidated structured entities is as follows:

2022	Total AUM ($bn)	Less infrastructure mandates and consolidated fund entities[1] ($bn)	Total AUM unconsolidated structured entities ($bn)	Number of funds	Net management fee margin[2] (%)	Fair value of investment held ($m)	Fee receivables and accrued income ($m)	Maximum exposure to loss ($m)
Alternative								
Absolute return	46.0	(0.3)	45.7	107	1.12	108	284	392
Total return	28.8	(0.2)	28.6	80	0.63	168	40	208
Multi-manager solutions	20.2	(12.5)	7.7	54	0.20	3	14	17
Long-only								
Systematic	31.6	(0.2)	31.4	73	0.25	5	31	36
Discretionary	16.7	(0.2)	16.5	61	0.57	19	21	40
Total	143.3	(13.4)	129.9	375		303	390	693

2021	Total AUM ($bn)	Less infrastructure mandates and consolidated fund entities[1] ($bn)	Total AUM unconsolidated structured entities ($bn)	Number of funds	Net management fee margin[2] (%)	Fair value of investment held ($m)	Fee receivables and accrued income ($m)	Maximum exposure to loss ($m)
Alternative								
Absolute return	41.2	(0.2)	41.0	97	1.19	121	235	356
Total return	35.4	(0.1)	35.3	70	0.62	222	39	261
Multi-manager solutions	15.0	(8.9)	6.1	53	0.22	2	20	22
Long-only								
Systematic	36.1	(0.1)	36.0	67	0.27	8	58	66
Discretionary	20.9	(0.2)	20.7	58	0.58	67	18	85
Total	148.6	(9.5)	139.1	345		420	370	790

Notes:

1 For infrastructure mandates where we do not act as investment manager or adviser, our role in directing investment activities is diminished and therefore these are not considered structured entities.

2 Net management fee margins are the categorical weighted average. Performance fees can only be earned after a high-water mark is achieved. For performance-fee-eligible funds, performance fees are within the range of 10% to 20%.

Notes to the Group financial statements continued

31. Group investments

Details of the Company's subsidiaries are provided below. The list excludes consolidated structured entities on the basis that, although these are consolidated for the purposes of IFRS, they are not within the legal ownership of Man Group. The country of operation is the same as the country of incorporation and the year end is 31 December, unless otherwise stated. The effective Group interest represents both the percentage held and voting rights of ordinary shares or common stock (or the local equivalent thereof), unless otherwise stated.

Parent company

Company name	Registered address	Country of incorporation
Man Group plc	22 Grenville Street, St Helier, Jersey, JE4 8PX	Jersey

Subsidiaries

Company name	Registered address	Direct or indirect	Country of incorporation	Effective Group interest %
Man Group Treasury Limited	22 Grenville Street, St Helier, Jersey, JE4 8PX	Direct	Jersey	100
Aalto Invest Cayman Limited	PO Box MP10085, 3rd Floor Zephyr House, 122 Mary Street, George Town, Grand Cayman, KY1-1001	Indirect	Cayman	100
AHL Partners LLP[1,2]	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
FA Sub 2 Limited	Ritter House, Wickhams Cay II, Road Town, Tortola, VG1110	Indirect	BVI	100
FA Sub 3 Limited	Ritter House, Wickhams Cay II, Road Town, Tortola, VG1110	Indirect	BVI	100
Financial Risk Management Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
FRM Holdings Limited	Gaspé House, 66-72 Esplanade, St Helier, JE2 3QT	Indirect	Jersey	100
FRM Investment Management Limited	PO Box 186, Royal Chambers, St. Julian's Avenue, St Peter Port, GY1 4HP, Guernsey	Indirect	Guernsey	100
FRM Investment Management (USA) LLC[3]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
GLG Capital Management LLC[3]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
GLG Holdings Limited	Wickhams Cay, PO Box 662, Road Town, Tortola	Indirect	BVI	100
GLG LLC[3]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
GLG Partners Hong Kong Limited	Unit 2206-2207, 22/F Man Yee Building, No. 68 Des Voeux Road, Central	Indirect	Hong Kong	100
GLG Partners Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
GLG Partners LP[2]	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Asset Management (Cayman) Limited	PO Box 309, Ugland House, South Church Street, George Town, Grand Cayman, KY1-1104	Indirect	Cayman	100
Man Asset Management (Ireland) Limited	70 Sir John Rogerson's Quay, Dublin 2	Indirect	Ireland	100
Man Australia GP Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Australia LP[2]	Level 28, Chifley Tower, 2 Chifley Square, Sydney, NSW 2000	Indirect	Australia	100
Man (Europe) AG	Austrasse 56, 9490, Vaduz, Liechtenstein	Indirect	Liechtenstein	100
Man Fund Management (Guernsey) Limited	PO Box 186, Royal Chambers, St. Julian's Avenue, St Peter Port, GY1 4HP, Guernsey	Indirect	Guernsey	100
Man Fund Management Netherlands BV	Beurs – World Trade Center, Beursplein 37, 3011 AA, Rotterdam	Indirect	Netherlands	100
Man Fund Management UK Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man GLG Partners LLP[1,2]	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Global Private Markets (UK) Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Global Private Markets (USA) Inc.	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
Man Global Private Markets SLP LLC[3]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
Man Group Holdings Limited[4]	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Group Investments Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Group Japan Limited	PO Box 556, 1st Floor, Les Echelons Court, Les Echelons, South Esplanade, St Peter Port, GY1 6JB, Guernsey	Indirect	Guernsey	100
Man Group Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Group Operations Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Group Services Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Group UK Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Investments AG	Huobstrasse 3, 8808 Pfäffikon SZ	Indirect	Switzerland	100
Man Investments Australia Limited	Level 28, Chifley Tower, 2 Chifley Square, Sydney, NSW 2000	Indirect	Australia	100
Man Investments (CH) AG	Huobstrasse 3, 8808 Pfäffikon SZ	Indirect	Switzerland	100
Man Investments Finance Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Investments Finance Inc.	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100

