Talent+ Technology

Man Group plc
Annual Report 2023

Man Group is a technology-empowered active investment management firm

with

1,790

employees

from

70+

countries.

We trade in

825+

markets around the world

and offer

85+

alternative and long-only investment strategies

to help our

690+

institutional clients meet their investment goals.

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Shareholder information

The Strategic report was approved by the Board and signed on its behalf by:

Robyn Grew
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 $167.5 billion in active 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

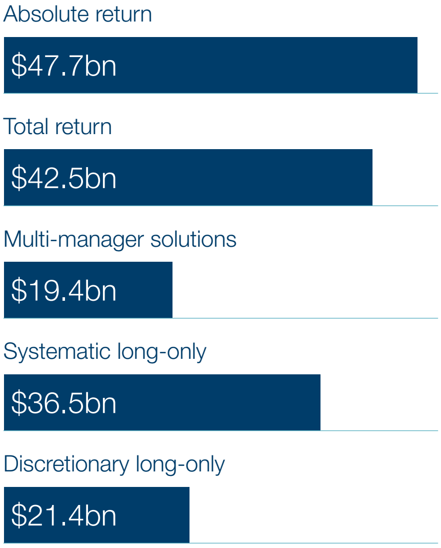
Sustainability+ go to page 44

Data as at 31 December 2023.

Our culture

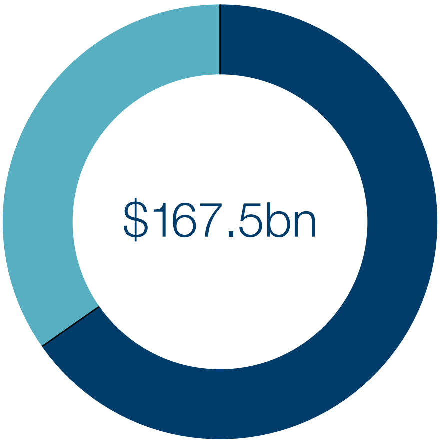
We have an inclusive, meritocratic culture designed to achieve excellence through collaboration and differentiated thinking.

Assets under management (AUM) by product category



AUM by strategy type

Alternative	$109.6bn
Long-only	$57.9bn



AUM by client type

Institutional	78%
Intermediaries	22%

Our principles

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

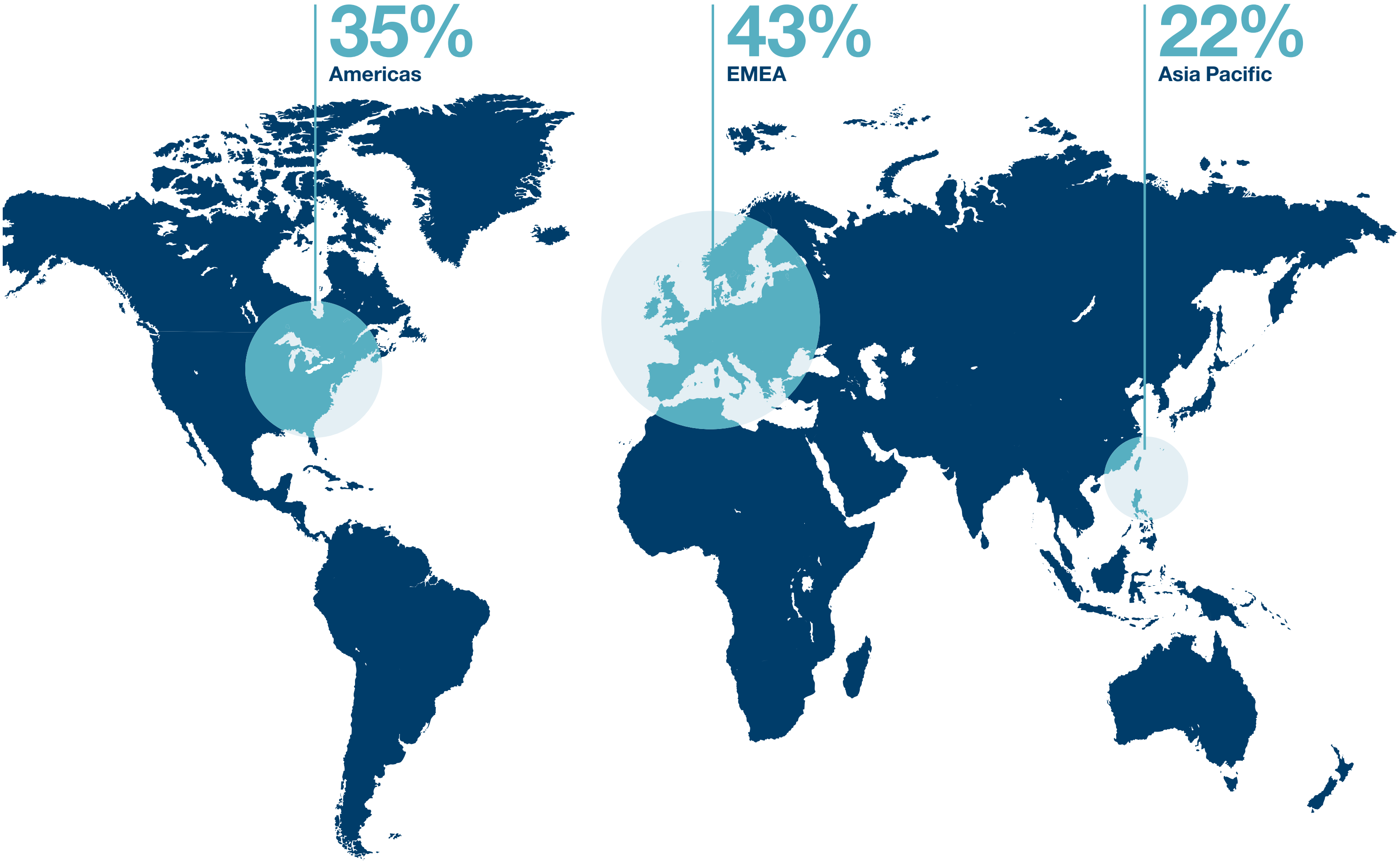
Responsibility

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 client domicile



Chair's statement

Assets under management

$167.5bn

+17%

2022: $143.3bn

Core EPS (diluted)

22.4¢

-54%

2022: 48.7¢

Statutory EPS (diluted)

19.4¢

-58%

2022: 45.8¢

Proposed dividend per share

16.3¢

+4%

2022: 15.7¢

> We are focused on delivering superior performance and client solutions, deploying the latest technology across our business to ensure that we are well positioned for growth in the future.
>
> **Anne Wade** | Chair

I am pleased to present the Annual Report for 2023, my first as Chair of Man Group.

Overview of the year

Inflation and the uncertainty around near-term interest rates have dominated the story of the financial markets in 2023. While equity markets delivered strongly positive returns, the financial landscape was not without its share of turbulence. This created challenging investing conditions for active investment managers and tested allocators' appetite for risk.

Nevertheless, Man Group's performance was resilient, and I am encouraged by the progress we have made during the year. As an active manager with clients at the centre of what we do, we are committed to leveraging our technology and investment expertise to maximise the value we add for our clients and the many individual savers and pensioners that they represent. We were pleased to have delivered +1.6% of relative investment performance during the year and recorded a net inflow of client capital 4.9% ahead of the industry. Combined with tailwinds from market beta, currency fluctuations and the acquisition of Varagon Capital Partners, our AUM ended the year at $167.5 billion, a 17% increase compared with the beginning of the year.

We delivered solid core management fee profit before tax[1] of $280 million, 3% lower than in 2022 driven by higher fixed cash costs owing to planned investment to support growth, and lower core performance fee profit before tax of $60 million following a record year for our trend-following absolute return strategies in 2022. This led to lower statutory profit before tax of $279 million compared with $745 million in 2022.

Board changes

2023 was a year of transition at Man Group and I'm pleased to report that this has all gone smoothly. John Cryan, who served as a director of the Company since January 2015 and as Chair since January 2020, retired from the Board at the end of September. We benefited enormously from John's experience and wisdom and on behalf of everyone at Man Group, I wish him well for the future.

I was delighted to take on the role of Chair as of 1 October. Since my appointment to the Board in 2020, I have been incredibly impressed with the culture and talent at Man Group. The firm is well positioned to capitalise on its investment expertise and first-class technology capabilities to deliver outperformance for our clients and excellent value to our shareholders.

In May, Luke Ellis took the decision to retire from the Board and his role as CEO after seven years at the helm. He has been a superb leader, inspiring the firm to reposition itself for the future and working closely with his senior management team to oversee a period of tremendous growth. I'd like to thank Luke and wish him the very best for his retirement.

A key role of the Board is to ensure that there are appropriate succession plans in place, and it was a pleasure to announce Robyn Grew as the new CEO of Man Group. Robyn is a dynamic, strategic leader who has been integral to the firm's growth over the past decade. Her previous wide-ranging responsibilities, spanning from investment functions and risk to trading and operations, have provided her with broad experience and a deep understanding of the business. Robyn has rapidly stepped into her new role, leading the firm on the next phase of its journey. She has reorganised her executive team, who represent core functions from across the firm and will support her in delivering on the firm's strategic priorities. Further information can be found in the Governance section on pages 74 and 75.

I would also like formally to welcome Laurie Fitch as a non-executive director. Laurie brings extensive experience as an equity investor and banker, as well as strong strategic insight and international perspective. She is already adding significant value to Man Group and complements the skill set of the Board as a whole. Laurie succeeded me as Chair of the Remuneration Committee with effect from 1 October 2023.

Kate Barker and Jackie Hunt stepped down from our Board in 2023. I would like to thank them both for their excellent contribution to the Board and wish them all the best for the future. Alberto Musalem also informed the Board of his intention to step down as a director with effect from 29 February 2024, following the announcement of his appointment as the next President and Chief Executive Officer of the Federal Reserve Bank of St. Louis. I wish Alberto all the very best as he undertakes this prestigious opportunity and thank him for his invaluable contributions since his appointment.

Board focus

The Board spent a significant amount of time on strategic matters during 2023.

During our strategy sessions, we covered a range of key topics that are critical to our continuing success. We received in-depth presentations from management on investment performance, client relationships, global distribution, resource allocation, and key growth areas. These enabled the Board to work in partnership with the senior leadership team to ensure our collective focus on the performance of our investment strategies, the sourcing and development of business opportunities, the creation of customised solutions to meet our clients' needs and the investment in our people and our technology.

We consider and challenge senior management on the business case for any acquisition to ensure it aligns with the firm's strategic priorities, fits within our distinctive culture and presents the opportunity to create long-term value for shareholders. Our approach in the case of the Varagon acquisition was no different; we spent a significant amount of time evaluating the opportunity with management. The transaction furthers two core strategic objectives for Man Group: first, to build a diversified asset management business with exposure to growing segments of the asset management industry and second, to develop further its presence in the North American market. In structuring the acquisition, we have aligned the interests of Varagon management with those of Man Group's shareholders. From a financial perspective, the transaction provides the opportunity to achieve an attractive risk-adjusted return on capital. Having agreed the case for the acquisition, the Board oversaw the due diligence process and provided approval to proceed.

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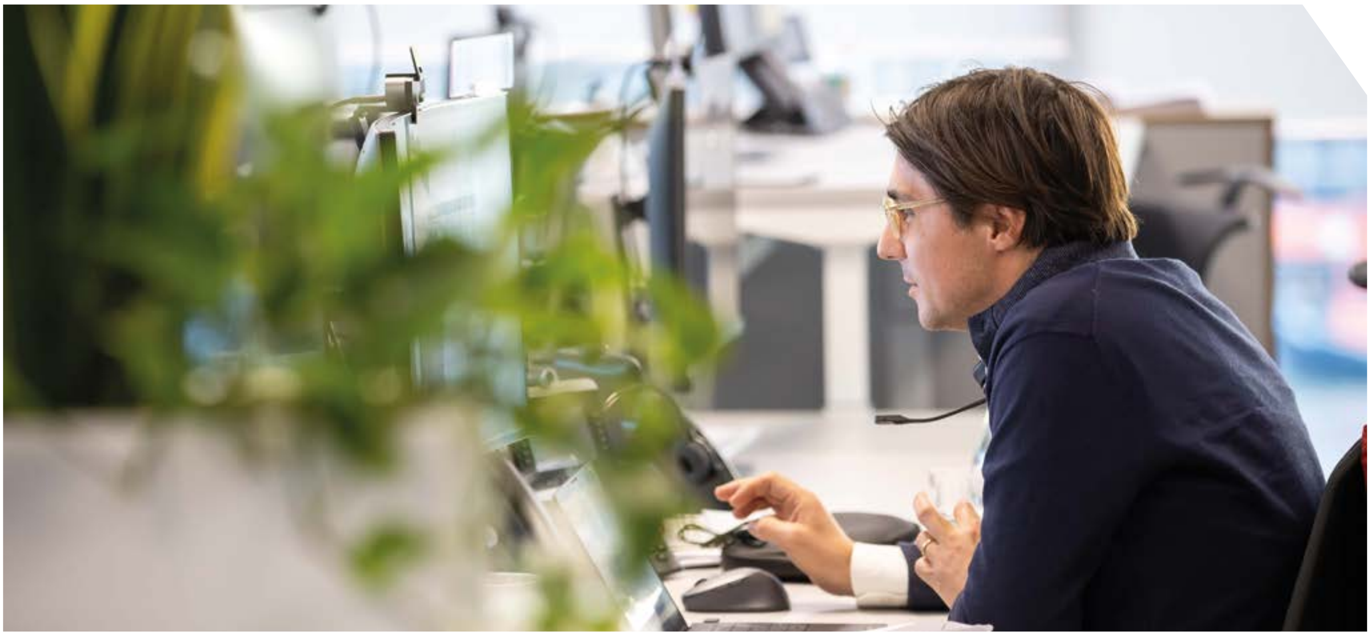
[1] Man Group's alternative performance measures are outlined on pages 175 to 179.

Chair's statement continued



As a Board, it is our responsibility to champion a diverse firm and an inclusive, collaborative culture that our people are proud to be associated with.

Anne Wade | Chair

Capital returns

Our dividend policy is progressive, taking into account the growth in the firm's overall earnings. Our target remains to be able to recommend annual dividends that grow year-on-year. In line with our policy, the Board has recommended a final dividend of 10.7¢ per share, which, when taken together with the interim dividend already distributed, amounts to a full year dividend of 16.3¢ per share. This compares with the aggregate dividend for 2022 of 15.7¢ per share, a 4% increase. The final dividend recommendation is, as usual, subject to approval by shareholders at the Annual General Meeting to be held in May 2024.

In addition to our dividend distribution policy, we periodically review our accumulated capital reserves – those we have not previously distributed to shareholders as dividends, used for organic growth initiatives or for acquisitions – to determine whether they exceed the amounts we need to retain to ensure the safe, prudential and flexible management of the Company. 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 2022, we announced a buyback programme of up to $125 million. Execution of the programme completed in March 2023; at which time we announced a further $125 million of share repurchases. This was completed in May 2023. The timing of share buybacks is, of course, subject to prevailing market conditions, and organic and inorganic strategic opportunities. Share repurchases, taken together with the interim and proposed final dividend, resulted in total returns to shareholders of $0.3 billion in the year. This aggregate sum equates to roughly 9% of our market capitalisation as of 31 December 2023.

People and culture

Attracting, developing and retaining talent is central to our success. Managing change is a key requirement in today's fast-moving world and we recognise that building a deep talent pool is central to our continued success. This has been a significant area of focus during the year, and we have spent time discussing with senior management their ongoing work to promote the development of talent within the business.

As a Board, it is our responsibility to champion a diverse firm and an inclusive, collaborative culture that our people are proud to be associated with. The Board oversees activities in this area, encouraging management in its promotion and implementation of diversity at all levels of the business. Man Group staff also continue to contribute ideas and feedback through various channels available to them.

More details of the Company's initiatives in this area can be found in the People and culture section on page 38.

Workforce engagement

When the Board takes important decisions, specific consideration is always given to how our employees might be impacted and we monitor feedback on the choices made. As part of this process, we engage formally and directly with our employees across the globe. While Ceci Kurzman is the Board's designated employee engagement representative, we encourage all Board members to engage with staff in formal or informal settings during the year.

The September Board meeting was held in New York, where we had the opportunity to spend time with employees based there, including the team at Varagon. We had very positive feedback from both the Board and employees on our direct engagement. The Board has discussed and considered the general employee engagement feedback received to date, and we continue to assess the most effective means of incorporating the views of staff more explicitly into Board decision-making.

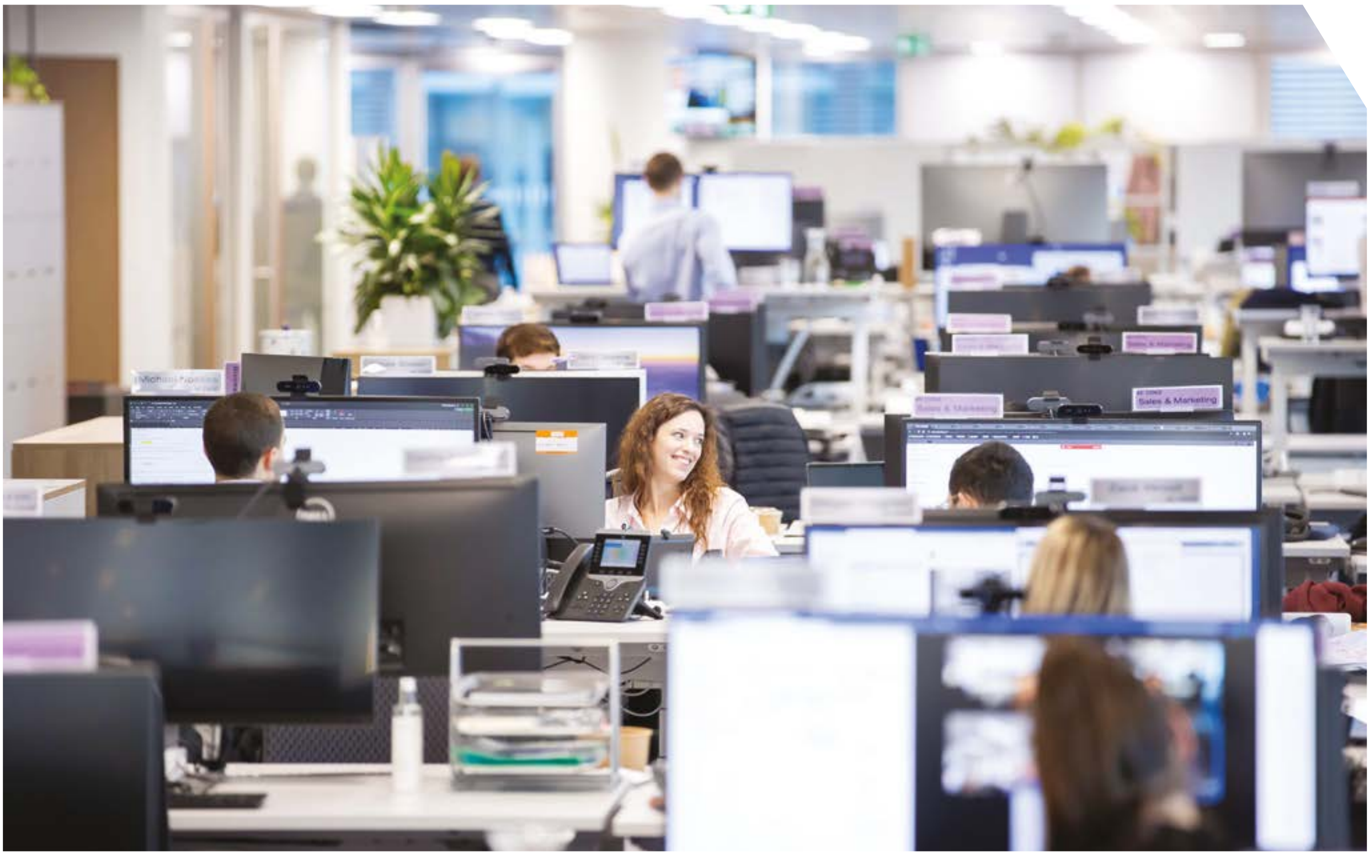
More broadly, you can read about how the Board considers the interests of our stakeholders when complying with the obligations of section 172 of the Companies Act 2006 on pages 68 to 83.