31. Group investments continued

Subsidiaries continued

Company name	Registered address	Direct or indirect	Country of incorporation	Effective Group interest %
Man Investments Holdings Inc.	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
Man Investments Holdings (Jersey) Limited	15 Esplanade, St Helier, JE1 1RB	Indirect	Jersey	100
Man Investments Holdings (Netherlands) B.V.	Beurs – World Trade Center, Beursplein 37, 3011 AA, Rotterdam	Indirect	Netherlands	100
Man Investments Holdings Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Investments (Hong Kong) Limited	Unit 2206-2207, 22/F Man Yee Building, No.68 Des Voeux Road, Central	Indirect	Hong Kong	100
Man Investments Inc.	15 North Mill Street, Nyack, NY 10960, United States	Indirect	US	100
Man Investments Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Investment Management (Shanghai) Co., Ltd[5]	Room 1817 Bund Centre, No. 222 Yan An East Road, Shanghai, 200002	Indirect	China	100
Man Investments (Shanghai) Limited[5]	Room 1818, Bund Centre, No. 222 Yan An East Road, Shanghai, 200002	Indirect	China	100
Man Investments (USA) Corp.	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
Man Investments USA Holdings Inc.	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
Man Mash Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Principal Strategies Corp	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
Man Property Holdings Limited	22 Grenville Street, St Helier, Jersey, JE4 8PX	Indirect	Jersey	100
Man Solutions Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Solutions (USA) LLC[3]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
Man Strategic Holdings Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Valuation Services Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Worldwide Operations Management Limited	22 Grenville Street, St Helier, Jersey, JE4 8PX	Indirect	Jersey	100
Mount Granite Limited	Wickhams Cay, PO Box 662, Road Town, Tortola	Indirect	BVI	100
Net Zero Energy SFR GP Inc.	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
Numeric Holdings LLC[3]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
Numeric Investors LLC[3]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
Numeric Midco LLC[3]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
RBH Holdings (Jersey) Limited	IFC 5, St Helier, JE1 1ST, Jersey	Indirect	Jersey	100
Silvermine Capital Management LLC[3]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
GLG Partners UK Group Ltd (in liquidation)	Kings Orchard, 1 Queen Street, Bristol, BS2 0HQ	Indirect	UK	100
GLG Partners UK Holdings Ltd (in liquidation)	Kings Orchard, 1 Queen Street, Bristol, BS2 0HQ	Indirect	UK	100
Man UK Strategies Limited (in liquidation)	Kings Orchard, 1 Queen Street, Bristol, BS2 0HG	Indirect	UK	100

Related undertakings other than subsidiaries

Company name	Registered address	Country of incorporation	Interest %
Hub Platform Technology Partners Ltd	71-75 Shelton Street, Covent Garden, London, England, WC2H 9JQ	UK	22.86
CION Man Management, LLC[3,6]	251 Little Falls Drive, Wilmington DE 19808	US	19.9
CMRR Special Limited Partners, LLC[3,7]	251 Little Falls Drive, Wilmington DE 19808	US	65

Notes:
1 The financial year end is 31 March, which aligns with the tax year of the individual partners.
2 Partnership interest.
3 Member interest.
4 Holdings comprise ordinary and deferred shares.
5 Equity interest.
6 Economic interest is 50%.
7 Interest represented by economic interest.

Five-year record

	2022 $m	2021 $m	2020 $m	2019 $m	2018 $m
Income statement					
Core net management fee revenue	**927**	877	730	751	777
Core performance fees	**779**	569	179	325	127
Core profit before tax	**779**	658	284	384	237
Core management fee profit before tax	**290**	266	180	170	203
Core performance fee profit before tax	**489**	392	104	214	34
Core profit	**647**	557	240	325	204
Statutory profit before tax	**745**	590	179	307	278
Statutory profit	**608**	487	138	285	273
Statutory EPS (diluted)	**45.8¢**	33.8¢	9.3¢	18.4¢	17.0¢
Core EPS (diluted)	**48.7¢**	38.7¢	16.2¢	21.0¢	12.7¢
Core management fee EPS (diluted)	**18.4¢**	15.7¢	10.3¢	9.7¢	11.0¢
Balance sheet					
Net cash and cash equivalents	**457**	387	351	281	220
Net assets	**1,699**	1,651	1,497	1,624	1,593
Net financial assets	**983**	907	716	674	644
Other metrics					
Core cash flows from operating activities before working capital movements	**810**	700	341	385	311
Ordinary dividends per share	**15.7¢**	14.0¢	10.6¢	9.8¢	11.8¢
AUM ($bn)	**143.3**	148.6	123.6	117.7	108.5
Average headcount	**1,595**	1,453	1,456	1,413	1,376
USD/GBP exchange rates:					
Average	**0.8081**	0.7267	0.7789	0.7830	0.7489
Year-end	**0.8276**	0.7390	0.7315	0.7544	0.7837

‘Core’ measures are alternative performance measures. Further details of our alternative performance measures, including non-core items, are set out on pages 175 to 179.

Alternative performance measures

We assess our performance using a variety of alternative performance measures (APMs). We discuss our results on a statutory as well as a ‘core’ basis. Core metrics, which are each APMs, exclude acquisition and disposal-related items, significant non-recurring items and volatile or uncontrollable items, as well as profits or losses generated outside of our investment management business. Accordingly, these core metrics reflect the way in which performance is monitored by the Board and present the profits or losses which drive our cash flows and inform the way in which our variable compensation is assessed. Details of the non-core items in the year are set out below.

Our APMs also reclassify all income and expenses relating to our consolidated fund entities, which are required by IFRS to be split across multiple lines in the Group income statement, to core gains/losses on investments in order to reflect their performance as part of our seed book programme. Tax on non-core items and movements in deferred tax relating to the utilisation or recognition of tax assets in the US are similarly excluded from core profit, with tax on core profit considered a proxy for cash taxes paid.

In the year, the definition of non-core items has been revised to treat all foreign exchange gains and losses arising on non-functional currency balances consistently, rather than only adjusting for those which relate to specific balance sheet items which are realised over longer timeframes. The Board considers this revised classification to be both simpler and more consistent in its application. Comparative amounts have not been restated as the impact is immaterial. The approach to the classification of non-core items maintains symmetry between losses and gains and the reversal of any amounts previously classified as non-core. Note that our APMs may not be directly comparable with similarly titled measures used by other companies.

Non-core items

	Note to the Group financial statements	**2022 $m**	2021 $m
Acquisition and disposal related:			
Revaluation of contingent consideration	13	**–**	(2)
Amortisation of acquired intangible assets	17	**51**	61
Share of post-tax loss of associates	21	**5**	2
Impairment of right-of-use lease assets – investment property	16	**–**	3
Lease surrender income		**–**	7
Foreign exchange movements	12.1	**(22)**	(3)
Non-core items (net expense)		**34**	68

Alternative performance measures continued

Core measures: reconciliation to statutory equivalents

The statutory line items within the Group income statement can be reconciled to their core equivalents as follows:

2022 **$m**	**Core measure**	**Reclassification of amounts relating to consolidated fund entities**	**Non-core items**	**Per Group income statement**
Management and other fees [APM]	**958**	**(4)**	**–**	**954**
Distribution costs	**(31)**	**–**	**–**	**(31)**
Net management fee revenue[APM]	**927**	**(4)**	**–**	**923**
Performance fees[APM]	**779**	**(1)**	**–**	**778**
Net income or gains on investments and other financial instruments[APM]	**(15)**	**–**	**22**	**7**
Third-party share of losses relating to interests in consolidated funds	**–**	**14**	**–**	**14**
Sub-lease rental income	**5**	**–**	**–**	**5**
Net revenue[APM]	**1,696**	**9**	**22**	**1,727**
Asset servicing costs	**(58)**	**–**	**–**	**(58)**
Compensation costs	**(678)**	**–**	**–**	**(678)**
Other costs[APM]	**(170)**	**(9)**	**–**	**(179)**
Net finance expense	**(11)**	**–**	**–**	**(11)**
Amortisation of acquired intangible assets	**–**	**–**	**(51)**	**(51)**
Share of post-tax loss of associate	**–**	**–**	**(5)**	**(5)**
Profit before tax[APM]	**779**	**–**	**(34)**	**745**
Tax expense[APM]	**(132)**	**–**	**(5)**	**(137)**
Profit[APM]	**647**	**–**	**(39)**	**608**
Core basic EPS	**50.2¢**			
Core diluted EPS	**48.7¢**			

2021 $m	Core measure	Reclassification of amounts relating to consolidated fund entities	Non-core items	Per Group income statement
Management and other fees[APM]	917	(3)	–	914
Distribution costs	(40)	–	–	(40)
Net management fee revenue[APM]	877	(3)	–	874
Performance fees[APM]	569	(2)	–	567
Net income or gains on investments and other financial instruments[APM]	27	12	3	42
Third-party share of gains relating to interests in consolidated funds	–	(3)	–	(3)
Sub-lease rental and lease surrender income[APM]	13	–	(7)	6
Net revenue[APM]	1,486	4	(4)	1,486
Asset servicing costs	(58)	–	–	(58)
Compensation costs	(596)	–	–	(596)
Other costs[APM]	(161)	(4)	–	(165)
Net finance expense	(13)	–	–	(13)
Revaluation of contingent consideration	–	–	2	2
Impairment of right-of-use lease assets – investment property	–	–	(3)	(3)
Amortisation of acquired intangible assets	–	–	(61)	(61)
Share of post-tax loss of associate	–	–	(2)	(2)
Profit before tax[APM]	658	–	(68)	590
Tax expense[APM]	(101)	–	(2)	(103)
Profit[APM]	557	–	(70)	487
Core basic EPS	39.7¢			
Core diluted EPS	38.7¢			

[APM] The core equivalents of these statutory measures are defined as Alternative Performance Measures.