Community

We are also conscious of the impact our organisation has on the broader community, and we aim to contribute positively to those around us. Our employees continue to be directly involved in volunteering in our communities and charitable initiatives through our ManKind programme, more details of which can be found on page 43. We also work with the Man Charitable Trust in the UK and our US-based Man Charitable Foundation, as well as via direct donations to support causes close to our employees or other stakeholders.

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.

Anne Wade
Chair



Technology is core to our strategy and part of our DNA as a firm. Through early and continuous investment, we have built a powerful, advanced technology platform that enables us to operate flexibly and to grow efficiently. Our technology platform drives our competitive advantage, powering our investment processes and underpinning all data, research, trading, risk management and settlement activities at the firm.

While artificial intelligence (AI) has taken the spotlight this year, it is not new to us. It has been an area of expertise for over ten years, from our pioneering research efforts in conjunction with the Oxford-Man Institute to our extensive use of machine learning in trade execution processes. In 2023, our dedicated AI team led the launch of ManGPT, our in-house GenAI portal, and continue to explore the applications of AI across the firm.

Technology +Innovation

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

400+

of our people use ManGPT weekly

87%

of trades are automated

~40%

of employees are quants or technologists

Our business model

Generating alpha at scale

We are a global leader in liquid alternatives and solutions, with a differentiated business model and a track record of delivering for our clients and shareholders.

Client focus

We are focused on delivering superior performance for our clients and our relationship-driven global sales effort enables us to serve millions of people around the world.

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, liquidity 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 deep pool of 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 operations, and invest heavily every year to remain cutting-edge.

+ See page 8

Sustainability+

We conduct our business with the highest standards of integrity, and are committed to running our company in a responsible way as we seek to grow.

+ See page 44

Delivering for our stakeholders

Clients

Investment performance

1.6%

outperformance relative to peers

+ See page 17

Servicing clients' needs

$108.8bn

AUM customised for individual client needs

+ See page 12

Employees

Employee engagement score

81%

+ See page 38

Internal mobility

200+

+ See page 39

Shareholders

Shareholder returns

$1.8bn

of dividends and buybacks in the last five years

+ See page 24

Dividends and share buybacks

$0.3bn

in relation to 2023

+ See page 24

Communities

400+

employees volunteered during 2023

+ See page 43

Positioned for long-term growth

Assets under management

We grow our AUM by delivering investment performance for our clients, and by attracting net inflows on a consistent basis. Through continuous investment in our talent and technology, we aim to deliver positive returns in various market regimes. We focus on building trusted long-term partnerships, with an ongoing push to identify what is valuable to the largest allocators in the world. By offering them access to a compelling range of investment strategies and solutions, we aim to gain market share on a sustainable basis.

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 organic innovation, hiring investment teams and acquiring other businesses.

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 what we do at Man Group. 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.

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 the associated monetary policy responses from central banks continued to dominate headlines throughout 2023.
- The collapse of Silicon Valley Bank in March 2023 was the largest bank failure since 2008, resulting in the biggest daily decline in two-year US Treasury yields in 30 years.
- Advances in AI came into the spotlight during the year. The 'Magnificent Seven' Wall Street stocks, all with perceived significant AI capabilities, soared between 48% and 239% in 2023, accounting for the vast majority of the S&P 500's 24% gain.
- Geopolitical events in the Middle East and fears of war continuing in Ukraine led to renewed volatility and uncertainty in markets.
- Global equity markets ended the year strongly as greater visibility on peak central bank rates and the potential for future cuts boosted investor sentiment.

What this means for Man Group

- 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.
- Significant trend-reversals, such as occurred in March 2023, proved a challenging environment for our trend-following absolute return strategies; however, our ability to adapt quickly allowed us to outperform our peers in the period.
- Innovation and research are at the core of what we do, and we are constantly working to generate new technology-enabled sources of alpha.
- Our discretionary absolute return strategies delivered particularly strong returns, notably GLG Alpha Select (+10.2%).
- We continue to invest in and maintain the highest standards of risk management across our product range, and we are well positioned to manage client capital through turbulent periods.
- We saw strong long-only performance in 2023, demonstrating the need for a diversified array of investment capabilities.
- The acquisition of Varagon added to our growing capabilities in credit and private markets.

Industry
Evolving client requirements

Description

- Clients faced challenges navigating uncertain markets during the year, and are looking for strong partnerships to address their evolving requirements and provide customised options to satisfy their individual risk appetites.
- Solutions offerings have gained traction globally and the demand for customised portfolios is expected to keep growing as institutional clients seek tactical flexibility and cost efficiencies[1].
- Alternative assets grew to 21% of global AUM as at the end of 2022, although accounted for half of the asset management industry's revenues. This momentum is expected to continue at a CAGR of 7% in alternative assets over the next five years[2].
- The democratisation of alternatives is expected to be a key theme; for example, wealth investors are expected to allocate more than 15% of their eligible portfolios to private alternatives over the next three to five years[2].

What this means for Man Group

- 2023 was our fourth consecutive year of net inflows, demonstrating the strength of our client relationships around the world and our ability to help them navigate a range of market conditions.
- Our institutional resources and infrastructure can deal with scale and complexity, delivering better outcomes for clients. $108.8 billion of our total AUM relates to mandates with some level of customisation for individual client needs.
- We offer 85+ investment strategies and have the ability to create a powerful combined offering for our clients.
- We are a market leader[3] in alternatives, with over 35 years of experience and $109.6 billion of our AUM in alternative strategies.
- We have also seen considerable growth through wealth channels in our business, with successful partnerships in the US and Japan.

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1 Source: McKinsey & Company 'Everything everywhere all at once: North American asset management 2023'.
2 Source: BCG 'The Tide Has Turned: Global Asset Management 2023' report.
3 Source: P&I, largest hedge fund managers in 2022.

Quant and technology

Description

- Quant continues to be a clear trend in the hedge fund industry with 47% of funds operating a quant or hybrid investment style[4] and over $1 trillion of assets managed in quant-focused funds in March 2023[5].
- Gathering and governing data at-scale continues to be a key competitive advantage that enables innovative investment research across new markets and strategies and drives firm-wide efficiencies through the curation and use of internal data assets.
- Generative AI has quickly emerged as a new paradigm for asset managers. With 85% of firms evaluating GenAI tools to support their workflows[6], the ability to extract and curate information from large and varied sources of data, to boost the productivity of human capital, and to streamline processes will present significant opportunities for those that can harness this technology at scale.
- Actively managed quant credit continues to grow as an asset class. With significant improvements in liquidity and electronic execution[7], this asset class is expected to grow beyond bonds and credit default swaps to target other fixed-income products.

What this means for Man Group

- Our proprietary technology platform is supported by over 675 quants, engineers and data scientists.
- Artificial intelligence is not new for us: it augments our capabilities in research processes, data analysis, trade execution and software development. We launched our in-house GenAI portal, ManGPT, along with a robust AI governance framework.
- We continue to enable innovative investment research techniques with proprietary software whilst also actively contributing to the open-source software community.
- Our strides in supporting credit, and specifically quant credit in our data, research, risk and electronic execution capabilities were showcased to our clients at the inaugural Man Technology Conference in 2023, alongside our expertise in data, analytics and portfolio construction.
- Our ArcticDB timeseries database was launched publicly in partnership with Bloomberg in 2023, confirming our conviction that we really are at the forefront. This milestone was a strong validation of our technology with ArcticDB boasting cutting-edge features.

Climate and ESG

Description

- Climate remains at the top of the environment, social and governance (ESG) agenda, with a particular focus on measuring the financial materiality of climate change and how companies can credibly achieve their net zero commitments and achieve real-world decarbonisation.
- We continued to see divergence in attitudes towards ESG investing across jurisdictions.
- ESG regulatory complexity continued to rise, with further developments related to the EU's Sustainable Finance Disclosure Regulation (SFDR) and the UK announcing fund-labelling rules via the Sustainability Disclosure Requirements (SDR). In the US, the potential implementation of the US Securities and Exchange Commission's proposed ESG disclosure regulations was delayed until 2024.
- We saw increased attention on themes related to biodiversity and nature, affordability, and impact measurement.

What this means for Man Group

- We continue to invest in our climate capabilities and now have two full-time climate scientists and have furthered our academic partnerships. By bringing our quantitative skills to a qualitative area with inconsistent datasets, we are able to enhance climate data and leverage our ESG tools to help us more effectively identify and manage climate-related risks and opportunities.
- We recognise that our clients may have different investment priorities and we consider financially material factors that support their investment objectives. We focus on providing tailored solutions to meet clients' specific requirements.
- In 2023, we enhanced our suite of responsible investment (RI) products, offering a total of 39 ESG-oriented funds[8], following a data-driven approach to developing RI solutions for our clients. Man Group's ESG-integrated AUM grew by 19%, to $59.3 billion of our AUM in the year.
- We have strong frameworks and control functions to ensure alignment with rapidly evolving regulatory environments. Further details on our ESG governance structure can be found on page 47.
- We have expanded our RI research capabilities, with key focus areas including biodiversity and nature considerations, as well as impact measurement.

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[4] Source: SigTech, February 2023 'State of the Hedge Fund Industry'.

[5] Source: The Wall Street Journal, May 2023 'Why Are Markets So Calm? It's revenge of the Quant Funds'.

[6] Source: AIMA Generative AI Survey, Initial Findings, December 2023.

[7] Source: Man Institute, August 2023 'Is the Future of Credit Quantitative?'.

[8] ESG-oriented funds are made up of 30 Article 8 and 9 Article 9 funds under SFDR.

Our strategy

Driving continuous growth

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

Four main strategic pillars drive value for our firm.

Our strategic pillars are linked to our financial KPIs, as set out below, and on page 20.

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

Innovative investment strategies

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

Strong client relationships

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

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

①②③④

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

②③④

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

③④

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

How we performed in 2023

- Positive investment performance of $9.7 billion across all product categories.
- Asset-weighted relative investment outperformance of 1.6%.
- Strong relative investment outperformance of 2.8% from long-only strategies.
- Robust risk management and powerful central platform helped our trend-following strategies navigate periods of market volatility, driving relative investment outperformance of 0.8% from alternative strategies.
- Onboarded 170+ new datasets in 2023, identifying alpha sources in over 90.
- Added significant private credit capabilities to our diversified client offering through the acquisition of Varagon.

- Net inflows in 2023 of $3.0 billion, outperforming the industry by 4.9%[1].
- Strengthened our relationships with existing clients: our top 50 clients invest in an average of four products.
- Worked with clients to build solutions at scale: AUM in Man Institutional Solutions has grown to $16.2 billion.
- Focused on building new relationships: 14 new clients each invested $50 million or more, and a further 23 invested over $10 million with us.
- Expanded our presence in North America, a strategically important market; 35% of our AUM is from clients domiciled in the Americas.
- Announced a strategic partnership with Fideuram – Intesa Sanpaolo Private Banking to strengthen our presence in the European intermediated retail channel.

- Invested roughly $120 million into our investment management and core technology capabilities, which will further support our ability to deliver for our clients and shareholders.
- Launched an in-house GenAI portal, ManGPT, which has led to significant usage of GenAI as a productivity aid across the firm in a safe and scalable manner.
- Signed a multi-year open-source technology development and product integration agreement with Bloomberg for our database product, ArcticDB.
- Trained 230+ employees in Python and data science skills in the year through five internally developed courses in order to technically upskill our people.
- Successful day one onboarding of Varagon following completion in September 2023.

Objectives for 2024

- Expand our capabilities in credit, both liquid and private, and quant equities to diversify our earnings further and build multiple options for future growth.
- Collaborate across the business to develop cross-content solutions and our multi-strategy offering for clients.

- Continued focus on building long-term partnerships with our clients as customisation and transparency become increasingly important to sophisticated investors.
- Extend our client reach in selected markets (e.g. North America) and channels (e.g. wealth, insurance) in which we see growth opportunities.

- Continue to invest in technology and talent to maintain our competitive advantage.
- Maintain cost discipline and efficient resource allocation.

+ 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 returns to our 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.

How we performed in 2023

- Proposed full year 2023 dividend of 16.3¢, 4% higher than full year 2022 dividend of 15.7¢, in line with our progressive dividend policy.
- Completed the two $125 million share buybacks announced in December 2022 and March 2023.
- Completed the acquisition of Varagon, which we expect to be meaningfully accretive to earnings in the first full year following completion.
- Increased the size of our revolving credit facility to $800 million to reflect the growth of our business since the previous facility was put in place in 2019. We plan to link the facility to ESG-based KPIs in 2024.
- Continue to have a strong, liquid balance sheet with $555 million of net financial assets[2].

Objectives for 2024

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

Varagon acquisition

Varagon has established itself as a leader in direct lending within the core US middle-market since its inception in 2014. Through superior origination capabilities, underwriting discipline and risk management, the team have a strong track record of generating differentiated returns for a sophisticated client base in the insurance channel.

As the private credit market continues to grow in relevance for the world's largest institutions, Varagon adds a US-focused private credit strategy designed to provide consistent risk-adjusted outperformance at scale, and in a highly customisable format.

AUM in US direct lending

$10.8bn

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[1] Relative net flows are defined in the Glossary, with further details included as part of our financial KPIs on page 20.

[2] Man Group's alternative performance measures are outlined on pages 175 to 179.

Chief Executive Officer's review

Relative investment performance

+1.6%

2022: +1.4%

Relative net flows

+4.9%

2022: +5.3%

Statutory profit before tax

$279m

-63%

2022: $745m

Core profit before tax[1]

$340m

-56%

2022: $779m

> We have one single role, which is to deliver investment performance in order to help provide greater financial security to millions of people around the world. My vision is for Man Group to be indispensable in our clients' quest to achieve this.

Robyn Grew | Chief Executive Officer

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[1] Man Group's alternative performance measures are outlined on pages 175 to 189.

Overview of the year

2023 was quite a year; one that I will remember for many reasons. Not only did I have the honour of taking over from Luke Ellis as CEO of Man Group in September, but the year defied expectations on multiple occasions as the world grappled with several macroeconomic and geopolitical pressures. Measures of inflation may have retreated in the year, but the level and future path of interest rates were firmly on investors' minds. A shockwave rippled through financial markets in March with the collapse of Silicon Valley Bank (SVB), triggered by the sudden rate rises from central banks to combat inflation. This effect was short-lived, however, and despite tensions in the Middle East, concerns over China's economic recovery, a US credit downgrade and debt-ceiling debate, risk assets powered ahead with growing confidence that US policymakers would achieve an economic soft landing in 2024; this was evidenced by the S&P 500 index gaining 24% during the year, with the 'Magnificent Seven' technology darlings leading the charge.

Against that backdrop, and in my first financial update as CEO after taking over from Luke, I am pleased to be able to report a solid set of results for 2023. They highlight the continued demand for our strategies and solutions, the breadth and depth of our client relationships, the benefits of a diversified product offering, and the scale and quality of the business we have built.

As a diversified, active investor we ended the year with positive investment performance of $9.7 billion. Overall investment performance for our absolute return strategies was 0.9%, with particularly strong returns from our discretionary strategy GLG Alpha Select (+10.2%). Our total return and long-only strategies performed well over the period, helped by positive momentum in equity markets, delivering overall investment performance of 7.6% and 16.8%, respectively. AHL TargetRisk gained 14.1%, once again proving its ability to navigate hard-to-forecast macro changes and adapt quickly to evolving market conditions.

There were nevertheless some strategies that were less suited to generating returns in this environment. Notably, 2023 proved to be a testing year for trend-following absolute return strategies and this was for two reasons. First, March's SVB crisis was an idiosyncratic event that reversed prevailing trends. Second, the market narrative centred around when central banks would end their hiking cycle and whether cuts would be imminent, which changed abruptly in November. In that context, performance in our flagship trend-following strategies has been reasonable, with AHL Alpha (+1.0%) and AHL Evolution (+3.7%), ending the period in positive territory.

On an asset-weighted basis, relative investment performance across the firm was positive during the year. Our sophisticated approach to risk management and technology-empowered platform meant we were able to navigate periods of market volatility effectively, driving outperformance of 0.8% from our alternative strategies. Our long-only strategies also outperformed by 2.8%, which is a real testament to the skill of our investment teams.

I am delighted that we continued to attract capital and grow our market share during the year. In what was a difficult period for most of the sector, the client-led growth in our business remained strong. We recorded $3.0 billion of net inflows, across both alternative and long-only strategies, which highlights the continuing broad-based demand for the range of differentiated investment strategies and solutions that we offer at Man Group. On a relative basis, total net inflows were 4.9% ahead of the industry, reflecting the merits of our client-centric distribution model and the quality of our longstanding relationships with allocators around the world.

Strong investment performance, net inflows and positive impacts from foreign exchange (FX) and other movements, resulted in our AUM increasing to $167.5 billion as of 31 December 2023. This marks a new high for Man Group and a 17% increase compared with 31 December 2022.

Despite these many positive elements, core profit before tax decreased by 56% compared with 2022 to $340 million, largely driven by a decline from the exceptionally strong performance fee outcome recorded in the previous year. Statutory profit before tax was $279 million, compared with $745 million in 2022.

Strategy update

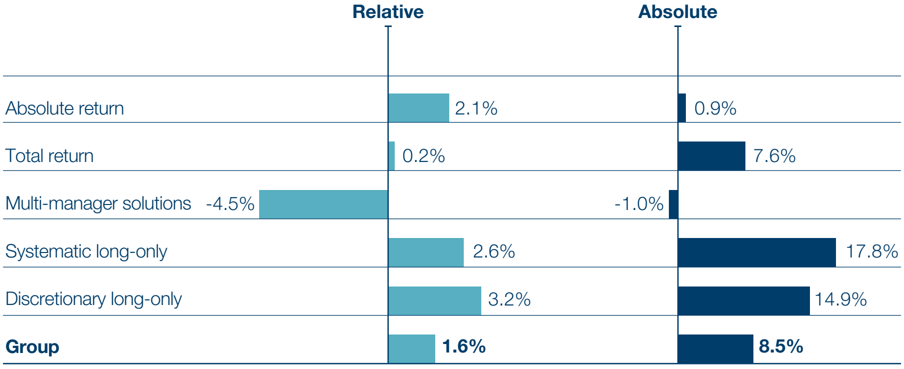
Following my appointment, I have spent a significant amount of time with the Board and my new Executive Committee, who are all highly talented experts in their fields and represent core functions from across the firm. We have worked together to define our strategy and outline areas of focus to deliver the next chapter of growth for Man Group. In doing so, I have been conscious not to overlook our strengths today. We have built a high-quality, resilient business that has delivered exceptional growth. Our investment capabilities, powered by our advanced technology platform, are already helping to solve our clients' most complex problems; continuing to invest in these strengths will remain a key priority in the future.

I am proud of the progress we have made diversifying our business, however, we cannot rest on our laurels. To maintain our relevance with clients, and to continue to deliver for our shareholders, there are several areas that we will be focusing on.

One of these is adding to our investment capabilities, which is critical to our success. We see the largest opportunities in quantitative equities, across mid-frequency and long-only, and in credit, across liquid and private markets. We are also prioritising building out our solutions offering, acknowledging that customisation and transparency are of ever-increasing importance to sophisticated allocators across the globe.

Our global distribution network is one of our key differentiators and we will continue to prioritise investment in this area. Extending our presence in markets where we are underweight relative to the size of the opportunity will be an important driver of future growth. We have identified the North American region, the intermediated wealth channel and the insurance client base as key priorities.

Relative and absolute investment performance[1] in 2023



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[1] See Glossary for definition.

Chief Executive Officer's review continued

2023 brought a great deal of enthusiasm about the potential for technology, and in particular AI via the arrival of ChatGPT, to catalyse productivity in each and every sector. We have been using AI for many years already and believe this new technology has huge potential for use across our business to help our people perform their roles even more effectively (more on this below). Our early and significant investment in technology has given us a lasting competitive advantage that is not easy to replicate. We will focus on maintaining this lead and continue to invest in the development of our platform, leveraging the benefits of our scale to drive nimble and efficient execution of our strategic objectives. We will also ensure that we align our resources with our strategic goals and the new structure of our discretionary offering reflects a first step towards that commitment.

It is vital that we continue to evolve to meet the needs of investors around the world and the millions of pensioners and savers they represent. I have every confidence in the talent of the people here at Man Group and our ability to build a business that is run for long-term success and a market leader in active management.

Progress against strategic priorities

Strong client relationships

I have spent a great deal of time with clients in recent months and it is evident that their challenges are becoming more complex, requiring specific customisation and partnership. Our breadth of investment strategies, quality of institutional resources and commitment to partnering with clients to build solutions at scale are key differentiators and have helped us to add a significant number of new relationships with strategically important allocators during the year. As at 31 December 2023, over 65% of our AUM is from mandates that are customised to some degree.

As previously mentioned, we saw strong engagement with existing and new clients across the globe in 2023, reflected by net inflows for the year of 2.1%; this is notably strong relative to the industry, which saw average outflows of roughly 3% across comparable strategies in the year and is one of the best signs of the strength of our business today. Our clients have confidence in our ability to manage and grow their assets, and to help them to navigate a range of market conditions.

The trend of clients investing across the firm continues, with a number of existing clients investing in new products in 2023. At the end of December, 73% of our AUM is from clients investing in two products or more and 46% from clients investing in four products or more. Our 50 largest clients are invested in an average of four of our strategies. This illustrates the strength of our offering and the value we bring in deeply understanding the evolving needs of our clients.

Earlier this year, we also announced a strategic partnership with Fideuram – Intesa Sanpaolo Private Banking (F-ISPB), one of our key clients in Italy. The new venture is focused on building a diverse range of alternative and long-only investment strategies and solutions, combining our own capabilities with F-ISPB's private banking expertise, financial adviser network and client base in Europe. We have grown successfully in the intermediated retail channel through partnerships in the US and Japan, and we hope this venture will likewise help to grow our presence in the Italian market.

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. We invest a huge amount of time and energy in research and delivery, recognising that we need to keep innovating to meet their unique and evolving requirements.

M&A has been a core part of our strategy for several years and we have adopted a consciously disciplined approach to evaluating acquisition opportunities. We seek to assess the repeatability and track record of the investment process, the saleability and scalability of the product offering, the cultural fit and ethos of the team, and the value creation opportunity a transaction could represent for our shareholders. Varagon was the first opportunity we have reviewed in a long time that met our criteria, and we were delighted to announce that acquisition in 2023. As the private credit market continues to grow in relevance for the world's largest institutions, this transaction adds a US-focused direct lending strategy designed to provide consistent risk-adjusted outperformance at scale, in a highly customisable format, to our growing credit offering. The M&A environment around us is changing and we will continue to maintain the same level of rigour and discipline when it comes to assessing opportunities, as we have done in the past.

Our seed capital programme continues to play a key role in supporting product launches, and our pipeline of new ideas remains very strong. During the year we seeded 14 new strategies across our business, leaving our seeding book at $595 million as at 31 December 2023, following investments into new products developed across the business. Over the last few years, we have committed resources to mid-frequency equities, a large segment of the quant hedge fund market with significant alpha and diversification potential. I am excited to see that our investments in data, execution and infrastructure, together with 35+ years of expertise and credibility in the quant space, are continuing to bear fruit. We intend to accelerate investments in that space going forward.

Our quantitative heritage and data-driven culture continues to be core to everything we do and last year we were pleased to announce a partnership with the Columbia Center on Sustainable Investment (CCSI) to conduct research addressing how climate impact is defined and measured in fixed income and equity portfolios. Our joint research with the academic experts at CCSI will aim to produce a more refined decarbonisation framework, which will bring greater standardisation when calculating the climate impact of public market securities.

Net inflows

$20.3bn

over five years (2019 to 2023)

Man Institutional Solutions AUM

$16.2bn

at 31 December 2023

Women in senior management

31%

at 31 December 2023

Quants and technologists

675+

at 31 December 2023

This is a great example of the academic rigour we apply at Man Group, and how we work collaboratively to understand complex topics in order to add value for our clients.

Efficient and effective operations

We are a global leader in quantitative investing, and yet the use of technology in our business goes well beyond that. Technologists and quants make up nearly half of our workforce – from data science and trading to risk management and operations. It really is core to how we run our firm and enables us to respond quickly as financial markets and our clients' needs do. Our single operating platform means we can generate alpha at scale and deliver portfolio solutions efficiently to the world's largest institutional investors. It affords us the ability to execute larger volumes, trade a huge number of markets and trade at all times of the day, and it also offers the ability to onboard new teams and businesses efficiently. We believe our technology is a commercial differentiator and in 2023, we invested roughly $120 million into our investment and core technology to maintain our lead.

As I mentioned earlier, advances in AI seized the spotlight in 2023. AI enables us not only to automate, but also to innovate, and gives us the power to grow revenue more productively. We first used machine learning techniques roughly ten years ago and today we employ AI as part of our investment process in data, research, portfolio construction, and trading. During the year, our dedicated AI team, engineers and domain experts launched an in-house GenAI portal, ManGPT, which has led to significant usage of GenAI as a productivity aid across the firm in a safe and scalable manner. We see technology more broadly, and AI specifically, as a core competence with major potential to increase productivity and deliver significant operating leverage for our shareholders.

In 2023, we were proud to sign a multi-year open-source technology development and product integration agreement for our database product, ArcticDB. This was a strong external endorsement of the quality of our technology and we are excited to leverage our technology expertise to help advance the asset management industry's operational architecture.

People and culture

Talent is, and will always be, key to the ongoing success of our 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 full potential. Man Group is a collegiate and collaborative firm with a real sense of community, and I am proud of the culture that we have built, particularly over the last decade. We place great importance on being an employer of choice, and we are pleased to report that our 2023 staff survey recorded a strong engagement score of 81% when it was conducted in the autumn.

I believe diversity is a commercial differentiator in that diversity of thought makes us better. We encourage, embrace, and seek out difference in all areas. There is no particular 'type' of person that joins Man Group, and we put real effort behind attracting diverse candidates and creating an inclusive culture to deliver the best possible outcomes for our clients. Our people foster and uphold that standard and it is part of the DNA of our organisation. We continue to work hard to expand what we do to improve diversity, equity and inclusion, both at Man Group and across the industry. During 2023, we have made a concerted effort to take our programmes into new avenues and introduce tangible initiatives across more fronts. You can read more about these initiatives in the People and culture section on page 38.

To be at the forefront of the industry for years to come, we – and our peers – need to reconfigure the pieces that make up our teams, not just add individuals who fit an existing mould. Fostering a working environment and culture where all our employees feel that they belong takes time and effort every single day. While there is a huge amount of work still to be done to make our firm truly representative of the populations we serve, we stand for an absolute and unequivocal commitment to inclusiveness.

Conclusion and outlook

It would be remiss of me not to mention Luke's significant contribution to the results that we have recorded for 2023. He has handed over a business that is in great shape and which will allow us to continue on our exciting growth trajectory.

Man Group has existed for well over 200 years and has achieved this by innovating and evolving to best serve the needs of its clients. Today, we are a diversified, active asset manager with significant skill in liquid alternatives, systematic and long-only investing, and private credit, all underpinned by our technology.

Economic trends, geopolitical dynamics, inflation and their interplay on the global stage persist in their unpredictability, continuing to create challenges in both public and private markets. In this environment it is crucial for managers to be forward thinking and adaptable. Investors have never needed diversifying sources of risk-adjusted returns and long-term strategic partners as much as they do now. The ability to build such partnerships and deliver scalable alpha through customised solutions is one of the most exciting challenges ahead for our industry. That's where we see the opportunity for Man Group over the next five years.

We intend to support our clients for many generations to come as we have one single role, which is to help our clients provide greater financial security to millions of people around the world. My vision is for Man Group to be indispensable in our clients' quest to achieve this. This means that we are always striving to be the best we can be, and I have great confidence in our ability to deliver on this to the benefit of both our clients and our shareholders.

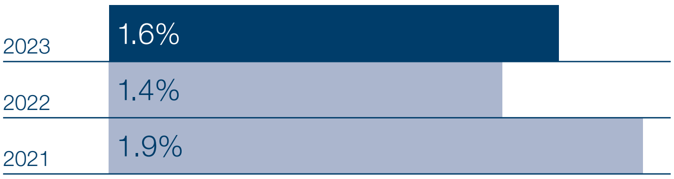
Robyn Grew
Chief Executive Officer

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



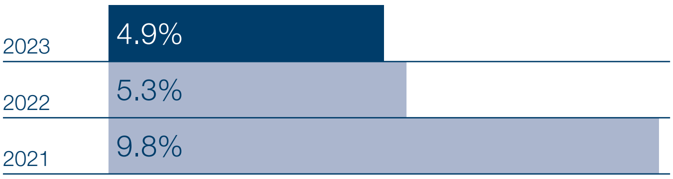
Why it matters

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

How we performed

Asset-weighted relative investment outperformance of 1.6% in 2023 was driven by our long-only strategies. For further information on investment performance, see page 17.

Relative net flows



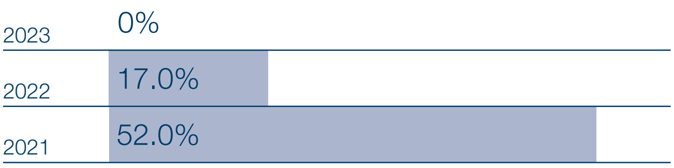
Why it matters

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

Relative net flows in 2023 were 4.9%, reflecting the quality of our longstanding relationships with allocators around the world and the relevance of our investment strategies and solutions.

Core management fee EPS (diluted) growth[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.

How we performed

Core management fee EPS (diluted) of 18.4¢ was in line with 2022, as higher core net management fee revenue was offset by an increase in fixed cash costs to support future growth.

Core EPS (diluted)[1]

Why it matters

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

How we performed

Core EPS (diluted) has decreased by 54% to 22.4¢, reflecting a reduction in performance fee profits following the exceptionally strong outcome in 2022.

Ⓡ Link to Executive Director Remuneration

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

Carbon footprint (tCO_2e) Ⓡ

Employee engagement

Why it matters

In order to monitor 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

Total carbon emissions increased by 51% in 2023, owing to an increase in business travel (including more long-haul travel) which reflected our acquisitions and growth and indicated a partial return to pre-COVID travel levels. We are focused on reducing emissions and continue to source offsets so we retain our carbon neutral stance. Further details can be found on pages 48 to 51.

Our 2023 staff survey recorded an engagement score of 81%, with a response rate of 85% (a 9% increase compared with 2022). More information on how we implement employee 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 sustainably. We calculate ESG-integrated AUM in line with the Global Sustainable Investment Alliance definition, which has emerged as the global standard of classification. Further details on this metric can be found on page 54.

How we performed

In 2023, the number of women in senior management roles increased to 31%, exceeding our 2024 target of 30%. Further information on our initiatives to develop a diversified talent pool can be found on pages 40 and 41.

ESG-integrated AUM has increased to $59.3 billion in 2023, as we have continued to respond to client demand and expand our range of ESG-oriented strategies. Market beta and currency moves have also contributed positively to the increase.

[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¢

2022: 18.4¢

Core EPS (diluted)

22.4¢

-54%

2022: 48.7¢

Statutory profit

$234m

-62%

2022: $608m

Capital returns to shareholders in 2023

$0.3bn

> 2023 illustrates the resilience of our business. Our management fee profitability remained stable. Despite the challenging environment, we continued to see net inflows, achieving record AUM of $167.5 billion following the acquisition of Varagon.
>
> **Antoine Forterre** | Chief Financial Officer

Overview

Man Group ended the year with record AUM of $167.5 billion, driven by continuing positive net flows, strong investment performance in our long-only strategies and the acquisition of Varagon. Statutory profit decreased to $234 million from $608 million in 2022, primarily due to a decrease in performance fees following exceptional performance fee generation in 2022. The heightened volatility following the US bank turmoil in March and continued political, economic and monetary uncertainty led to muted performance for our systematic macro strategies, the key drivers of our performance fees. We continued to grow our core net management fee revenue, largely through the Varagon acquisition, standing at $963 million for the year compared with $927 million in 2022. Core diluted management fee EPS of 18.4¢ was in line with 2022 due to an increase in fixed compensation and core other costs offsetting the increase in core net management fee revenue. The decrease in profit in the year led to statutory EPS on a diluted basis decreasing to 19.4¢ from 45.8¢ in 2022, with core diluted EPS decreasing from 48.7¢ to 22.4¢.

Closing AUM of $167.5 billion at 31 December 2023, up from $143.3 billion at the end of 2022, was driven by net inflows of $3.0 billion in the year, positive absolute investment performance of $9.7 billion and FX and other movements of $11.5 billion, including $10.8 billion contributed by Varagon. Performance was positive across all categories, and we saw net inflows of $4.9 billion across absolute return, total return and discretionary long-only, partially offset by net outflows of $1.0 billion and $0.9 billion in multi-manager solutions and systematic long-only respectively.

We completed the acquisition of controlling interests in Varagon and Asteria in the second half of the year. Varagon's private credit capabilities diversify our offering to investors, representing the potential for significant value creation. The growth in our strategic partnership with Fideuram through the acquisition of Asteria enables us to increase our offering across Europe in the intermediated wealth channel. Additionally, we have continued to grow our CLO business and securitised new vehicles in Europe and the US in the year.

Management and other fees on a statutory basis increased by 4% to $990 million for the year as a result of higher average AUM, with Varagon contributing $29 million post-acquisition. The average net management fee margin of 63 basis points for the year was 2 basis points lower than in 2022 due to AUM mix shift towards long-only lower margin strategies, partially offset by the acquisition of Varagon.

The run rate net management fee margin at 31 December 2023 stood at 65 basis points compared with 64 basis points at the end of 2022, with inflows into higher margin strategies weighted towards the end of the year. Run rate core net management fee revenue was $1,087 million at the end of the year, up from $917 million at the end of 2022, largely as a result of the revenue earned on Varagon AUM.

Performance fee generation was lower, with $178 million earned in the year on a statutory basis following the record $778 million earned in 2022. Our asset-weighted relative investment outperformance was 1.6% across all categories compared with 1.4% in 2022. All our investment engines generated performance fees in the year. Core gains on investments of $48 million, compared with losses of $15 million in 2022, were generated by mark-to-market gains across our seed book. Core costs were $835 million, down from $906 million in 2022, driven by lower performance fee-related variable compensation partially offset by higher fixed compensation costs due to increased headcount following the acquisition of Varagon and continued investment in the business. The impact of the strengthening of sterling against the US dollar in the year also contributed to an increase in other costs.

Our core rental income in 2023 was in line with 2022. In 2023, we signed sub-leases with two new tenants for a substantial portion of the vacant space in Riverbank House and our existing sub-tenant signed agreements to extend their current leases until the end of the head lease. In early 2024, we also signed Heads of Terms with one of our sub-tenants for additional space in the building.

Non-core items (excluding tax) increased from a net expense of $34 million in 2022 to $61 million in 2023, primarily due to FX losses of $11 million compared with gains of $22 million in 2022. Gains on disposal of right-of-use lease assets and a decrease in the amortisation of our acquired intangible assets, due to some becoming fully amortised in 2022, were partially offset by costs relating to the acquisitions of Varagon and Asteria. Non-core items also include adjustments to the statutory income statement charge relating to amounts payable to the Varagon sellers who remain members of senior management post-acquisition in order to adjust the expense recognised in the year to reflect the corresponding profits generated. Together with acquisition-related costs, these items added $30 million to our non-core expense.

$m	**Year ended 31 December 2023**	Year ended 31 December 2022
Core net management fee revenue	**963**	927
Core performance fees	**180**	779
Core gains/(losses) on investments	**48**	(15)
Core rental income	**5**	5
Core net revenue	**1,196**	1,696
Asset servicing costs	**(58)**	(58)
Compensation costs	**(595)**	(678)
Core other costs	**(179)**	(170)
Net finance expense	**(21)**	(11)
Rollover share of post-tax profits	**(2)**	–
Third-party share of post-tax profits	**(1)**	–
Core profit before tax	**340**	779
Core management fee profit before tax	**280**	290
Core performance fee profit before tax	**60**	489
Core profit	**271**	647
Non-core items (before tax)	**(61)**	(34)
Statutory profit	**234**	608
Statutory EPS (diluted)	**19.4¢**	45.8¢
Core EPS (diluted)	**22.4¢**	48.7¢
Core management fee EPS (diluted)	**18.4¢**	18.4¢
Proposed dividend per share	**16.3¢**	15.7¢

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. Note that our APMs may not be directly comparable with similarly titled measures used by other companies. 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

We continue to deliver strong cash conversion of our profits and continued our returns to shareholders in 2023 through completion of the two share repurchases, each of $125 million, announced in December 2022 and March 2023 respectively. Our total proposed dividend for the year of 16.3¢ per share represents an increase of 4% from 15.7¢ in 2022, in line with our progressive dividend policy. The total announced returns to shareholders for 2023 is over $0.3 billion, and $1.8 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 deployment of our capital to fund acquisitions and strategic partnerships, we continue to return excess capital to shareholders, allocate capital to seed investments and heavily invest in technology to ensure we remain leaders in active investment management. We had net tangible assets of $782 million at 31 December 2023 and net financial assets of $555 million, including $180 million of cash (excluding amounts held by consolidated fund entities) and net of $35 million of acquisition-related liabilities which begin to crystallise in 2028. We continue to be strongly cash-generative, with core cash flows from operations excluding working capital movements of $362 million in the year.