Core costs comprise asset servicing, compensation costs and core other costs.

Core measures: reconciliation to statutory equivalents continued

The statutory line items within the Group balance sheet can be reconciled to their core equivalents as follows:

2022 $m	Core measure	Reclassification of amounts relating to consolidated fund entities	Per Group balance sheet
Assets			
Cash and cash equivalents[APM]	**349**	**108**	**457**
Fee and other receivables[APM]	**541**	**29**	**570**
Investments in fund products and other investments[APM]	**841**	**368**	**1,209**
Investments in associates	**14**	**–**	**14**
Leasehold improvements and equipment	**53**	**–**	**53**
Leasehold property – right-of-use lease assets	**92**	**–**	**92**
Investment property – right-of-use lease assets	**71**	**–**	**71**
Investment property – consolidated fund entities	**–**	**34**	**34**
Goodwill and acquired intangibles	**627**	**–**	**627**
Other intangibles	**50**	**–**	**50**
Deferred tax assets	**105**	**–**	**105**
Pension asset	**22**	**–**	**22**
Total assets	**2,765**	**539**	**3,304**
Liabilities			
Trade and other payables[APM]	**762**	**180**	**942**
Provisions	**14**	**–**	**14**
Current tax liabilities	**37**	**–**	**37**
Third-party interest in consolidated funds	**–**	**359**	**359**
Lease liability	**253**	**–**	**253**
Total liabilities	**1,066**	**539**	**1,605**
Net assets	**1,699**	**–**	**1,699**

2021 $m	Core measure	Reclassification of amounts relating to consolidated fund entities	Per Group balance sheet
Assets			
Cash and cash equivalents[APM]	323	64	387
Fee and other receivables[APM]	480	5	485
Investments in fund products and other investments[APM]	770	204	974
Investments in associates	18	–	18
Leasehold improvements and equipment	43	–	43
Leasehold property – right-of-use lease assets	61	–	61
Investment property – right-of-use lease assets	77	–	77
Goodwill and acquired intangibles	678	–	678
Other intangibles	45	–	45
Deferred tax assets	128	–	128
Pension asset	27	–	27
Total assets	2,650	273	2,923
Liabilities			
Trade and other payables[APM]	683	19	702
Provisions	14	–	14
Current tax liabilities	15	–	15
Third-party interest in consolidated funds	–	254	254
Lease liability	250	–	250
Deferred tax liabilities	37	–	37
Total liabilities	999	273	1,272
Net assets	1,651	–	1,651

[APM] The core equivalents of these statutory measures are defined as Alternative Performance Measures.

Alternative performance measures continued

Core management fee profit and core performance fee profit

Core profit comprises core management fee profit, a steadier earnings stream, and core performance fee profit, a more variable earnings stream. This split facilitates analysis of our profitability drivers.

2022 $m	Core measure	Reclassification of amounts relating to consolidated fund entities	Non-core items	Per Group income statement
Net management fee revenue	927	(4)	–	923
Sub-lease rental income	5	–	–	5
Asset servicing costs	(58)	–	–	(58)
Compensation costs (management fee)	(406)	–	–	(406)
Other costs	(170)	(9)	–	(179)
Net finance expense (management fee)	(8)	–	–	(8)
Management fee profit before tax	290	(13)	–	277
Tax expense	(46)			
Management fee profit	244			
Core basic management fee EPS	19.0¢			
Core diluted management fee EPS	18.4¢			
Performance fees	779	(1)	–	778
Net income or gains on investments and other financial instruments	(15)	–	22	7
Compensation costs (performance fee)	(272)	–	–	(272)
Net finance expense (performance fee)	(3)	–	–	(3)
Performance fee profit before tax	489	(1)	22	510
Tax expense	(86)			
Performance fee profit	403			
Core basic performance fee EPS	31.2¢			
Core diluted performance fee EPS	30.3¢			

2021 $m	Core measure	Reclassification of amounts relating to consolidated fund entities	Non-core items	Per Group income statement
Net management fee revenue	877	(3)	–	874
Sub-lease rental and lease surrender income	13	–	(7)	6
Asset servicing costs	(58)	–	–	(58)
Compensation costs (management fee)	(393)	–	–	(393)
Other costs	(161)	(4)	–	(165)
Net finance expense (management fee)	(12)	–	–	(12)
Management fee profit before tax	266	(7)	(7)	252
Tax expense	(39)			
Management fee profit	227			
Core basic management fee EPS	16.1¢			
Core diluted management fee EPS	15.7¢			
Performance fees	569	(2)	–	567
Net income or gains on investments and other financial instruments	27	12	3	42
Compensation costs (performance fee)	(203)	–	–	(203)
Net finance expense (performance fee)	(1)	–	–	(1)
Performance fee profit before tax	392	10	3	405
Tax expense	(62)			
Performance fee profit	330			
Core basic performance fee EPS	23.6¢			
Core diluted performance fee EPS	23.0¢			