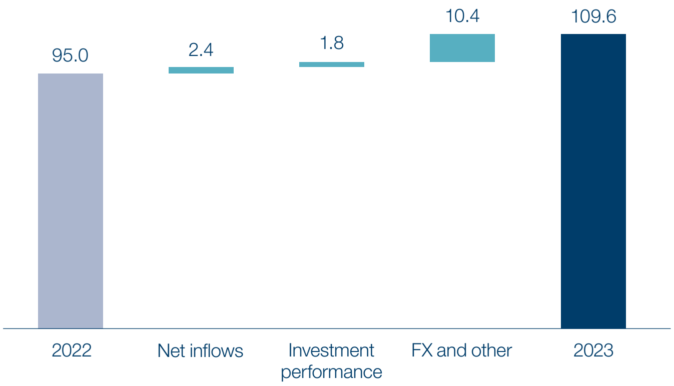
Impact of foreign exchange rates

The portion of our AUM which is denominated in currencies other than the US dollar was positively impacted by the weakening of the US dollar against most currencies over the course of the year. This increased our reported AUM by $1.4 billion and had a positive impact on our core net management fee revenue. However, the strengthening of sterling against the US dollar also contributed to a partially offsetting increase in core costs of around $2 million compared with 2022.

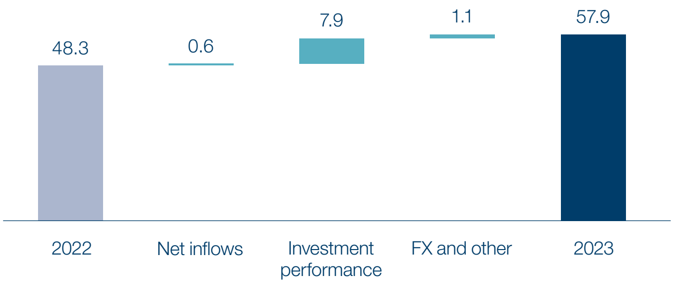
Assets under management

$bn		31 December 2022	Net inflows/ (outflows)	Investment performance	FX and other	**31 December 2023**	Change $bn	Change %
Alternative	Absolute return	46.0	2.3	0.2	(0.8)	**47.7**	1.7	4
	Total return	28.8	1.1	1.1	11.5	**42.5**	13.7	48
	Multi-manager solutions	20.2	(1.0)	0.5	(0.3)	**19.4**	(0.8)	(4)
	Total	95.0	2.4	1.8	10.4	**109.6**	14.6	15
Long-only	Systematic	31.6	(0.9)	5.4	0.4	**36.5**	4.9	16
	Discretionary	16.7	1.5	2.5	0.7	**21.4**	4.7	28
	Total	48.3	0.6	7.9	1.1	**57.9**	9.6	20
Total		143.3	3.0	9.7	11.5	**167.5**	24.2	17

Alternative AUM ($bn)



Long-only AUM ($bn)



Absolute return

The increase in absolute return AUM was driven by net inflows of $2.3 billion, primarily into Man Institutional Solutions and AHL Alpha, partially offset by outflows from GLG Event Driven. Positive absolute performance of $0.2 billion was driven by a number of strategies in the product category, in particular AHL Evolution and GLG UK Select, partially offset by negative performance in American Beacon AHL Managed Futures.

Total return

Total return AUM increased by $13.7 billion, driven by the Varagon acquisition which added $10.8 billion to the category. Net inflows of $1.1 billion were primarily into Alternative Risk Premia and the launch of new CLOs. Positive absolute performance of $1.1 billion was primarily due to gains in AHL TargetRisk, reflecting its long-only exposure to fixed income and equity markets.

Multi-manager solutions

The decrease in multi-manager solutions AUM was primarily driven by net outflows of $1.0 billion, partially offset by positive absolute performance of $0.5 billion, largely from infrastructure mandates.

Systematic long-only

Systematic long-only AUM increased by $4.9 billion, driven by positive absolute performance of $5.4 billion across all strategies in the product category.

Discretionary long-only

Discretionary long-only AUM increased by $4.7 billion. Net inflows of $1.5 billion were primarily into our credit strategies GLG Sterling Corporate Bond, GLG High Yield and GLG Global Investment Grade Opportunities. Positive performance of $2.5 billion was driven by a number of strategies, reflecting exposure to a broad range of markets.

Revenue

Growth in management fee revenue was offset by lower performance fee generation, leading to a decrease in statutory net revenue from $1,727 million in 2022 to $1,194 million in 2023. Core net revenue similarly decreased from $1,696 million to $1,196 million.

	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 2023	Year ended 31 December 2022	**Year ended 31 December 2023**	Year ended 31 December 2022	**Year ended 31 December 2023**	Year ended 31 December 2022	**Year ended 31 December 2023**	Year ended 31 December 2022
Absolute return	**526**	515	**112**	112	**544**	526	**114**	114
Total return	**208**	201	**64**	63	**294**	177	**69**	61
Multi-manager solutions	**34**	34	**17**	20	**33**	38	**17**	19
Systematic long-only	**81**	75	**24**	25	**91**	77	**25**	24
Discretionary long-only	**110**	102	**59**	57	**125**	99	**58**	59
Other service income[1]	**4**	–	**n/a**	n/a	**n/a**	n/a	**n/a**	n/a
Total	**963**	927	**63**	65	**1,087**	917	**65**	64

[1] Other service income included in core net management fees is earned on an absolute basis rather than as a margin on AUM.

Management fees

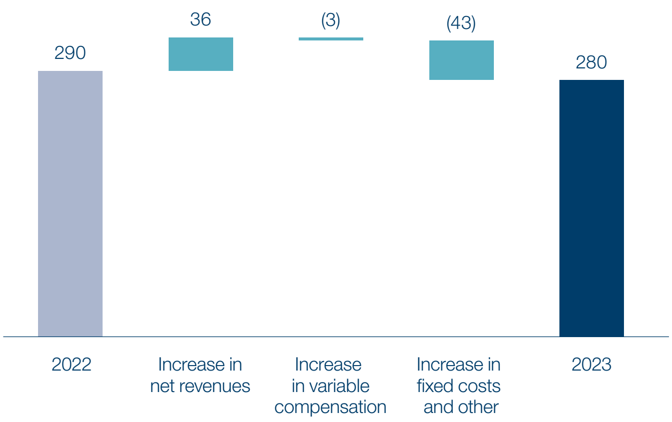
Core net management fee revenue increased by 4% to $963 million in 2023 (2022: $927 million), driven by higher average AUM and the acquisition of Varagon. Net management fee margin decreased from 65 basis points in 2022 to 63 basis points in 2023, driven by higher average AUM in low margin multi-manager solutions and systematic long-only strategies following strong net inflows in the second half of 2022. This was partially offset by the addition of Varagon, which attracts a higher margin, and an increase in average AUM from positive investment performance in absolute return strategies.

The absolute return net management fee margin remained at 112 basis points, as the mix shift towards higher margin Man Institutional Solutions mandates was offset by a decrease in average AUM in higher margin AHL Diversified. The total return net management fee margin increased by 1 basis point to 64 basis points, as the addition of higher margin Varagon AUM was partially offset by higher average AUM in lower margin AHL TargetRisk. The multi-manager solutions net management fee margin decreased to 17 basis points in 2023 from 20 basis points in 2022 as a result of the ongoing shift towards infrastructure solutions from traditional fund of funds. The net management fee margin of systematic long-only strategies decreased from 25 basis points to 24 basis points due to margin pressure and mix effects at the product level in recent years. Discretionary long-only margins increased from 57 basis points in 2022 to 59 basis points in 2023 due to strong performance in higher margin GLG Japan CoreAlpha.

Run rate core net management fee revenue was $1,087 million at 31 December 2023 (2022: $917 million). The increase in the year was largely as a result of the acquisition of Varagon and the increase in AUM in absolute return, total return and long-only strategies.

The run rate net management fee margin at 31 December 2023 was 65 basis points compared with 64 basis points at 31 December 2022, largely as a result of the acquisition of Varagon in the second half of the year positively contributing to the run rate margin at 31 December 2023 when compared with the margin in the year. Other movements in the run rate margin for individual strategies were broadly driven by the same factors as those impacting actual margins in the year.

Core management fee profit before tax ($m)



Performance fees and investment gains and losses

Core performance fees for the year were $180 million (2022: $779 million), including $163 million from alternative strategies (2022: $761 million) and $17 million from long-only strategies (2022: $18 million). We have strong performance fee optionality and diversity, with 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 gains on investments of $48 million (2022: losses of $15 million) were generated by mark-to-market gains across our seed book, including $17 million from our CLO holdings.

Rental income

Core rental income was broadly flat year-on-year. The sub-leases we signed in 2023 for a substantial portion of the vacant space in our London office and the extension of leases with one of our existing sub-tenants reduce future rental income, depreciation and occupancy costs. Following the derecognition of the associated portion of our right-of-use lease assets we recognised a gain on disposal of $12 million, classified as a non-core item.

Chief Financial Officer’s review continued

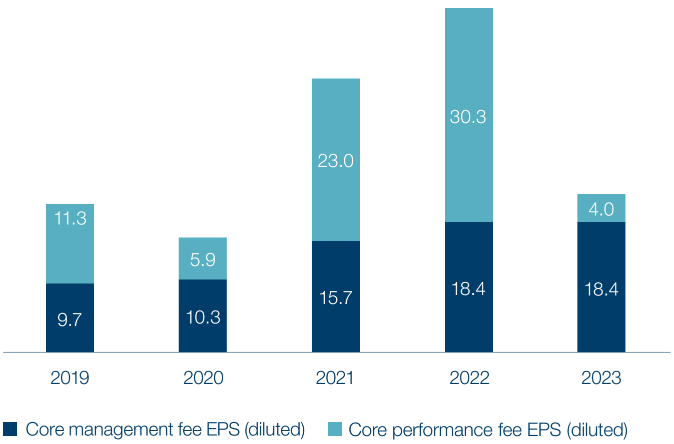
Costs

Asset servicing
Asset servicing costs vary, predominantly depending on transaction volumes, the number and mix of funds, and fund NAVs. Asset servicing costs were $58 million (2022: $58 million), which equated to around 5 (2022: 5) basis points of average AUM[1].

Compensation costs
Core compensation costs were $595 million for the year, down by 12% from $678 million in 2022 due to lower performance fees decreasing the associated variable compensation. Our compensation ratio is 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 increased to 50% in 2023 from 40% in 2022, reflecting the decrease in performance fee revenue generated in the year.

Other costs
Core other costs, which exclude acquisition-related costs and amounts incurred by consolidated fund entities, increased to $179 million in 2023 from $170 million in 2022, primarily as a result of an increase in staff benefit costs. The strengthening of sterling against the US dollar also contributed to the increase as the majority of our cost base is denominated in sterling.

Core earnings per share (diluted) (¢)



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 currently has a lower rate than the UK. Tax on statutory profit for the year was $45 million (2022: $137 million). The recognition of a significant portion of our accumulated US losses as deferred tax assets as a result of the Varagon acquisition drove a decrease in the statutory effective tax rate from 18% in 2022 to 16% in 2023. This mitigated the increase in the UK statutory tax rate from 19% to 25% on 1 April 2023. This increase in the UK tax rate led to an increase in the core tax rate from 17% in 2022 to 20% in 2023.

In the US, we have accumulated tax losses and tax-deductible goodwill and intangibles of $89 million (2022: $82 million) which can be offset against future US profits, thereby reducing taxable profits. We have recognised $86 million of the available $89 million US deferred tax assets at 31 December 2023 (2022: $64 million and $82 million respectively) as the portion of state and city tax losses expected to expire before utilisation has reduced following the Varagon acquisition. 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 do not currently expect to pay federal tax on any profits we may earn in the US until 2026.

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. The global minimum tax rate due to come into effect in 2024 is not expected to result in significant top-up taxes becoming due.

Profit

Statutory profit decreased from $608 million in 2022 to $234 million in 2023, with core profit decreasing from $647 million to $271 million over the same period. The decrease in profitability led to a decrease in statutory EPS (diluted) from 45.8¢ in 2022 to 19.4¢ in 2023 (48.7¢ and 22.4¢ respectively on a core basis), with the reduction partially offset by a decrease in share count as a result of the $223 million of shares repurchased during the year.

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 $362 million for the year.

As at 31 December 2023, our cash balance, excluding amounts held by consolidated fund entities, was $180 million.

$m	**Year ended 31 December 2023**	Year ended 31 December 2022
Opening available cash and cash equivalents	**349**	323
Core cash flows from operations excluding working capital movements	**362**	810
Working capital movements (excluding seeding)	**(132)**	(65)
Working capital movements – seeding	**119**	(52)
Acquisition of subsidiaries, net of cash acquired	**(170)**	–
Dividends paid	**(181)**	(179)
Share repurchases (including costs)	**(223)**	(386)
Drawdown of revolving credit facility	**140**	–
Other movements	**(84)**	(102)
Closing available cash and cash equivalents	**180**	349

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[1] Excludes systematic long-only and private markets strategies.

Balance sheet

We have a strong and liquid balance sheet. The acquisitions of Varagon and Asteria in the year, together with the decrease in performance fee revenues net of variable compensation costs, resulted in a decrease in available cash and cash equivalents net of borrowings.

$m	**31 December 2023**	31 December 2022
Available cash and cash equivalents	**180**	349
Seeding investments portfolio	**595**	688
Borrowings	**(140)**	–
Contingent consideration payable	**(3)**	–
Put option over non-controlling interests	**(9)**	–
Put option over rollover interests	**(23)**	–
Payables under repo arrangements	**(45)**	(54)
Net financial assets	**555**	983
Other tangible assets and liabilities	**227**	39
Net tangible assets	**782**	1,022
Goodwill and intangibles	**830**	677
Shareholders' equity	**1,612**	1,699

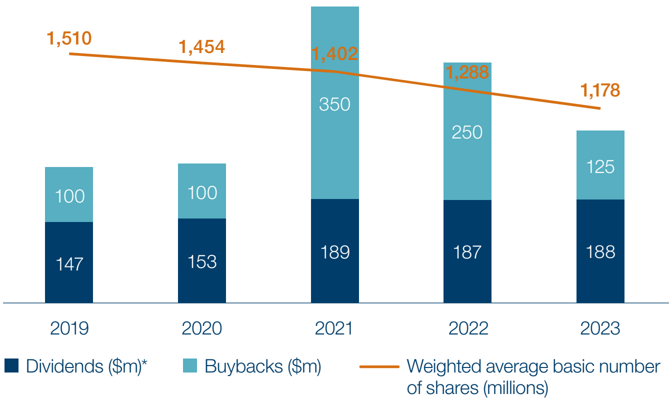
Seed investments

We use our balance sheet to invest in new products, aiming to redeem as client AUM in the funds grows. At 31 December 2023, our seed investments were $595 million, a decrease from $688 million at 31 December 2022. $45 million were financed via repos (2022: $54 million). In addition, we held $230 million of total return swap exposure at 31 December 2023 (2022: $138 million), allowing us to maintain our seed portfolio exposure without tying up large portions of our cash balances.

The statutory consolidation of a number of our CLOs results in a significant gross-up of assets and liabilities in the Group balance sheet. Our maximum exposure to loss associated with interests in our CLOs is limited to the investment in these CLOs, as reflected in the seeding investments portfolio balance, which excludes the impact of this gross-up.

Capital management and shareholder returns

Shareholder returns



* Amounts shown are on a paid basis except for the final 2023 dividend, which is on an announced basis.

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 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 repurchases. In 2023, we completed the two $125 million share repurchases announced in December 2022 and March 2023.

The Board is proposing a final dividend for 2023 of 10.7¢ per share, which together with the interim dividend of 5.6¢ per share equates to a total dividend for the year of 16.3¢ per share, representing an increase of 4% on 2022. 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.

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 ensure we maintain a prudent balance sheet at all times by taking into account liquidity 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 $0.9 billion of share buybacks. As a result, our weighted average share count has decreased by 22% to 1,178 million over that same period.

Our revolving credit facility was renewed in December 2023 and extended to $800 million. It matures in 2028, providing additional liquidity. We have maintained prudent capital and available liquidity throughout the year, deploying our capital to acquire a controlling interest in Varagon and Asteria and 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.

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. As part of our ongoing commitment to reduce our carbon footprint and to reach net zero by 2030, we seek to minimise the carbon emissions of our office premises, be thoughtful around inter-office travel or use lower-carbon modes of transport where possible, and proactively plan for our ambitions in the future. Under our strategy, we continue to embed targets to reduce our Scope 3 carbon emissions from business travel into our annual budgeting process. Further detail on our carbon emissions targets can be found on page 51.

The directors do not expect potential climate-related impacts to be material on the Group financial statements 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 joined up 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. 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 (ARCom) and the Executive Committee, as summarised in the diagram below.

The risk management framework and internal control systems, which have been in place throughout 2023 and up until the date of this report, comply with the Financial Reporting Council's (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 the ARCom – all contributions came from the relevant business function or system, incorporating BAU challenge and review. 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 ARCom receives regular reporting on Man Group's risk profile and adherence with risk appetite and provides regular updates to the Board. During the year, the Board reviewed and approved the annual refresh of Man Group's risk governance framework, principal risks register and risk appetite framework. There were no material changes to the risks and risk tolerances of the business. However, balance sheet FX risk was removed from the register based on materiality following an accounting/hedging policy change in 2022. 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. Implementation is delegated to certain committees which provide assurance back to the Board that risk has been managed according to its appetite.

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 88 to 95 for further detail).

Executive Committee (ExCo)

The 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 Head of Non-Financial Risk.

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

Developments in 2023

The acquisition of Varagon, a specialist middle-market direct lender, brought Man Group AUM to its highest ever level. Varagon further diversifies our product offerings, client base and income stream, and brings the stability of a private market investment product. In addition to Varagon we have seen good net inflows, growth on our long-only range through market beta and growth in USD-equivalent AUM due to FX moves. Overall, AUM grew by $24.2 billion in 2023, as described on page 24.

While our focus is on continuous innovation and diversification of offerings, investment underperformance of our existing products remains the biggest risk facing Man Group. 2023 continued to display challenging and fragile markets with ongoing high inflation and uncertainty over the direction of interest rates. This was against a backdrop of growing global geopolitical risk including Russia/Ukraine, Israel/Gaza and China/Taiwan. The March banking crisis is a manifestation of these fragile markets abruptly adjusting to the higher rate environment (see spotlight box below).

Markets in 2023 were characterised by rising equities and falling-then-rising bonds but also high volatility linked to the March banking crisis, central bank activity and economic data surprises. This was a difficult environment for trend-following strategies and these did not deliver the strong performance seen in the last two years. In line with peers, the performance has been volatile but ended the year with marginally positive absolute performance. Our long-only equity strategies the majority of which outperformed their benchmarks, also carried a beta to the rising markets. Credit and equity alternatives strategies have had a mixed and broadly positive year while the TargetRisk strategies have seen a recovery of last year's losses on the back of equity performance.

The muted performance of trend-following strategies led to core performance fees being down 77% compared with 2022 and 68% compared with 2021, two particularly strong years.

Supporting the development of new products is an important way to grow and diversify future revenues and we continue to utilise our balance sheet to support the firm's seeding programme. There have been 14 new investments in 2023 spanning Man Group's investment managers. The core seeding book, net of benchmark hedges, performed well in 2023, and we also saw a reversal of 2022 mark-to-market losses on our CLO risk retention positions.

The UK/EEA sub-group is regulated on a consolidated prudential basis by the FCA. The first Internal Capital Adequacy and Risk Assessment (ICARA) submission under the new Investment Firms Prudential Regime (IFPR) was as of 31 December 2022. The updated process has not changed our universe of principal risks and how we manage them, nor has there been a material change in the regulatory capital or liquidity requirements of our sub-group. However, the regime has brought a useful 'harms' focus into our risk governance framework and requires us to focus on the risks of five regulated entities within the UK/EEA sub-group as well as the consolidated group itself.