Core gains/losses on investments

We use the measure core gains/losses on investments to represent the net return we receive on our seeding investments portfolio, combining both consolidated and unconsolidated fund entities on a consistent basis. We therefore exclude from this measure gains or losses on investments which do not relate to the performance of the seed book and adjust the amounts relating to consolidated funds to be included in this line on a consistent basis. Core gains/losses on investments can be reconciled to the Group income statement as follows:

	2022 $m	2021 $m
Net (losses)/gains on seeding investments portfolio (Note 12.1)	(12)	24
Net (losses)/gains on fund investments held for deferred compensation arrangements and other investments (Note 12.1)	(3)	3
Core (losses)/gains on investments	**(15)**	27
Non-core items:		
Consolidated fund entities: gross-up of net gains on investments (Note 12.2)	–	12
Foreign exchange movements (Note 12.1)	22	3
Net income or gains on investments and other financial instruments	**7**	42

Core tax rate

The core tax rate is the effective tax rate on core profit before tax and is equal to the tax on core profit divided by core profit before tax. The tax expense on core profit before tax is calculated by excluding the tax benefit/expense related to non-core items from the statutory tax expense, together with amounts relating to the utilisation or recognition of available US deferred tax assets. Therefore, tax on core profit is considered a proxy for our cash taxes payable.

The impact of non-core items on our tax expense is outlined below:

	2022 $m	2021 $m
Statutory tax expense	137	103
Tax on non-core items:		
Amortisation of acquired intangible assets	6	7
Impairment of right-of-use lease assets – investment property	–	1
Foreign exchange movements	(4)	–
Non-core tax item on US deferred tax assets (Note 19)	(7)	(10)
Non-core tax items	**(5)**	(2)
Core tax expense	**132**	101
Comprised of:		
Tax expense on core management fee profit before tax	46	39
Tax expense on core performance fee profit before tax	86	62

The core tax rate is 17% for 2022 (2021: 15%), which has increased largely due to a higher weighting of profits in the UK where the applicable statutory tax rate is 19%. The increase in the UK corporation tax rate to 25% on 1 April 2023 will result in an increase in our core tax rate in future periods.

Core cash flows from operations excluding working capital movements

Cash flows from operating activities excluding working capital movements can be reconciled to cash flows from operating activities as reported in the Group cash flow statement as follows:

	2022 $m	2021 $m
Cash flows from operating activities	737	484
Add back changes in working capital (Note 9):		
Increase in fee and other receivables	68	102
Increase in other financial assets including consolidated fund entities	45	163
Increase in trade and other payables	(40)	(49)
Core cash flows from operations excluding working capital movements	**810**	700

Net financial assets

Net financial assets is considered a proxy for Group capital, and is equal to our cash and seed book less borrowings, contingent consideration payable and payables under repo arrangements, as follows:

	Note to the Group financial statements	2022 $m	2021 $m
Seeding investments portfolio	12	688	648
Available cash and cash equivalents	8	349	323
Payables under repo arrangements	11	(54)	(64)
Net financial assets		**983**	907

Shareholder information

In this section we have provided some key information to assist you in managing your shareholding in Man Group. If you have a question that is not answered below, please contact us at: shareholder@man.com

Man Group (www.man.com)

The Man Group website contains a wealth of information about the Company, including details of the industry in which we operate, our strategy and business performance, recent news from Man Group and corporate responsibility initiatives. The Investor Relations section is a key tool for shareholders with information on share price and financial results, reports and presentations. This section of the website also contains information on dividends and shareholder meeting details as well as useful Frequently Asked Questions.

EQ Shareview (www.shareview.co.uk/shareholders)

Man Group's register of shareholders is maintained by EQ, the Company's Registrars. Many aspects of managing your shares, such as checking your current shareholding, managing dividend payments, and updating your contact details, can be carried out by registering on the EQ Shareview website. To do this you will need your Shareholder Reference, which can be found on your share certificate or dividend confirmation.

Dividends

Final dividend for the year ended 31 December 2022

10.1¢ per share

The directors have recommended a final dividend of 10.1¢ per share in respect of the year ended 31 December 2022. Payment of this dividend is subject to approval at the 2023 Annual General Meeting (AGM). Key dates relating to this dividend are given below:

Ex-dividend date	6 April 2023
Record date	11 April 2023
DRIP election date	26 April 2023
AGM (to approve final dividend)	5 May 2023
Sterling conversion date	5 May 2023
Payment date	19 May 2023
CREST accounts credited with DRIP shares	24 May 2023
DRIP share certificates received	25 May 2023

Dividend policy

Man Group's ordinary dividend policy is progressive, taking into account the growth in Man Group's overall earnings. In addition, the Group expects to generate significant capital over time. Available capital, after taking into account our required capital and potential strategic opportunities, will be distributed to shareholders over time through higher dividend payments and/or share repurchases.

The Company is currently undertaking a share repurchase programme pursuant to which up to a maximum of $125 million is being returned to shareholders. Further information, including details of the number of shares repurchased during 2022, can be found in Note 24 of the financial statements.

The Company will fix the dividend currency conversion rate on 5 May 2023. The achieved sterling rate will be announced at this time, in advance of the payment date.

Dividend payment methods

You can choose to receive your dividend in a number of ways. Dividends will automatically be paid to you by cheque and sent to your registered address unless you have chosen one of the options below:

1. **Direct payment to your bank:** We recommend that you apply for cash dividends to be paid directly into your UK bank or building society account to speed up the payment process and to avoid the risk of cheques becoming lost or delayed in the post. The associated dividend confirmation will be sent direct to your registered address. To switch to this method of payment simply download a dividend mandate form from the Dividends section of our website. Alternatively, dividend mandate forms are available from the EQ Shareview website. If you have any queries please contact EQ on +44 (0) 371 384 2112[1] who will be able to assist.
2. **Overseas payment service[2]:** If you live overseas, EQ offers an overseas payment service which is available in certain countries. This may make it possible to receive dividends directly into your bank account in your local currency. Further information can be found on the EQ Shareview website or via the EQ helpline +44 (0) 371 384 2112[1]. When calling from outside the UK please ensure the country code is used.
3. **Dividend Reinvestment Plan (DRIP):** The Company is pleased to offer a DRIP, which gives shareholders the opportunity to build their shareholding in the Company in a convenient and cost effective way. Instead of receiving your dividend in cash, you receive as many whole shares as can be bought with your dividend, taking into account related purchase costs; any residual cash is then carried forward and added to your next dividend. If you wish to join the DRIP, you can download copies of the DRIP terms and conditions and the DRIP mandate form from the Dividends section of the Man Group website. Simply complete the DRIP mandate form and return it to EQ. Should you have any questions regarding the DRIP, or to request a paper mandate form, please contact EQ on +44 (0) 371 384 2112[1]. Please note that if you wish to join the DRIP in time for the payment of the forthcoming final dividend for the year ended 31 December 2022, EQ must have received your instruction by 5.00pm on 26 April 2023. Instructions received after this date will be applied to the next dividend payment.

1 Lines are open from 8.30am to 5.30pm, each business day. When calling from outside the UK, please ensure the country code is used.

2 Please note that a payment charge will be deducted from each individual payment before conversion to your local currency.

Dividend history

To help shareholders with their tax affairs, details of dividends paid in the 2022/23 tax year can be found below. Please note that the dividend amounts are declared in US dollars but paid in sterling. For ease of reference the sterling dividend amounts have been detailed in the table. For details of historical payments, please refer to the Dividends section of our website, which can be found at www.man.com/investor-relations.

Dividends paid in the 2022/23 tax year	Dividend no.	Payment date	Amount per Share (p)	Ex-dividend date	Record date	DRIP share Price (p)	DRIP Purchase date
Interim dividend for the year ended 31 Dec 2022	0/31	09/09/22	4.7	11/08/22	12/08/22	257.3745	09/09/22
Final dividend for the year ended 31 Dec 2021	0/30	20/05/22	6.74	07/04/22	08/04/22	237.6544	23/05/22

Shareholder communications

Annual Report and Half Year Results

Man Group publishes an Annual Report and Half Year Results every year. The Annual Report is published on the website and is sent to shareholders through the post if they have requested to receive a copy. The Half Year Results are published on the website and printed copies are available on request from the Company Secretary.

E-communications

You can help Man Group to reduce its carbon footprint as well as its printing and postage costs by signing up to receive communications electronically rather than receiving printed documents such as Annual Reports and Notices of AGMs in the post. To sign up for e-communications, simply register on the EQ Shareview website. You will need your Shareholder Reference, which can be found on your share certificate or dividend confirmation or proxy card, in order to register. Once registered, you will need to change your mailing preference to e-communications and provide your email address. You will then receive an email each time a shareholder communication or document becomes available on the Man Group website.

Managing your shareholding

Online, by post, or by phone

Many aspects of your shareholding can be managed by registering on the EQ Shareview website. For enquiries about your shareholding you can also contact EQ in writing at EQ, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, or by telephone on +44 (0) 371 384 2112[1], quoting Ref No 874. When calling from outside the UK, please ensure the country code is used. Please quote your Shareholder Reference when contacting EQ.

Share dealing service

EQ provides a share dealing facility through which you can buy or sell Man Group plc shares in the UK. The service is provided by Equiniti Financial Services Limited and can be accessed via the dealing section of the EQ Shareview website (www.shareview.co.uk/dealing). To use EQ's telephone dealing service, please call 03456 037 037 between 8.00am and 4.30pm Monday to Friday. You can also buy and sell shares through any authorised stockbroker or bank that offers a share dealing service in the UK, or in your country of residence if outside the UK.

Be a ScamSmart investor – avoid investment and pension scams

Even seasoned investors have been caught out by sophisticated share or investment scams where smooth-talking fraudsters cold call from 'boiler rooms' to offer them worthless, overpriced or even non-existent shares, or to buy shares they currently hold at a price higher than the market value. All shareholders are advised to be extremely wary of any unsolicited advice, offers to buy shares at a discount, or offers of free reports about the Company. The Financial Conduct Authority (FCA) provides helpful information about such scams on its website, including practical tips on how to protect your savings and how to report a suspected investment scam. Man Group encourages its shareholders to read the information on the site which can be accessed at www.fca.org.uk/scamsmart. You can also call the FCA Consumer Helpline on 0800 111 6768.