In late 2022 we went live with a new operational risk system, with the first phase focused on providing powerful reporting and analysis capabilities to the first-line risk owners around risks, controls, events, issues and indicators. Work in 2023 has focused on business continuity and operational resilience (see spotlight box on page 30).

Geopolitical tensions and advances in AI 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.

Spotlight: March 2023 banking crisis – counterparty and liquidity risk

In early March three US regional/specialist banks failed over five days, with another acquired in May to avoid a similar fate. US regulators needed to step in to ensure that deposits would be honoured. Later in March Credit Suisse, faced with rapid and unsustainable deposit withdrawals, was bought at a material discount by UBS in a deal brokered by the Swiss central bank.

These events highlight the fragility of financial markets linked to the 2022 interest rate rises, bank liquidity duration mismatches and a crypto exchange fraud. They also underscore how rapidly banks can fail: in sharp contrast to the bank runs in 2008, clients can transfer out their funds in minutes and social media fuelled the panic.

In line with the Board's risk appetite Man Group takes a conservative approach to counterparty selection and seeks to minimise and diversify counterparty risk. Man Group and its funds had no direct counterparty exposure to any of these US regional banks, nor were we impacted by any third-party exposures. Following the Credit Suisse issue with Archegos two years earlier, Man Group decided to migrate all prime brokerage activities to two other banking partners over the course of 2021/22. By March 2023 we held a handful of bespoke over-the-counter positions with a low net default exposure, which were all closed out or novated.

The banking crisis brought extreme volatility to the short-dated interest rates markets. These moves resulted in large losses for our (and peer) trend-following funds which had built up a large rates risk position. The quantitative models automatically cut the positions meaning we needed to trade out of a significant volume. Despite this, we had no issues accessing market liquidity during the de-risking, albeit at wider spreads.

Risk management continued

Spotlight: Business continuity and operational resilience

In recent years we have seen more disruptive events impacting specific industries/regions that are global in nature, such as the pandemic, wars, cyber-attacks, bank collapses and energy shortages. Regulators have asked firms to assess their operational resilience by ensuring they expect disruptions to occur and focus on preventing them from negatively impacting clients, markets and the financial system.

Over the last 18 months the Operational Risk & Resilience team have transitioned Man's Business Continuity (BC) framework to a service led model which provides a common lens through which we can bring together the best elements of BC and business impact analysis. The move not only fundamentally improves our ability to understand Man Group's services and how we support their recovery in response to a crisis, but also to lay core foundations that underpinned new operational resilience frameworks delivered in December 2023.

The BC and resilience data is held in a customised tool that supports workflow and visualisation of service mappings. The tool uses golden source systems for people and technology data and facilitates the concept of 'Dynamic Service-Led Business Continuity Plans' that can be run in seconds, utilising the most current data to assist management during an incident or scenario testing. This new approach provides better understanding of key resources that underpin the services we deliver and enables us to address how to respond if these resources are not available.

Resilience is a journey and each scenario we manage is an opportunity to develop and mature the firm's response to crisis management. We will continue to adapt our frameworks accordingly.

Assessment of principal risks and uncertainties

Given its wide range of investment products and strategies, Man Group manages a broad spectrum of business, credit, liquidity, market, operational and reputational risks and uncertainties, 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 and uncertainties 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 core risk profile has not changed materially in 2023. However, integration risk arises from the Varagon and the smaller Asteria transactions. Integration workstreams are focused on aligning systems and processes with the appropriate risk appetite. The broader integration risks come from failure to align cultures or not being able to grow or develop products and services for existing and new clients.

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 and uncertainties 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. The risks are linked to each of Man Group's strategic priorities. These will be reviewed in 2024 and aligned to the evolving strategy introduced in the CEO Statement.

	Risk	Mitigants	Status and trend	Change
Business risks				① ② ③ ④
Investment performance and net redemptions	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, which now includes Varagon, limits the risk to the business from underperformance of any particular strategy or market.	Overall performance in 2023 has been mixed given the fragile and volatile markets and the geopolitical backdrop: trend-following strategies were marginally positive; credit and equity alternatives strategies were mixed but generally positive; long-only equity strategies carried a beta to rising markets and generally outperformed their benchmarks; and our TargetRisk product range saw a recovery of 2022 losses. In addition, the Varagon acquisition brought a material AUM boost and FX moves led to an increase in AUM for non-USD funds or share classes. Our largely institutional client base has shown continued interest in our product offerings which led to net inflows. A discussion of Man Group's investment performance is included on page 17.	▶

Link to strategy

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

	Risk	Mitigants	Status and trend	Change
Business risks continued				① ③ ④
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 2023, including the leave of absence of our deputy CEO, the retirements of our CEO and Chair of the Board, the transition to their in-house replacements and a subsequent ExCo reorganisation.	▶
Credit risks				① ② ③ ④
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.	The March banking crisis highlights the benefit of our conservative approach to counterparty selection and appropriate diversification in line with the Board's appetite. We had no exposure to the US regional/specialised banks and our net exposure to Credit Suisse at the start of the crisis was small but nevertheless closed out.	▶
Liquidity risks				① ③ ④
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.	An $800 million revolving credit facility, maturing December 2028 with two one-year extension options, 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 acquisitions of Varagon and Asteria, the balance sheet seeding programme and completion of two $125 million share buybacks in 2023 were planned and managed without issues. The revolving credit facility was extended and increased by $300 million, to $800 million, to cater for future growth opportunities and provide capacity for Varagon balance sheet loan origination, in place of their legacy facilities. The asset liquidity distribution across funds remained broadly unchanged. Our in-house liquidity analysis and reporting toolkit continued to evolve and now includes reverse stress testing. The banking crisis and geopolitical events later in the year led to a need to cut material positions in our trend-following funds – despite the large market participation, these were achieved without issues, albeit at a wider bid-offer spread.	▶
Market risks				① ③ ④
Investment book performance	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 CLO risk retention positions until the product maturity, and is currently participating in a US CLO Warehouse to facilitate a product launch. Varagon loan origination is a new balance sheet risk with similarities to CLO risks but much shorter term. 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 versus return and its commercial opportunity to Man Group. 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 size was stable over 2023 with 14 new seed positions offset by recycling of existing investments. However, the overall risk has increased with the addition of two equity CLOs. The pure seeding book returns were positive, with the benchmark hedges performing as intended in the volatile markets. Additional gains came from reversal of prior year losses on our CLO risk retention positions. We extended the use of repo and swap financing on some of the CLO and seed positions by bringing on a new counterparty. Although external financing is more costly in higher rate environments, this released balance sheet liquidity.	▲

Risk management continued

	Risk	Mitigants	Status and trend	Change
Market risks continued				① ③ ④
DB pension performance	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. This could come from underperformance of return seeking assets or changes in expected member longevity assumptions.	The UK pension plan has a low net exposure to UK interest rates and RPI inflation though the use of Liability-Driven Investment (LDI) funds. The return-seeking assets are low volatility and have a low correlation to directional equity markets. Longevity is the largest risk but is uncorrelated to Man Group's other risks. The plan is operated separately from Man Group and managed by independent trustees, including investment decisions.	The scheme remains in surplus on both an accounting and actuarial basis with no further challenges arising from the use of LDI funds with UK rate movements. Whilst the cost of an insurance buyout of the scheme remains in excess of our appetite, the LDI hedges have been calibrated to position the portfolio towards a future buyout if the trustees deem appropriate. A triennial valuation will update the actuarial assumptions as of 2023 year-end.	▶
Operational risks				① ② ③ ④
Internal process failure	Risk of losses or harm resulting from inadequate or failed corporate or fund processes within Man Group, including employee-related issues.	Man Group's risk management framework and internal control systems are based on a three lines of defence model and have continued to operate during the year. Risks and controls are reassessed on an ongoing basis and in the event of material change, 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 2023.	▶
External (third-party) process failures	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, including bankruptcy, 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 key outsourcing providers remain intentionally concentrated with a small group of carefully selected and proven names with which it has well established and embedded working relationships. There has been no notable increase or decrease in the number of material issues caused by, or experienced by, our outsource providers during 2023 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. Change management controls are applied to new models, model changes and calibrations. 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 2023.	▶
Information and cybercrime security	Risk of losses or harm resulting from the loss of information in electronic or hard copy form held by Man Group 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 evolving 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. Although we have not experienced any material issues in 2023, the increasing cyber risk assessment is fuelled by a multitude of factors including the rise of AI-driven phishing attacks via models like ChatGPT; the increasing risk of vulnerabilities in the supply chain; and the increasing impact and cost of cyber breaches.	▲
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. The single Technology team of 500+ professionals aligns 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 the enrichment of the trading and operations platform, including the centralisation of order management. Annual combined disaster recovery exercises have been conducted across key trading applications which were switched to run from our back-up data centre.	▶

	Risk	Mitigants	Status and trend	Change
Operational risks continued				① ③ ④
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 with (or have adequate procedures to ensure compliance 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 a framework consisting of policies, procedures and regular training to staff to support compliance with applicable laws and regulations. Internal policies, processes and controls are subject to regular review and consultation internally and with external advisers to ensure we remain well placed to manage evolving requirements. Support, independent oversight and challenge is also being provided by Man Group's Compliance and Financial Crime teams.	Man Group continues to strengthen and adapt its control environment to monitor and meet the challenges of an evolving regulatory environment with heightened sanctions and enforcement actions. No material incidents were seen in 2023, and the firm complies with all sanctions, including those relating to the Russian invasion of Ukraine.	▶
Legal, compliance and regulatory	The breadth and complexity of the regulations and legislative requirements that Man Group and its funds are, or were historically 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, 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 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. The governance framework includes ongoing proactive reporting and management of potential and actual legal and litigation 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 2023 this included further embedding 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. The SEC Private Fund Advisor Rules will be a focus area for 2024. Man Group maintained an open dialogue with regulators throughout 2023 and work continues on a number of regulatory initiatives.	▶
Reputational risks				① ② ③ ④
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
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. By definition, these entail greater uncertainty about if or when the risk or an event may manifest. 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 Committee and risk teams 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.	Emerging risks are now reviewed and discussed by the Board on a six-month cycle. The key themes this year were heightened geopolitical tensions (Russia, Israel/Gaza, China, the US and the UK), the continued fragile state of financial markets (volatility, liquidity, interest rates) and the potential impact of AI models and their misuse. No changes were made to Man Group's headline principal risks.	▲

Risk management continued

	Risk	Mitigants	Status and trend	Change
Climate change risks				①②③④
Physical risks	Physical risks, and specific event uncertainties, 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, and timing uncertainties, 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.	Man Group met its 2023 emissions targets and work continues in line with our pathway to net zero by 2030. This includes a 'Building Performance Optimisation review' of our London headquarters and work to become ISO 14001 accredited by the end of 2024. We saw a significant reduction, compared to our 2019 baseline, in the weighted average carbon intensity (WACI) for our AUM subject to Net Zero Asset Managers initiative (NZAMI) interim targets. We monitor progress against our NZAMI target and report annually via the UN-backed Principles for Responsible Investment.	▶
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 2023 we continued to expand our ESG analytics toolkit including a Man Group proprietary carbon dataset, integrating Paris alignment data and the inclusion of green bond funding. We now have 39 Article 8 and 9 products. Our operations and ability to work effectively was not materially impacted by the summer heatwaves across the US and Central and Southern Europe, with the majority of employees working remotely.	▶

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. We address climate-related risks and opportunities in the following ways:

1. Ensure that we are at the forefront of delivering 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.

The firm has articulated its climate change risks using existing risk identification processes: from the bottom-up the Risk and Control Self-Assessment (updated at least annually) has identified short-term risks by business area, while the top-down (semi-annual) emerging risks assessment identifies medium- and long-term Group-wide 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. The threshold and downside scenarios will evolve over time and in line with the consensus path to a 1.5°C or 2°C scenario. 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 39 Article 8 and 9 products. 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 and uncertainties 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, however they also present significant investment opportunities. Some of these risks are already being mitigated through ongoing investment in collaboration technology and flexible working, and 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 fund performance could be impacted by fundamental moves in underlying asset prices or liquidity. The firm has continued to enhance its 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, with associated high uncertainties, 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 and our approach to corporate sustainability and responsible investing are discussed on pages 46 to 61, This includes an outline of our pathway to net zero for both our workplace (page 48) and investment portfolios, aligned with the NZAMI (page 53). Our support of the Task Force on Climate-related Financial Disclosures (TCFD) is outlined on pages 62 to 64 and our stewardship role in relation to responsible investment is discussed on pages 57 and 58.

As our understanding of climate-related risks and opportunities evolves and we develop a better understanding of the interdependencies between climate factors and their impact on our business, we will continue to refine our strategy.

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, and driver of uncertainty for, 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 2026. 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 uncertainties 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. We continue to review this assumption on a regular basis.

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 financial risk, non-financial risk, finance and Internal Audit. The principal risks are considered within the Board's risk appetite framework.

As a people business, our priority is to hire world-class talent across the firm. Our culture of innovation, together with our commitment to diversity, equity and inclusion, allow us to create an environment where everyone has the opportunity to reach their full potential.

The acquisition of Varagon Capital Partners has added to our credit capabilities and the breadth of the talent we have across the firm. By bringing together expertise from multiple technical and investment disciplines, we are better able to deliver solutions that address our clients' most complex problems.

Talent+ Solutions

+ For more information, please visit: www.man.com/careers

85+

Number of investment strategies

500+

Number of investment professionals

$28.1bn

AUM in credit strategies

A deep and diverse pool of talent

We seek to attract, develop and retain the best talent. Our emphasis on inclusion, collaboration and engagement enables us to drive performance through diversity of thought, combining our range of expertise in unique ways.

We remain committed to an inclusive workplace where our colleagues are supported and equipped with the tools they need to develop and thrive. Our culture is strong and distinct within our industry; it enables us to attract and retain talent, to innovate and build our competitive advantage, and to deliver better outcomes for our clients and other stakeholders.

Man Group's total headcount, including contractors and consultants, has increased from 1,682 at 31 December 2022 to 1,816 at 31 December 2023, a large increase this year following the acquisition of Varagon Capital Partners. We continue to operate an agile working model that enables us to access new pools of talent, support well-being and maximise productivity.

Collaboration and engagement

Our culture of collaboration underscores our ability to find answers to complex problems and demonstrates the value of working together. We pride ourselves on our willingness and drive to learn from each other every day. We monitor employee engagement and retention actively to ensure that we are holding ourselves to account to deliver on our key objectives. Our annual employee engagement survey, alongside our employee engagement programme led by the Man Group Board, ensures our people can contribute their thoughts, ideas and feedback regularly. In 2023, we achieved an employee engagement score of 8.1 out of 10 and our voluntary attrition rate reduced further (from 10.7% in 2022) to a low of 7%.

Talent acquisition and equal opportunities

We remain committed to hiring the best talent from around the world and have grown our headcount by 26% over the last five years. Following the in-sourcing of our global recruitment efforts at the start of 2022, we have seen a steady growth in direct hiring. We also welcome candidate referrals from our staff. Those interacting with the talent markets on our behalf have a strong grasp of our culture, support our ambition to continue to diversify our talent pipeline and are well placed to identify candidates who are likely to thrive at Man Group.

We are committed to providing equal employment opportunities, and do not tolerate any discrimination, whether on the grounds of age, disability, gender, gender identity, race, religion, sexual orientation or educational background. Full and fair consideration is given to all employment applications, including from disabled people, considering their aptitudes and abilities, with candidates encouraged to tell us if they require reasonable adjustments to the process, for example due to disability or neurodiversity. We ensure that disabled people are fairly treated in respect of training and career development. For those who become disabled during their employment, reasonable adjustments are made and the required ongoing support is provided to enable the individual to continue working.

We continue to prioritise building a junior talent pipeline via entry-level programmes, including work experience opportunities, our apprentice programme, and our intern and graduate programmes. This year, in the UK,

Nationalities
70+

Quants and technologists
675+

2nd most used language
Python

Discretionary investment professionals
110+

> We know that junior talent is incredibly important for our business and we design our internship and graduate programmes to ensure they challenge and inspire those taking part, as well as ensuring support for the various business units in which they are placed.

Angus Jacobs | Head of Talent Development as well as visiting individual schools and universities, we continued to work with City Gateway, #10,000BlackInterns, IntoUniversity, GAIN (Girls Are INvestors), and SEO London. In New York, we have partnered with the UNCF Lighted Pathways Program. We also recognise the importance of enabling experienced talent to return to work and drive this initiative forward through our Returners programme.

Talent development

Our talent development strategy is a fully established, core part of our business. We have the processes, technology, products and services that enable us to maximise the potential of our people. We provide career development and performance support to staff at all levels and in 2023, 91% 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 each employee every six months. The data and insights from this process are part of our bi-annual talent and succession planning reviews, which are shared with and assessed by our Executive Committee. These reviews, alongside targeted initiatives, create equitable opportunities for talent progression and ensure that we have a bench of future leaders ready to take on broader leadership roles across the firm. We continue to invest in our in-house coaching capabilities to provide top performers with the support necessary to optimise their performance. In 2023, a significant portion of our identified top talent benefited from structured coaching in addition to other development initiatives available to all staff.

We are committed to continuously enhancing the learning and development offering available to our staff. Our 'Investment Insights' series has shared the unique perspectives and philosophies of our best discretionary investors with other investment professionals. Our in-house 'Evolve' programme equips employees with an introduction to the hedge fund industry, helping them to build a strong foundational knowledge of hedge funds and a better understanding of clients' needs and perspectives. Our <develop> programme is Man Group's response to the digital skills gap and offers our staff the opportunity to improve their technical competencies. Since inception, it has taught 304 employees to code in Python and has upskilled 477 employees in total through the more advanced courses. In addition, at any one time, around a third of our workforce is actively engaged in mentoring.

This connected approach also allows us to champion and facilitate internal mobility. In 2023, more than 200 employees were internally mobile due to robust succession planning and notably we were able to internally fill positions following the retirement of Man Group's CEO, as well as the subsequent changes to our Executive Committee.

Remuneration and reward

We aspire to be competitive in the markets in which we operate, and our remuneration strategy and extensive benefits platform is an integral way to retain and reward our people. Remuneration includes a combination of salary, annual performance bonus and deferred awards, alongside a comprehensive range of non-cash benefits. Our deferral arrangements are a key mechanism to focus our employees on long-term performance, aligning their interests with those of our clients and shareholders. During 2023, 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 100 to 123 for the Directors' Remuneration report.

+ Teaching <develop>

Q&A
Sharleen Hussey

Engineer, Front Office Engineering

Q: What value has <develop> brought to our people?

A: <develop> offers a wide range of courses for staff at all levels and across all business units at Man Group. The courses vary in duration from half-day sessions through to multiple weeks. They also range in complexity, starting with 'Python 101' for complete beginners, which covers programming fundamentals and the benefits of automation, all the way through to 'Quant Stats for Finance' where Python is used as a tool for simulations, risk analysis and portfolio construction. Our experienced developers teach these courses and we also include subject matter experts from relevant departments to cover more advanced topics. <develop> is a flexible programme that can be tailored to individuals' needs and we are always adding to the programme to ensure our people stay up to date as technology evolves. Staff who have 'graduated' from courses have implemented significant operational improvements across the business, which include process automation and additional data analytics.