How your details are protected from cybercrime

Man Group takes the protection of its shareholders' personal data from the ever-increasing threat of cybercrime very seriously. Shareholder details are maintained by EQ, our Registrars, who safeguard this information to the highest standards. EQ's security measures include multiple levels of firewall, no wireless access to the corporate network, and regular external vulnerability scans and system penetration tests.

Glossary

Absolute investment performance
Percentage rise/fall in the value of the fund over the stated period

Absolute return
Alternative strategies where clients expect the strategy may have net long,short or neutral exposure to asset classes, and that may make use of leverage to achieve those exposures. This includes trend following and discretionary long/short strategies

Actively managed
The management of assets based on active decision-making as opposed to aiming to replicate an index

AGM
Annual General Meeting

Alpha
Excess return over beta relative to a market benchmark, or a measure of the 'value add' by an investment manager

Alternative
An alternative investment is an asset that is not one of the conventional investment types, such as stocks, bonds and cash

Alternative performance measure (APM)
APMs are financial measures of current, historical or future financial performance, financial position or cash flows that are not defined or specified in the applicable financial reporting framework. Man Group's primary APMs are defined as follows:

Core profit
Core profit excludes acquisition and disposal-related items, significant non-recurring items and volatile or uncontrollable items, as well as profits or losses generated outside of our investment management business. Tax on these 'non-core' items and movements in deferred tax relating to the utilisation or recognition of tax assets in the US are also excluded

Core tax rate
The core tax rate is the effective tax rate on core profit before tax and is equal to the tax on core profit divided by core profit before tax

Net financial assets
Net financial assets is considered a proxy for Group capital and comprises our cash and seed book less borrowings, contingent consideration payable and payables under repo arrangements

Full details of our APMs can be found on pages 175 to 179

Assets under management (AUM)
AUM are the assets that Man Group manages for investors in investment vehicles (including fund entities and separately managed accounts) and is a key indicator of our performance as an investment management group and our ability to remain competitive and build a sustainable business. Average AUM multiplied by our net management fee margin equates to our management fee earning capacity. AUM is shown by strategy groupings that have similar characteristics. AUM includes advisory-only assets where Man Group provides model portfolios but does not have decision making or trading authority over the assets and dedicated managed account platform services for which Man Group provides platform and risk management services but does not provide investment management services

Movements in AUM are split between the following categories:

Net inflows/outflows
Net inflows/outflows are a measure of Man Group's ability to attract and retain investor capital. Net flows are calculated as sales less redemptions

Investment performance
Investment performance is a measure of the performance of the investment vehicles Man Group manages for its investors

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

ARCom
Audit and Risk Committee

Basis point (bps)
One one-hundredth of a percentage point (0.01%)

Benchmark
A standard against which the performance of a security, mutual fund or investment manager can be measured; generally broad market and market-segment stock and bond indexes are used for this purpose

Beta
Market returns

CAGR
Compound annual growth rate

Carbon dioxide equivalent (CO_2e)
A standard unit for measuring carbon footprints. Enabling the impact of different greenhouse gas emissions to be expressed using an equivalent amount of carbon dioxide (CO_2) as reference. We calculate total emissions using tonnes per CO_2e or tCO_2e

Cash costs
Costs excluding depreciation and amortisation

CLO
Collateralised loan obligations are a security backed by a pool of debt, often corporate loans

Compensation ratio
The compensation ratio is calculated as total compensation costs divided by net revenue

CS
Corporate Sustainability

DE&I
Diversity, Equity and Inclusion

Defined benefit (DB) pension scheme
A pension benefit where the employer has an obligation to provide participating employees with pension payments that represent a specified percentage of their salary for each year of service

Defined contribution (DC) pension scheme
A pension benefit where the employer's contribution to an employee's pension is measured as, and limited to, a specified amount, usually a percentage of salary

Discretionary
Discretionary investment management is a form of investment management in which buy and sell decisions are made by a portfolio manager. The term 'discretionary' refers to the fact that investment decisions are made at the portfolio manager's discretion

Drive
Drive is our global internal diversity and inclusion network which is designed to inform, support and inspire our people. The network's mission is to advance Man Group's efforts in promoting and valuing diversity and inclusion throughout the firm

Employee benefit trust
An employee benefit trust is a type of discretionary trust established to hold cash or other assets for the benefit of employees, such as satisfying share awards, with a view to facilitating the attraction, retention and motivation of employees

Employee Trust
The Employee Trust is the employee benefit trust operated by Man Group

ESG
Environmental, Social and Governance

ESG-integrated AUM
Portion of total AUM that integrates explicit ESG criteria into the investment process

Executive Committee
Committee of executives considered to be the firm's key management, who have authority and responsibility for planning, directing and controlling activities at Man Group

External audit
An external auditor performs an audit, in accordance with specific laws or rules, of the financial statements of an organisation and is independent of the entity being audited