Q: How can employees take part?

A: Anyone can register – from any location or business unit. We also run courses for departments and other groups; for example, we ran a course for our BEAM network and another tailored to our Central Trading team's requirements. A personal highlight, however, was a course for our Middle Office Accounting team, which was specifically designed to cover automation of daily processes. We run <develop> tech talks regularly which feature use cases from teams or individuals across our business, where automation has succeeded in optimising workflow.

People and culture continued

+ Encouraging talent

Q&A
Shyam Mamtora

Analyst, Discretionary Middle Office, Product and Client Operations

Q: Why is our school outreach programme important?

A: I really enjoy my role at Man Group and I am keen to spread the word far and wide about the breadth of opportunities in the sector. By informing students about these career paths, we provide them with the opportunity to spark an interest that could last a lifetime. I welcomed the chance to run our workshop called the 'Trading Game', which is one of the many programmes we use with students. It makes them think about investing: what they might buy and sell, and when. I like working with students, asking them how they arrived at their decisions and of course, revealing the results!

Q: How do you use your volunteering days with the school outreach programme?

A: All staff are given two 'ManKind' volunteering days to support causes that are important to them. The time can be broken into hours, if needed, or used as a day. In 2023, I used one of my ManKind days to run an 'Insight Day' for students from Warwick University's Asian Society. We had 30 students come into our London office for a tour, to listen to presentations on Man Group's investment engines and to learn more about career opportunities. I am grateful for the opportunity to combine my passion of giving back to the community, whilst also representing the firm and what it has to offer.

Diversity, equity and inclusion

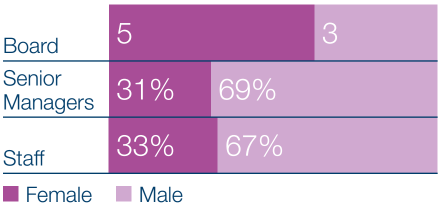
Our 'Drive' programme remains focused on 'grassroots' initiatives and is run by our employees and sponsored by members of our Executive Committee. The programme ensures that our people can feed back thoughts and ideas and contribute to our work, both internally and externally, helping to drive change within our firm and across the industry. Drive is overseen by our diversity, equity and inclusion (DE&I) Steering Committee, which ensures representation of staff from across our business and around 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 and allies)
- SANAM (South Asian Network at Man Group)
- Amigos de Man (our network for our Latin and Hispanic employees and allies at Man Group)

During 2023, we launched a new Amigos de Man network for our Latin and Hispanic communities. We also launched a new workstream for our Jewish employees and allies, which joins existing workstreams focused on our younger professionals (NextGen), Social Mobility, Veterans, Neurodiversity and Disability.

Inspiring the next generation

We are dedicated to promoting a career in finance to young people from all backgrounds and, as such, have expanded our school outreach programme during 2023. The programme offers career talks, workshops on the 'Art of Selling' and the 'Trading Game' to introduce the concept of investing, and Insights Days for school and university students. This past year, we held our first work experience week targeted at students aged 15, with a group visiting our office in London to learn about careers in the financial services industry. We have also welcomed to our offices in the UK and US groups from GAIN, the Women Societies Alliance (a group of women's societies from universities in the UK and Europe) and Rock the Street, Wall Street. Once again, we featured in the 'Skills Workshop' run by #TalkAboutBlack, which was broadcast across universities to highlight internships and graduate programmes at Man Group.



Several of our senior leaders participate in the Speakers4Schools programme and we aim to combine their visits with relevant activities from our school outreach programme. We continue to partner with the King's Maths School in London (a specialist state-funded school for gifted mathematicians), providing career talks and mentoring. During the year, we held mentoring sessions with teachers at the school, and expanded our offering to others working for educational charities to support their learning and development as they inspire the next generation.

Championing gender equity and equality

Man Group supports the requirement for employers in the UK to calculate and publish their gender pay gap, and we have published our figures within our annual Diversity, Equity and Inclusion report. The data demonstrates the lower representation of women in investment management and senior management roles; we are committed to addressing this and continue to make significant efforts to do so. While we do not see a gender pay gap across similar roles, we continue to take action to foster better gender diversity across the firm.

During 2023, we appointed our first female CEO and the first female Chair of our Man Group Board. More than half of our Board is female, and we continue to have a female Chair of both the Audit and Risk Committee and the Remuneration Committee. Man Group has been a signatory to the Women in Finance Charter since 2018, pledging to promote gender diversity, setting targets and reporting on progress. We achieved our target of 25% female representation in senior management during 2020 and at the end of 2023, we had 31% of women in senior management roles. As a result, we have met our target for 2024 a year early, and to ensure we keep challenging ourselves to improve, the Board approved a new, higher target of 32.5% of women in senior management roles for the end of 2024.

[1] Based on 1,790 FTEs and 106 senior managers.

We 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.

During 2023 we joined 100 Women in Finance and continued our sponsorship of GAIN. We also signed the Tech Talent Charter, championing the representation of diverse talent in technology roles. We have continued to support and contribute content to the Diversity Project's Pathway Programme, which has been set up to increase the number of female investment managers. We continued our partnership with Women Returners to support those returning to work following a career break.

We were proud to see our efforts recognised through industry awards in 2023. Maria Isaza, Head of Investment Operations at Man Group and co-chair of our WAM Network, was awarded Highly Commended in the 'Unsung Hero' category at Investment Week's Women in Investment Awards. Similarly, Marina Ebrubah, Global Head of KYC at Man Group and member of our DE&I Steering Committee, featured on the top ten list of the 'Future Leader' category at the 2023 Ethnicity Awards.

Focusing on allyship and inclusion

During 2023, our networks and workstreams came together to hold our third Allyship Week, which promotes the importance of being more supportive to our colleagues. We also came together in September to celebrate Inclusion Week. Alongside these two weeks, our networks and workstreams have held celebrations for International Women's Day, Black History Month in the UK and US, Diwali, Eid al Fitr, International Day of Persons with Disabilities and Hanukkah, to name a few. We have hosted events and shared perspectives, experiences and photos to educate each other and become better allies at work.

Working with the industry is also important to have a greater impact. We continue to be members of the Diversity Project and the DEI working group run by the Alternative Investment Management Association (AIMA). We are in the second year as a founding member of Progress Together, underlining our commitment to staff from lower socioeconomic groups. We are committed to our status as a Disability Confident registered employer and are working to achieve Level 2, as per the UK government scheme. During 2023, we have run training with Scope on 'Disability Inclusion and Accessibility'. We work with external initiatives where it complements our internal efforts and our continued work with PurpleSpace and Exceptional Individuals to provide subject matter expertise for our disabled and neurodiverse staff and their managers is a great example of that.

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.

Setting targets for ethnic representation

As a listed company, we welcome the Parker Review and its focus on improving representation of ethnic minorities at board and senior management level. During 2023, the Board approved a new target to increase ethnicity in senior management at Man Group to 15% by the end of 2027 and reported this to the Parker Review. As at the end of November, 87% of our staff had completed their ethnicity data (this percentage includes those who have chosen 'prefer not to say' and excludes the countries where we are unable to collect this data from our people due to jurisdictional restrictions). This new target works alongside our existing focus on building a diverse workforce and specifically, increasing the representation of ethnic minorities.

We have signed the Race at Work Charter and take part in initiatives run by Race Equality Matters. Our staff networks BEAM, SANAM and Amigos de Man champion engagement and awareness of the support that is available to their members to progress in their careers. Our staff have taken part in the Black Leaders Mentoring and Reverse Mentoring Programme run by the Investment Association in collaboration with #TalkAboutBlack, designed to help equip senior Black leaders with the tools and networks needed to achieve their professional goals. We have engaged with Black Women in Asset Management, EnCircle and several of our staff are ambassadors for the Race and Ethnicity workstream run by the Diversity Project. We have entered a second year of our partnership with Barrington Hibbert Associates, to champion our Black talent and increase representation within the industry.

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.

+ Learning from each other

Q&A
Solomon Kuckelman

General Counsel, Americas and APAC

Q: How do you learn from our DE&I programme?

A: I have had the opportunity to take part in a few events this year. I joined the panel for our AccessAbility workstream's celebration of International Day of Persons with Disabilities in December. The event was held to highlight Man Group joining the #PositivelyPurple campaign run by PurpleSpace (a corporate network to champion disability in the workplace). We sought to provide attendees with an increased awareness of disability and neurodiversity, both in the workplace and for those who are parents or carers of family members who are disabled or neurodiverse. It was a great opportunity to share experiences and learn from colleagues about the spectrum of needs and requirements, and how Man Group's resources can provide hugely helpful support. While we learn from speakers, I have learned just as much – if not more – from talking through shared and different experiences with other members of our team, and applying lessons learned in support of colleagues and my family at home.

Q: How can employees take part?

A: In addition to attending events and taking advantage of the firm's many available resources, I welcome the opportunity to contribute to the careers of my colleagues. I was really pleased to take part in the allyship programme for our WAM Network and I am excited to be part of its next stage as we approach Allyship Week in 2024.

People and culture continued

+ Promoting well-being

Q&A
Kate Elliott

People Partner, APAC

Q: Why is R U OK? day important?

A: R U OK? Day is a national day of action in Australia. It encourages everyone to start a meaningful conversation with those we care about and simply ask 'are you okay?'.

It's about encouraging everyone to reach out whenever they spot the signs of struggle in a colleague, friend or family member. By taking the time to ask someone if they are okay, and genuinely listening to the answer with an open mind, we can all help people feel supported and connected. It's important to ask people and encourage them to have an open discussion, before things get worse, or they approach crisis. The ethos behind the day is that a conversation could change a life.

Q: How can we reinforce this in the workplace?

A: In Australia, offices are often decorated and we host a breakfast or afternoon tea in the office, to come together with the subject at the top of our minds. Coming together is important as we know that when people have a sense of belonging, they are more likely to reach out for help when they are in need. In fact, I was lucky enough to celebrate this in our Sydney office and then again when I visited our Hong Kong office the following week! It also provides us with another opportunity to highlight our well-being resources and let people know who they can go to with questions or if they need to find help.

Flexibility and workspace

We have now embedded agile working globally and continue to follow the framework launched in 2021. We have made further updates to our office space in London during 2023, increasing the space in our wellness room and our facilities for those who cycle to work. We have added to our collaboration areas with a 'maker space' and games room. We continue to receive excellent feedback on the amenities at our workplace, whether for our mindfulness room, our music room, our mothers' room, or our campfire room (where we host mindfulness classes). We continue to adapt our workspaces and to prioritise flexibility wherever possible. Employees are appreciative of the flexibility provided by agile working, citing their improved ability to manage their time, be involved in family commitments and to consider the optimal work environment for different work activities. We continue our longstanding commitment to flexible working arrangements, which can include adjusted hours or part-time working, with no restrictions on the reasons for requesting these.

Support in the moments that matter

We support our people throughout the employee life cycle, recognising that they manage more than just work, and sometimes life can take unexpected turns or that certain life events need to take priority. We have worked hard to ensure our benefits and well-being provisions are competitive and regularly review and benchmark our platform. Our gender-neutral parental leave, our long tenure awards and the bespoke support we provide through fertility treatment, pregnancy loss and menopause are all examples of our commitment to the well-being and work-life balance of our employees.

> We have the courage to ask the difficult questions and listen and learn – we continually want to improve!
>
> **Lucy Bond** | Global Head of Sustainability

Number of parental leaves taken in 2023

Male	68
Female	38

Number of tenure award leaves taken in 2023

Male	29
Female	14

Community investment

Our people take pride in contributing to their local communities and charities through our ManKind programme.

ManKind, our global employee volunteering programme, encourages each member of staff to take two days' paid leave per annum to help in our communities. Our people have the flexibility to volunteer with a registered charity of their choice, a charity supported by the Man Group plc Charitable Trust (Man Charitable Trust) or the Man US Charitable Foundation. They may also use opportunities via local partners; in London, ELBA (the East London Business Alliance) connects us with opportunities and in the US, we work with Boston Cares and NY Cares.

Many departments have chosen to volunteer together, taking a day away from the office to contribute to their community as a team. For example, our Hong Kong SAR office has worked with a local project, 'Seeds', throughout the year, donating food parcels to the elderly and others in need.

Our Drive (DE&I) programme also promotes volunteering: in 2023, our work with Breaking Barriers (a charity supporting refugees back into the workplace) helped refugees with interview training. We formed the Man Group knitters (#the-knitwork) in 2023, who knitted squares for a blanket that was donated to The Nightingale Cancer Support Centre. The range of volunteering undertaken at the firm means our people from across the globe can participate in initiatives spanning virtual as well as in-person opportunities at Man Group's offices or 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 Initiatives, 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 that include: Brain Health Bootcamp, Junior Achievement, Publicolor, Read to a Child, and Rosie's Place.

The year concluded with our annual festive fundraising events, including a global festive clothing day on 14 December with participation across all our offices. Additionally, in the UK and the US, the Last Hour Appeal, which offers 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 £18,600 for MammaKind – a charity voted for by UK staff. In the US, we raised $2,840 for Read to a Child. We also participated in the UNCF Walk for Education in the US, where we raised a combined total of $10,000 from Man Group employees and the Man US Charitable Foundation.

During December, every employee was offered the opportunity to expense a £250 (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 99 staff participated during the year. The Man Charitable Trust also proudly matches independent fundraising by employees up to the value of £1,000.

> The ManKind programme enables us to make a real difference in our local communities. We are given two additional days' leave to donate our time but just one hour can help enact real change in someone's life. I am proud of how the programme continues to evolve so we can make the biggest impact possible with the time we are given.
>
> **Abby King** | Trustee, Man Charitable Trust

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

£250

Employees volunteering in 2023

400+

Our strength in technology and quantitative analysis means that we are in a prime position to understand the nuances and complexities that ESG datasets present. It helps us identify innovative responsible investment solutions to support the diverse investment objectives of our clients.

We also have a deep-seated culture of responsibility that extends across our firm; our commitment to minimising our climate-related impacts are core to our global ESG efforts and we continually challenge ourselves to review our standards to ensure we are the best that we can be.

Sustainability +Responsibility

+ 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

$59.3bn

of ESG-integrated AUM

3

proprietary
ESG technology tools

83%

of environmental shareholder
resolutions supported in 2023

Introduction

We are committed to running our company in a sustainable and responsible way as we seek to grow.

> We will uphold, promote and advance the highest standards of responsible investment and corporate sustainability.

Steven Desmyter | Man Group President

At Man Group, the responsibility to deliver for our clients is at the heart of everything we do. As we seek to implement our firm-wide strategic objectives, our overarching goal is to maximise long-term, risk-adjusted investment returns for our clients and the millions of individual savers and pensioners that they represent. We recognise that there is no single approach to sustainability. We understand that each of our clients has their own views on environment, social and governance (ESG) matters. Our commitment to Responsible Investment (RI) and Corporate Sustainability (CS) is fundamental to our corporate strategy, both as a listed company and in the services we offer to our clients around the world.

During the year, we continued to build our responsible investment capabilities; we launched a number of innovative ESG-integrated investment strategies and implemented new RI technological capabilities to provide our investment teams with additional support and to ensure compliance with the evolving ESG regulatory landscape.

Last year provided a challenging market backdrop for sustainable investors. Higher rates and poor performance of widely-held ESG stocks all contributed to a mixed year for ESG assets, in terms of fund performance and flows. Despite this, our ESG-integrated AUM grew to $59.3 billion as at the end of 2023, a 19% increase compared with 2022. We base our calculation of ESG-integrated AUM on the Global Sustainable Investment Alliance's 'ESG Integration' sustainable investment approach and further details of our methodology can be found on page 54. This metric is a non-financial KPI (see page 21) and is also one of the ESG-aligned metrics linked to executive remuneration (see page 119), reflecting our commitment to make continuous progress in this area.

We also continued to pursue a diverse RI research agenda and hosted our inaugural RI Summit in November, bringing together academics and investors to discuss how a data-driven approach to responsible investing can help to create a more sustainable future. In December, we also announced a partnership with the Columbia Center on Sustainable Investment (CCSI) to conduct research addressing how climate impact is defined and measured in fixed income and equity portfolios.

As a part of our firm-wide strategic objectives, our goal is to be recognised as a leader in providing climate-focused RI solutions to investors globally. Researching and developing innovative investment strategies and solutions that 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 (NZAMI), we are committed to attaining net zero emissions within our investment portfolios by 2050, and in July 2022, the initiative approved our first set of interim targets. These targets are based on the percentage of assets we manage in line with net zero emissions and include an associated emissions reduction target.

We continue to disclose the greenhouse gas emissions (GHG) from our AUM and the weighted average carbon intensity (WACI) for our key investment strategies. Further information can be found on pages 60 and 61 of this section, and we remain committed to refining our analysis over time, as the quality of data improves and industry best practices evolve.

As a global business we are committed to minimising our operational impact on the environment and to being consistent and transparent about the progress we are making. We have outlined our pathway to achieve net zero carbon emissions in our workplaces by 2030, which we review regularly, and our people engage actively on this topic. All staff complete training modules on Man Group's environmental objectives and policy, participate in environmental awareness campaigns and engage in volunteering activities. We also host regular seminars to educate employees from across the firm on topical ESG subjects and showcase our thought leadership to promote and embed a culture of responsibility across our entire business.

We are a signatory to the United Nations-supported Principles for Responsible Investment (PRI) as well as active signatories of the United Nations Global Compact (UNGC), showing our support for 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 CS, and alignment with the SDGs, can be found in our Corporate Sustainability 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 more information on our approach to managing climate-related risks and opportunities across our business. Further details can be found on pages 62 to 64. During 2023, we were pleased to have been admitted as a member of the strategic forum of the Task Force on Nature-related Financial Disclosures (TNFD).

> Our leadership in quantitative investing and cutting-edge technology allows us to create data-driven RI solutions across long-only and alternative strategies.

Robert Furdak | Chief Investment Officer of RI

Governance is key

Strong governance underpins our entire operation at Man Group, and we have developed an overarching ESG governance framework to oversee and control all elements of RI and CS. This framework ensures that we have strong oversight and controls, up to and including the Man Group Board, and that we have dedicated resources to deliver on our ESG commitments and to ensure that any associated risks are identified, assessed and properly mitigated.

The RI Leadership team and CS Committee, in conjunction with Man Group's CEO and Board, sets the overarching ESG vision and strategy for the firm, seeking to embed RI and CS within Man Group's investment and operational activities while identifying new opportunities across the firm and promoting a culture that holds us to the highest standards of responsibility.

The RI Leadership team includes Man Group's President (Steven Desmyter), CIO of RI (Robert Furdak) and Head of Solutions (Carol Ward). They are supported by four dedicated committees and a growing team of RI professionals; each team has assigned responsibilities and established processes to identify, assess and monitor risks and opportunities. The committees regularly inform and report on RI-related matters to the RI Leadership team, the Executive Committee and the Man Group Board. Similarly, the CS Committee reports on risks and governance, as well as opportunities to the Executive Committee and the Man Group Board.

Our broader team of RI professionals, working closely with our investment teams, drives the integration of ESG into investment strategies across the firm and promotes engagement with investee companies. The team also ensures that the firm remains up to date with new developments, opportunities, evolving regulations and risks related to ESG. We added to the strength of the team during the year, hiring a dedicated climate scientist, research experts, RI specialists and business management support.

The CS Committee consists of representatives from the Corporate Sustainability and Responsible Investing teams, alongside Legal, Finance, Financial Crime, Corporate Real Estate and Services (CRES), Communications and People. Their focus is to identify, review, manage and monitor sustainability and corporate social responsibility risks and opportunities across Man Group, and report these to the CEO and the Man Group Board.

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 level of rigour as other business risks. For further detail on our firm-wide risk management processes, refer to pages 34 and 35.

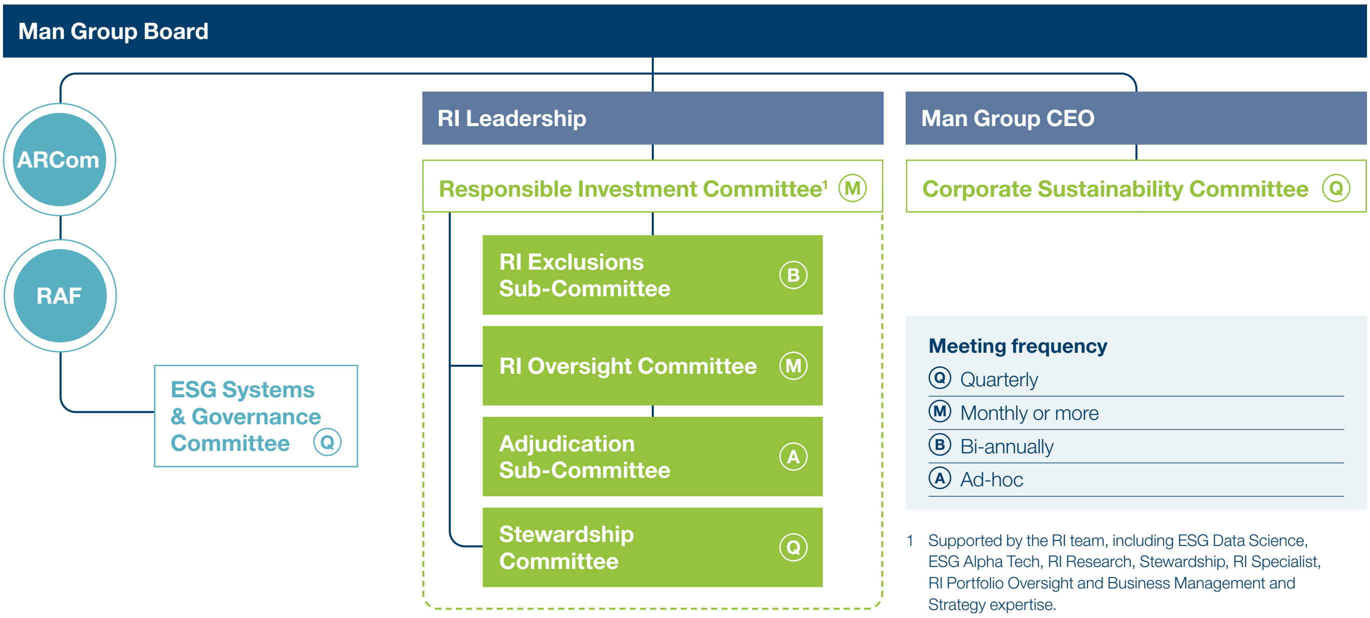
The firm's control environment manages risks to investment teams and the organisation as a whole, in accordance with the Board's risk appetite. If there is a breach of risk appetite, risks will be resolved promptly, in line with the firm's procedures and processes.

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

To ensure that we are consistent and credible in our approach to RI, we have formalised a monitoring procedure for strategies that have a defined ESG approach. We monitor portfolio managers' compliance with our RI policies and fund framework (see page 53) on an annual basis. Additionally, dedicated investment risk and compliance professionals monitor ongoing adherence to our RI exclusions list and other ESG-related investment restrictions.

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

ESG governance structure



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[1] Supported by the RI team, including ESG Data Science, ESG Alpha Tech, RI Research, Stewardship, RI Specialist, RI Portfolio Oversight and Business Management and Strategy expertise.

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[1]. As such, in 2019 we set firm-wide targets in line with the Science Based Targets initiative (SBTi) to limit the global temperature increase to a maximum of 1.5°C[2] 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.

Wherever possible, we will also take action to reduce the consumption across all other indirect Scope 3 emissions categories, as per the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions.

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 use of certified carbon offsets. We are focused on, and committed to, reducing emissions but acknowledge there will be a residual amount that we cannot eliminate. We support several carbon removal projects and seek to maintain a diverse portfolio across different locations.

The projects include: working with indigenous communities to reduce deforestation from Eastern Panama to the Colombian Pacific coast; rainforest protection in Malawi, working to reduce fuelwood use through providing fuel-efficient cookstoves thereby helping develop sustainable livelihoods and increasing community resilience, as well as promoting biodiversity; and preserving grassland in Colorado and Montana to leverage carbon capture as a 'below the ground' carbon sink.

Man Group is a registered supporter of the TCFD; we include metrics and targets for the firm in line with the guidance provided for asset managers (see pages 60 and 61). During 2023, we were also admitted as a member of the strategic forum of the TNFD.

As outlined earlier in this section, our baseline year is 2019, with subsequent targets measured relative to these baseline emissions. 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 above pre-industrial revolution levels.

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 bi-annually to ensure we remain aligned with the latest climate science					
Scope 1			Move to biomethane and renewable energy supplies where available			
	Reduce natural gas and fuel emissions by 30%					
	Certify our London headquarters to ISO 14001 Environmental Management System standards					
Scope 1 & 2	Install and upgrade equipment to ensure efficiency and reduce wastage					
			Comply with UK ESOS Phase 3 (UK Energy Savings Opportunity Scheme)			
			Certify our London headquarters to NABERS UK energy efficiency standard			
Scope 2 & 3 – upstream leased assets	Reduce global energy usage by 20%					
	Reduce aggregate Scope 2 market-based and Scope 3 (upstream) leased assets market-based emissions by 50%					
Scope 3 – upstream leased assets	Install and upgrade equipment to ensure efficiency, data capture and reduce wastage					
			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	Work with business units in managing their carbon budgets					
	Further deploy remote working tools to reduce the need for business travel					
Scope 3 – other	Join the NZAMI, 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					

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[1] This refers to Scope 1 and 2 emissions; elements of Scope 3 are considered where we have the data e.g. business travel and upstream leased assets.

[2] We set firm-wide targets considering the Paris Agreement, an international treaty on climate change adopted in December 2015. The goal of the agreement is to limit global warming to well below 2°C, and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

Greenhouse gas emissions and energy use

	UK and offshore	Global (excluding UK and offshore)	**2023 Total**	UK and offshore	Global (excluding UK and offshore)	**2022 Total**
Scope 1	444	3	**447***	826	6	832*
Scope 2 location-based	914	4	**918***	803	8	811*
Scope 2 market-based	–	2	**2***	–	–	–*
Scope 3 (upstream) leased assets, location-based	1,304	322	**1,626***	717	469	1,186*
Scope 3 (upstream) leased assets, market-based	0	306	**306***	0	446	446*
Scope 3 business travel	3,331	2,468	**5,799***	1,714	1,357	3,071*
Total (location-based)	5,993	2,797	**8,790***	4,060	1,840	5,900*
Total (market-based)	3,775	2,779	**6,554***	2,540	1,809	4,349*
Energy consumption (kWh, '000s)	13,011	1,197	**14,208**	7,863	1,448	9,311

* These items are included in the scope of our 2023[3] and 2022 limited assurance reports[4].

The above figures include metrics for the Varagon business that joined Man Group on 7 September 2023. These are not stated separately as they are not considered material.

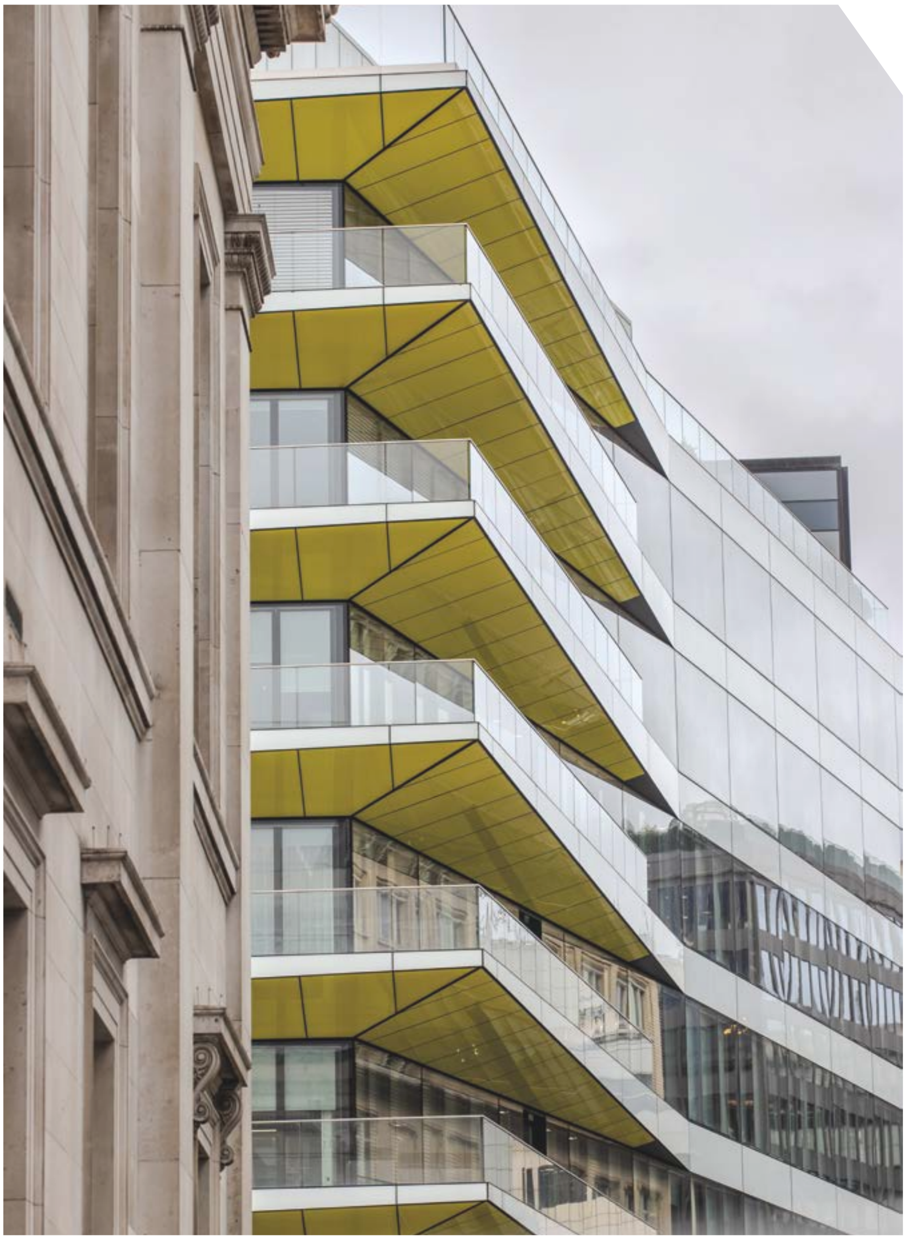
We retained our **Carbon Disclosure Project (CDP) Climate Change questionnaire score of B** underlining our commitment to transparent disclosure and active management of climate issues.

Our offices

Minimising our environmental impact is a core component of our real estate strategy as, given the nature of our business, a large part of the direct environmental impact of our operations stems from our real estate footprint. Across our global office portfolio, we currently occupy eight buildings certified by LEED (Leadership in Energy Efficiency and Design), one by Energy Star and one by NABERS (National Australian Built Environment Rating System), accounting for 86.3% of our global headcount. Man Group's largest office, Riverbank House in London, also has a Building Research Establishment Environmental Assessment Method (BREEAM) 'Excellent' rating.

Our Energy Performance Certificate (EPC) rating in our London headquarters continues at B and during 2023 we engaged in a 'Building Performance Optimisation review' of Riverbank House. We are subsequently implementing various recommendations which will help reduce our emissions.

We are focused on procuring renewable energy in jurisdictions in which we have operational control, and where such supplies are available. We operate a zero waste to landfill policy in all jurisdictions where possible, equating to 90.9% of our operations (based on headcount).



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[3] www.man.com/kpmg-carbon-2023.

[4] www.man.com/kpmg-carbon-2022.

Our operations continued

Our systems and projects

We have engaged specialist software to track and monitor our emissions and environmental impacts. We engage actively with an energy services consultancy to help us to mitigate risk, maximise opportunities and reduce our carbon footprint. We are focused on delivering clear and transparent reporting that monitors the measurable carbon emissions within our control. As set out in our pathway to net zero, we are currently working towards becoming ISO 14001 accredited.

Emissions from operations

The carbon emissions calculations disclosed in this report are carried out according to our public Environmental Reporting and Methodology Guidelines document[1] and are subject to internal checks and controls. Once again, we have engaged KPMG to provide 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 CDP. The limited assurance report is available online[2], and we recommend that it is read in full.

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 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[3].

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 offshore and global footprints. It is this total that, in turn, relates to our non-financial KPI (see page 21) and our executive remuneration (see page 119).

Our total emissions in 2023 have increased from 2022, predominantly owing to an increase in business travel, compounded by an increase in carbon emission factors. As we grow our operations and distribution network, as well as welcome new business lines and teams to Man Group, we acknowledge that our staff will need to travel to our new offices in order to build relationships with new staff and embed our culture in those locations. We continue to focus on reducing travel emissions, and carbon travel budgets for each department are in place. Our annual energy consumption, measured in kWh, which encompasses Scopes 2 and 3 (upstream) leased assets irrespective of source (renewable or non-renewable), has also increased by 53%. Our headcount increased by 9% in the year, which has played a significant part in the increase in energy consumption.

Our Scope 1 emissions decreased by 46% from 2022, owing to improvements to the operation of the boiler plant at our Switzerland offices, which led to a 49% reduction in natural gas consumption. Our London HQ also contributed to the overall Scope 1 reduction in emissions, with a 29% reduction in diesel usage from our stand-by generators and a 91% reduction in refrigerant (F-Gas) loss. Our Scope 1 consumption continues to track downwards in line with our targets, as we continue to implement optimisation control strategies across our managed portfolio.

Emissions from our Scope 3 upstream location-based leased assets have increased by 37% from 2022, owing to a significant increase in our data centre energy consumption (69% on 2022), driven by updating the data collection method in 2023 to capture the energy use of shared infrastructure at our UK data centres. Market-based emissions stemming from upstream leased assets have decreased by 31%, owing to a combined reduction of 21% in energy consumption, which is mainly due to relocation of offices with better energy credentials and improved office operation.

We also disclose our reporting emissions as an intensity metric, which enables us to monitor emissions independently of changes in the scale of our business activities. We do this because Man Group is a people-centric business; as noted above, changes to headcount impact the real estate we occupy, and the level of business travel we conduct.

Intensity metrics

tCO_2e	2023	2022
Total FTE[4]	**1,704**	1,558
Scope 1	**0.26***	0.54*
Scope 2 location-based	**0.54***	0.52*
Scope 2 market-based	**0***	–*
Scope 3 (upstream) leased assets location-based	**0.95***	0.76*
Scope 3 (upstream) leased assets market-based	**0.18***	0.28*
Scope 3 business travel	**3.41***	1.97*
Total (location-based)	**5.16***	3.79*
Total (market-based)	**3.85***	2.79*

* These items are included in the scope of our 2023 and 2022 limited assurance reports.

As we source more data to actively manage our total emissions, we continue to make best efforts to address the breadth of those within Scope 3. We have obtained emissions data for our corporate investments, downstream leased assets, waste and water. We continue to explore using estimated and implied data, for example for procurement activities, staff commuting patterns and their teleworking footprint, but are committed to using actual data for reporting.

Further Scope 3 estimates

tCO_2e	2023	2022
Emissions from investments	**51,014**	61,056
Downstream leased assets, location-based	**179**	111
Downstream leased assets, market-based	**385**	267
Waste and water	**2**	6

Methodology

Approach

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 Accounting and Reporting Standard (2015), as our framework. Throughout our disclosures we use the operational control approach to our greenhouse gas inventory and reporting boundary, excluding consultants, outsourced service providers and joint ventures.

We apply 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 an 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.

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[1] www.man.com/environmental-guidelines.

[2] www.man.com/kpmg-carbon-2023.

[3] Man Group plc (as Jersey incorporated) is not itself subject to these regulations but is reporting in accordance with them as it has UK subsidiaries that fall within the regulatory scope.

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

Short-term targets and actuals

tCO_2e	2019 Baseline	2023 Target	**2023 Result**	2024 Target
Scope 1: Reduce Scope 1 natural gas and fuel emissions by 30%	1,136	772	**447** **Met**	749
Scope 2 & 3 (upstream) leased assets location-based: Reduce global energy usage by 10% per year	4,253	2,896	**2,544** **Met**	2,809
Scope 2 & 3 (upstream) leased assets market-based: Reduce emissions by 50%	464	386	**308** **Met**	367

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 emissions Scope. We will report corrections to emissions differences of more than 5% of the total of each emissions Scope, if they occur, 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 within our Annual Report.

Scope 1 and 2

Emissions under the Scope 1 category include the direct emissions stemming from the combustion of gas and oil, for example 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 use 100% renewable energy, the emissions are considered location-based and our market-based emissions in this category are negligible.

We do not include emissions relevant to locations that are out of our reporting boundary, such as the offices of third-party contractors.

Scope 3

We intend to account for and minimise the carbon footprint of our entire business, including 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 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 for our sub-tenants. Environmental considerations from our global office operations, over which we do not have operational control, are reported under the upstream leased assets category. All procurement and leasing negotiations across our global real estate have a focus on steps that can be taken to reduce the associated environmental impact.

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.

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.

In 2021, for the first time, we disclosed the emissions stemming from our corporate investments under the ‘Emissions from investments’ category. In 2023, this disclosure encompasses 50% of our seed capital and 98% of our fund investments held for deferred compensation awards. This is calculated using the same methodology as the carbon disclosure of our AUM, which is aligned with the TCFD recommendations, as described on page 60.

Performance against targets

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). These metrics are also linked to executive compensation.

We met all of our targets in 2023, as shown in the table above. In 2022, we only achieved our Scope 2 and Scope 3 (upstream) location-based leased assets target, due largely to the unforeseen mechanical issues we experienced with some of the chiller units at our London headquarters. Subsequently, we did not achieve our Scope 1 emissions reduction target in 2022; however, with the controls put in place to reduce the risk of this reoccurring in 2023, we were able to more than meet this target in the year.

Although our average global headcount increased in 2023, including the headcount growth from the acquisition of Varagon Capital Partners in September 2023, we were still able to achieve our emissions targets through a focus on improvements to the plant operation at our London HQ and Switzerland offices and the continued drive to transition more of our global offices to renewable energy where possible. In 2023, for example, we commissioned a Building Performance Optimisation Audit, where several opportunities for energy reduction were identified. To date, 60% of these suggestions have been actioned. We anticipate further improvements resulting from our current ISO 14001 gap analysis and work towards accreditation in 2024.

Investing responsibly

Our mission is to apply a data-driven approach to meet the sustainable investment goals of our clients.