FCA
Financial Conduct Authority

FRC
Financial Reporting Council

GDPR
The General Data Protection Regulation

Global Sustainable Investment Alliance (GSIA)
The Global Sustainable Investment Alliance

High-water mark
The value above which performance-fee-eligible AUM accrues performance fees

HMRC
His Majesty's Revenue and Customs

ICAAP
Internal Capital Adequacy and Assessment Process

ICARA
Internal Capital and Risk Assessment

IFRS
International Financial Reporting Standards

Internal audit
Provide independent assurance that an organisation's risk management, governance and internal control processes are operating effectively

Investment returns
The increase in AUM attributable to investment performance, market movements and foreign exchange

KPI
Key Performance Indicator

Liquid asset managers
Liquid asset managers are comprised of the investment engines Man AHL, Man FRM, Man GLG and Man Numeric and exclude our private markets business, Man GPM

Long-only
Long-only refers to a policy of only holding 'long' positions in assets and securities

Machine learning
A process in which a range of applied algorithms recognise repeatable patterns and relationships within observed data

Man Group
Man Group plc, through its investment management subsidiaries and partnerships (collectively, 'Man Group'), is a global investment management business and provides a range of fund products and investment management services for investors globally

MiFID II
The second iteration of the Markets in Financial Instruments Directive

Multi-manager solutions
Multi-manager solutions includes traditional fund of funds and managed accounts investing in vehicles managed by asset managers other than Man Group

Net Asset Value or NAV
Net Asset Value or NAV is the sum total of the market value of all the investment instruments held in the portfolio including cash, less any liabilities held in the portfolio. NAV per share is found by dividing the total number of units outstanding from the NAV

Net management fee margin
Margins are an indication of the management fee revenue margins negotiated with Man Groups clients net of any distribution costs paid to intermediaries. Net management fee margin is calculated as core net management fee revenue divided by AUM

OMI
Oxford-Man Institute

Passive products
Products which are intended to replicate an index

QFII
Qualified Foreign Institutional Investor

Quantitative or quant
Quantitative strategies use computer models to make trading decisions. A quant is a person who specialises in the application of mathematical and statistical methods to financial and risk management problems

Regulatory capital
Regulatory capital is the amount of risk capital set by legislation or local regulators, which companies must hold against any difficulties such as market or credit risks

RI
Responsible Investment

Relative investment performance
Percentage rise/fall in the value of the fund over the stated period relative to peers or benchmarks

Relative net flows
Percentage above/below asset-weighted industry net flows. Industry sources include HFR, Morningstar and Man Group analysis

Revolving credit facility (RCF)
A line of credit, to an agreed limit, that businesses can access when needed

Run rate net management fee revenue and margin
Run rate net management fee margin is calculated as core net management fee revenue for the last quarter divided by the average AUM for the last quarter on a fund-by-fund basis. Run rate net management fee revenue is calculated as the run rate net management fee margin applied to the closing AUM as at the period end. These measures give the most up-to-date indication of our management fee revenue at a given date

Sale and repurchase agreement
A sale and repurchase agreement (repo) is a short-term borrowing arrangement under which Man Group sells certain of its fund product investments to a third party, with a commitment to repurchase them on a prearranged future date for consideration of the sale proceeds plus interest

Scope 1, 2 and 3 emissions
The greenhouse gas (GHG) Protocol Corporate Standard classifies a company's greenhouse gas emissions into three 'scopes'. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy including electricity, steam, heating and cooling. Scope 3 emissions include all other indirect emissions that occur within a company's value chain

Seed capital
Seed capital is an investment in a fund allowing it to develop a performance track record or allowing it to be marketed to potential clients. Seed capital also include CLO risk retention positions and fund products to which Man Group obtains exposure via sale and repurchase arrangements or TRSs

Senior Executive Committee (Senior ExCo)
Committee of executives within Man Group that work together to advise the CEO and are in charge of specific aspects of the Group

SFDR
Sustainable Finance Disclosure Regulation

SMCR
Senior Managers Certification Regime. New FCA regulation which aims to strengthen market integrity by making senior individuals more accountable for their conduct and competence

Systematic
Systematic investment managers attempt to remove the behavioural component of investing by using computer algorithms to make investment decisions

TCFD
Task Force on Climate-related Financial Disclosures

Total return
Alternative strategies where clients expect the strategy to have some positive exposure to particular risk factors over the course of a market cycle although the level of exposure may vary over time. This includes GLG Global Emerging Markets Debt Total Return, Man GPM, risk premia, and CLO strategies

Total return swap or TRS
A total return swap is a swap agreement in which Man Group receives the return on an underlying fund investment in exchange for an interest payment on the notional investment

Trade execution
The completion of a buy or sell order on a security in the market

TSR
Total shareholder return

UN PRI
The United Nations-supported Principles for Responsible Investment initiative is an international network of investors working together to implement the six Principles for Responsible Investment. Its goal is to understand the implications of sustainability for investors and support signatories to incorporate these issues or implications into their investment decision-making and ownership practices

Weighted average carbon intensity (WACI)
The measurement of a portfolio's exposure to carbon-intensive companies, expressed in tons of CO_2e per million dollars of revenue

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