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

We recognise that there is no single approach to responsible investing and that each of our clients has different ESG needs. Accordingly, we seek to leverage the breadth of skills and experience at the firm, in particular our quant, research and data science expertise, to deliver better outcomes for our clients. Our multifaceted approach allows us to see things differently and our vision is to be a recognised leader in providing RI solutions to investors globally.

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.

Our commitment to RI spans five core areas:

1. **Integrating ESG** concepts in our investment strategies.
2. Conducting cutting-edge quant, academic and thematic **RI research** to source alpha for our clients.
3. Using our **data** science expertise to analyse, innovate and apply ESG datasets.
4. **Stewardship** of our client assets.
5. **Education and advocacy** to advance the science of responsible investing.

Across these five spheres, we aim to lead the way in advancing the science behind responsible investing.

> We will always respond to the needs of our clients. We recognise that our clients may have different investment priorities, and we deploy robust, high-quality RI techniques to support investment objectives where clients have sustainable investment goals.
>
> **Carol Ward** | Head of Solutions

Environmental Finance
Sustainable Investment Awards
2023 Winner
ESG engagement initiative of the year – Asia

ESG integration and strategies

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

RI Research

Quant, academic and thematic research underpins our approach to RI. We specialise in climate, decarbonisation and impact research, internally and through collaboration with academic and scientific institutions.

+ See page 54

Data

We approach the implementation of ESG factors with scientific rigour, staying true to the data and ensuring robust methodology.

+ See page 55

Stewardship

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

+ See page 57

Education and advocacy

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

+ See page 59

ESG integration and strategies

At Man Group, we believe that material ESG-related risks and opportunities can impact long-term value creation for the companies in which our funds and mandates invest. In our approach to RI, we seek to manage financially material ESG factors alongside other investment risks. We believe that ESG complements traditional financial analysis, resulting in a more comprehensive assessment of a company's long-term prospects.

In the past, ESG investing has lacked a clear definition; at times, it has been perceived as a qualitative process as opposed to a true investment factor and we believe that is changing. We have taken a quantitative approach to building our understanding of RI and we have used this knowledge to develop an uncorrelated ESG factor to determine real ESG performance attribution.

As a diversified asset manager, we strive to be a leader in RI across all asset classes and investment styles. The breadth of Man Group's investment engines means that the firm represents a unique intersection of perspectives – quantitative and discretionary, macro and multi-strategy, liquid or private markets – where competing expectations and applications of ESG are actively debated. We actively work to cultivate a range of approaches to identify and address ESG-related risks and opportunities.

We continue to be thought leaders in the application of RI to less explored areas. For example, within financial instruments (such as commodity futures) or within non-traditional asset classes (such as private credit, or real estate). This enables us to add meaningfully to the development of RI, in particular on the quantitative side but across our discretionary strategies too.

Our diversified range of alternative and long-only strategies seeks 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. We believe that RI is best addressed through a combination of top-down and bottom-up approaches. Although 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 do not impose a single house view. We actively and intentionally cultivate a decentralised approach when it comes to ESG integration across our investment teams and strategies.

Man Group's culture of innovation means that we are always exploring opportunities to improve processes across our business. Our unique combination of extensive quant and 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.

Our firm-wide RI Fund Framework is a proprietary ESG classification system, separate to regulatory classifications, which is used to establish a baseline requirement of ESG standards across all Man Group's funds. The RI Fund Framework aims to establish coherent ESG categorisation across our offering, as shown below:

Man Group Sustainable Range
Strategies that were developed with an ESG-specific mandate

Man Group RI Informed
Strategies that incorporate some degree of ESG analysis into investment decision making

Man Group Base Standard
Strategies that apply Man Group's firm-wide exclusions and support our stewardship activities

Our commitment to net zero:

a) As a NZAMI signatory, we have set a portfolio decarbonisation reduction target of 50% reduction in emissions intensity by 2030, compared with a baseline WACI as at 2019, on 41% of our AUM (as at 31 March 2022).

b) We monitor progress against our NZAMI target and report annually via the UN-backed PRI.

c) We are reviewing our interim target with a view to updating the portion of our AUM in line with the NZAMI recommendations and the evolving requirements of our clients. Any changes to our interim target will be available in our 2024 PRI report.

We are pleased to report a significant reduction in the WACI for our AUM subject to NZAMI interim targets, compared with our 2019 baseline and we will continue to focus on this in the years ahead.

Managing climate-related risk in our portfolios

We recognise that our clients have different investment priorities and, in fulfilling our duty, we consider ESG factors that support their unique investment objectives.

Where it is consistent with our client's mandate, we seek to manage climate integration risks alongside other financially material ESG factors, just as we manage all other relevant investment risks. Within our broader climate framework, we focus on four key areas: the physical cost of climate change, the transition cost of moving to a decarbonised global economy, the stranded fossil assets left behind, and the opportunities of a greener world.

We disclose the WACI for a number of our key strategies on page 61.

Investing responsibly continued

ESG-integrated AUM

As at 31 December 2023, $59.3 billion of Man Group's total AUM incorporates ongoing consideration of ESG factors within the investment analysis and decision-making process with the aim to improve risk-adjusted returns.

To provide a consistent framework for our calculation of ESG-integrated AUM, we use the latest Global Sustainable Investment Alliance (GSIA) investment approach and definitions. Our ESG-integrated AUM metric is based on the GSIA's current 'ESG Integration' investment approach, which, following an update in 2023, is defined as the 'ongoing consideration of ESG factors within an investment analysis and decision-making process with the aim to improve risk-adjusted returns'. In this context, the use of ESG factors for ESG integration may be less significant than other factors in the investment selection process. The ESG integration investment approach is relevant and applicable to Man Group's investment process and its use has been approved by our Responsible Investment Committee (RIC).

Under this approach, our calculation methodology identifies all relevant funds and mandates for which explicit ESG criteria are used in asset selection (for discretionary investment strategies) or where a dedicated ESG model is incorporated in the investment process (for systematic investment strategies).

More specifically:

- For single manager/strategy funds: if ESG factors are materially integrated into the investment strategy (e.g. ESG factors impact security selection[1]), then the entire assets of the fund will be accounted for as ESG AUM. In the case of Man Numeric, it will be relevant to the integration of Man Numeric's proprietary ESG factor model[2].
- For ESG multi-strategy funds and/or mandates (e.g. strategies which are marketed as ESG strategies): we include all the relevant AUM.
- For non-ESG multi-strategy funds and/or mandates: currently only the portion of a fund or mandate for which ESG is factored into the investment process is included[3].
- For third-party multi-strategy managers: we will seek to assess at the sub-strategy level for ESG-integrated AUM on the same basis. If we are unable to get transparency or single sleeve allocation is not disclosed, those strategies will be assumed to not include ESG content.

The calculation of Man Group's ESG-integrated AUM is undertaken by our RI 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 are governed by the RIC. We have used this approach consistently since we started publishing Man Group's ESG-integrated AUM and while we believe we have a prudent framework for the calculation, we continue to monitor the development of best practice methodologies.

RI research

Our commitment to high-quality research extends to ESG. Our RI team has dedicated specialists who provide insight into specific ESG topics and pursue a diverse agenda of thematic research in collaboration with our investment teams, with a specific focus on climate, decarbonisation and impact. Our goal is ultimately to find practical research outcomes that lead to improved ESG integration in our investment strategies and stewardship practices.

In recent years, we have advanced our understanding of climate risks and opportunities through ongoing efforts and initiatives in this space. We are investing significantly to enhance our approach to managing climate change risks and believe that our data-driven research culture puts us in a prime position to assist our clients in reducing the systemic risk of climate change whilst identifying opportunities in the transition towards a low-carbon economy.

For example, Man Numeric, in collaboration with the RI team and our two dedicated climate scientists, has leveraged its climate expertise and quant research capabilities to develop a multifaceted climate alpha model that explicitly incorporates views of the potential risks and opportunities related to climate change into their investment processes.

November RI Summit

A data-driven approach to a sustainable future

We were excited to hold our first Responsible Investment Summit at Riverbank House in London in November, where we discussed how a data-driven approach can help investors to help create a more sustainable future. The day included a series of presentations on topics including: a data-driven approach to biodiversity considerations, sustainable housing in the UK, the relationship between climate news and investment opportunities, and how to build a systematic, sustainable, climate-focused, multi-strategy portfolio.

The summit also included an engaging panel discussion led by Robert Furdak on how to address some of the hardest questions in responsible investment and concluded with a live recording of the podcast 'A Sustainable Future' featuring our Head of RI Research, Jason Mitchell, and Tom Gosling, Executive Fellow of Finance at London Business School.

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1 For example: Article 8 and Article 9 Funds under the Sustainable Finance Disclosure Regulation or where the ESG factor is considered for every single security selection.

2 Which may be as low as 5% in terms of weight compared to the other models.

3 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.

We are also exploring how to enhance our existing environmental efforts by incorporating biodiversity and nature-related considerations, specifically corporate impacts and dependencies on nature, into our investment processes and stewardship practices. We are evaluating biodiversity frameworks, datasets and methodologies, and engaging actively with data providers to trial data with the aim of licensing data to assist with managing biodiversity risks, providing transparency to investors and informing engagements with companies.

Further, Man Group's Stewardship team has joined the FAIRR Initiative's biodiversity engagement (focusing on waste and pollution management) and is looking to enhance our stewardship work on nature considerations. In 2023, Man Group was admitted to the strategic forum for the TNFD. The TNFD Forum is a global and multi-disciplinary consultative group of institutional supporters who share the vision and mission of the TNFD and have indicated a willingness to make themselves available to contribute to the work and mission of the Taskforce.

At Man Group, we recognise that collaboration with academic and industry experts is key to our research initiatives. We have recently partnered with Columbia University to conduct research on frameworks for decarbonisation and reporting. Our joint research with the academic experts at Columbia will aim to produce a more refined decarbonisation framework, bringing rigour and greater standardisation when calculating the climate impact of public market securities. We plan to hold our first on-campus research symposium in 2024, to discuss and refine the proposed decarbonisation framework.

Data

A quantitative approach to ESG data

We believe our quantitative capabilities provide a unique position with which to interpret, analyse and apply ESG datasets. We have used this knowledge to develop an uncorrelated, orthogonal ESG factor for real ESG performance attribution, applying this to a number of investment strategies at Man Group.

As a data-driven firm, we believe in providing our teams with as much high-quality ESG data as possible. Thus, we subscribe to leading ESG data providers as well as conducting our own proprietary research. Processing ESG data is a complex and nuanced exercise; it requires applying data science techniques to clean, analyse and gain insights from multiple data sources. With over 675 quants and technologists at the firm and more than 35 years of experience in quantitative investing, including several years spent interrogating ESG datasets, we believe we are in a prime position to leverage our skills to understand nuanced and non-standard ESG datasets.

Truly understanding ESG data

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 that we have a robust methodology 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 valuable to quantitative investment firms. However, unlike traditional quantitative factors sourced from financial statements and exchange data, ESG data is often qualitative, discretionary and unregulated. Some datasets have a short history, many are collected retroactively, and each vendor's approach has inherent biases.

We have spent considerable time reviewing and understanding the processes of leading ESG data vendors, and believe that creating a better measure of ESG relies on four key ideas:

1. Using a principles-based approach that focuses on economic intuition and academic literature.
2. Spending time to understand vendors and their processes so we can present the most appropriate combinations to our clients.
3. Applying careful normalisations and adjustments to regions, sectors and industries.
4. Understanding what unintended factor exposure existing ESG signals contain, in order to make our ESG factor as orthogonal as possible.

The result is an approach that identifies companies making thoughtful long-term decisions. The scores we calculate are available to all our investment managers as part of our proprietary ESG analytics tool. By looking at disparate sets of ESG data using this approach, we can turn the off-the-shelf variables into more useful and informative signals. Our efforts have given us a strong understanding of our data providers and provide a strong platform from which to monitor changes to their methodology.

Man Group Carbon Dataset

The Man Group Carbon Dataset is an internally curated dataset created to unify carbon data from multiple data providers into one single source. This centralised dataset contains all licensed carbon data, with the latest versions of the data from the underlying vendors. This offers a number of advantages, including:

- Centralised monitoring and quality control.
- Higher coverage than any individual vendor.
- Standardisation to aid comparability between vendors.
- A proprietary overlay that aims to reduce vendor errors and estimation model outliers.

Investing responsibly continued

Our proprietary ESG tools

In recent years, we have leveraged our quant expertise to build a number of proprietary ESG tools that power our data-driven approach to responsible investment. In 2023, we continued investing in our ESG tools to expand and refine them.

Our ESG tools have been developed internally under the direction of our RI specialists and Stewardship team, with extensive input from our investment engines and close collaboration with our technology and investment analytics teams. The sophisticated design and capabilities of each tool highlights the firm's collaborative, technology-driven culture, and helps us to achieve our purpose: to assist our clients in meeting their investment objectives.

ESG analytics tool

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

This 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 ESG factors on a single-stock, portfolio and index level. In addition to the issuer-level dashboard, the tool also features a carbon dashboard (showing key carbon metrics) and a stewardship dashboard (providing an overview of a portfolio's stewardship activity).

GAIA (Global Active Issuer Assessment) tool

GAIA is a proprietary, firm-wide tool to view issuer-level ESG-related data and identify sustainable investments. GAIA provides a systematic 'one stop shop' for a range of ESG data points. It supports ESG integration into the investment process and in meeting certain ESG regulatory requirements, such as SFDR and the EU Taxonomy. GAIA provides ESG insights into over 26,000 companies (significantly more than any individual ESG data vendor), allowing our investment teams to access a real-time view of the ESG ratings for portfolio holdings.

Engagement tool

We have developed an internal engagement platform that allows our investment and stewardship teams to review, record and monitor company engagements on ESG-related matters.

Q&A
Jess Henry

RI Specialist, Man Group

Q: Please tell us about your area of expertise in the RI team at Man Group.

A: As a Responsible Investment Specialist at Man Group, my role is to act as an adviser to three constituencies: our investment teams, our sales professionals, and our clients. In practice, this includes research and thought leadership on key ESG topics, to further ESG integration into our investment strategies in line with our clients' mandates. Over the last 18 months, one of my key research areas has been biodiversity loss and broader nature considerations – particularly how investors can quantify and monitor the corporate impacts of, and dependencies on, nature.

Q: Why is biodiversity (and nature more broadly) an area of focus for Man Group and its clients?

A: In recent years one of the areas of research that we have specialised in is climate modelling. There is now a growing awareness that we cannot solve climate change without also addressing nature loss – they really are 'twin crises'. This realisation has led to increasing global focus on the nature theme, including (i) the adoption of a Global Biodiversity Framework during COP15 in 2022; (ii) the launch of the Task Force on Nature-related Financial Disclosures in 2023; and (iii) the emergence of nature-related stewardship initiatives, such as Nature Action 100+. Over time, we think that nature depletion will be an increasingly material risk that can impact long-term value creation for the organisations in which our funds and mandates invest. As we continue to deplete nature, companies will be more exposed to physical risks arising from their dependence on ecosystem services (the goods and services provided by ecosystems to humans). Companies will also be increasingly exposed to non-physical risks as nature-related policies and regulations develop.

Q: What are the challenges for investors trying to integrate nature considerations in their investment portfolios?

A: The sheer complexity of the issue is the first challenge. Significant knowledge and resources are required, and we cannot simply rely on a single metric to capture either corporate impacts or dependencies on nature. As an industry, we need to work collaboratively to address this complex challenge and find ways to effectively manage nature-related risks and identify investment opportunities for our clients.

There is also a significant data challenge. Vast quantities of data are available, but the real challenge is being able to meaningfully link corporate and nature data to identify both risks and opportunities. The nature data we receive from vendors tends to be estimated and is subject to the inherent biases of each vendor's approach, and we need to analyse, innovate and apply the nature datasets effectively.

Lastly, it's clear that many investors are still getting to grips with other key themes within ESG, such as the impact of climate transition on their portfolios, making it hard for them to also prioritise nature given resource constraints and competing priorities.

Q: What is Man Group doing to address these challenges?

A: At Man Group, given our years of experience in interrogating datasets, we are very well placed and resourced to analyse and understand the nuanced and non-standard nature-related datasets available. We are leveraging our expertise in data science to trial and critically compare multiple datasets to identify the highest quality, most insightful data. We can also apply our approach to climate modelling to nature (for example, by applying our geospatial work for climate, to nature). There is considerable overlap between the themes of climate and nature and with dedicated climate scientists, we have strong in-house expertise.

However, we know we don't have all the answers, so we work extensively with leading academic experts (for example, through our partnership with Columbia University's Department of Ecology, Evolution and Environmental Biology). We cannot address complex global challenges such as biodiversity loss without cross-collaboration and working with scientists to ensure a credible approach. Third-party collaboration is a key part of our approach.

Q: What is the future for biodiversity/nature from an investment perspective?

A: We are only at the start of the journey to understand the intersection of asset management and nature. The more we can understand how our investments interact with nature, the better positioned we will be to manage the risks and identify the opportunities on behalf of our clients. For example, understanding the repercussions for companies of depleted ecosystems, such as decreased flood and storm protection that nature will provide, will be critical as the frequency and magnitude of extreme weather events continue to rise. In addition, as investors we should be seeking to identify the future 'leaders', the companies that are actively trying to provide innovative solutions to protect and restore nature.

In terms of reporting and transparency, asset managers need to understand the impacts of our investments on nature and be able to report that to investors. Finally, it is critical that, through active engagement, investors have the capability to collectively influence issues such deforestation, land-use change, pollution and other drivers of biodiversity loss.

Stewardship

At Man Group, we understand the importance of sound stewardship in managing investors' capital.

The template for stewardship across alternative asset classes and investment styles remains poorly 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. Our firm-wide approach to stewardship recognises some of the challenges inherent in quantitative strategies and seeks to create a structure where best practice at a fund-level is centralised and then adopted firm-wide.

Our stewardship activity is further 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.

In 2023, we advanced our stewardship efforts further. We have made continued and significant progress in the collaborative engagement space, with Man Group's Stewardship team winning Environmental Finance's ESG Engagement Initiative of the Year (Asia) for the first institutional investor-led climate resolution in Japan. Man Group worked as part of an investor group alongside the Australasian Centre for Corporate Responsibility (ACCR), which co-filed three resolutions at a Japanese electric utility company. This represented the first climate shareholder proposals ever filed in Japan by an investor group and was the result of several months of collaboration with the co-filing group and engagement with the company. The engagement continued at the second successive annual general meeting (AGM) in 2023, again receiving significant shareholder support, sending a clear message to the investor community about concerns over the company's decarbonisation strategy. Other significant collaboration projects include our climate-related shareholder resolution for the AGM of a European oil major, which we co-filed alongside 16 other investors.

As a result of our voting record, our efforts were ranked by ShareAction in its report 'Voting Matters 2023'. We ranked ninth out of 69 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.

Our centralised Stewardship team undertake the firm-level voting and engagement, both directly with investee companies and collaboratively with other investors. Direct engagement is driven by the Stewardship team's focus themes and in response to company-specific events; collaborative engagement is dependent on opportunities arising from the wider investor community. Engagement at the fund-level is discharged to the relevant investment team to undertake at their discretion. The approach specifically 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. By engaging with the companies we invest in on behalf of our clients, we can improve our understanding and aim to protect and enhance the value of the investments we make.

We 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. To leverage Man Group's scale and aggregate ownership in securities, our engagement activity is consolidated at the firm level.

Progress during 2023:

- Active engagement using quantitative and qualitative analysis.
- UK Stewardship Code signatory, for the third successive year.
- ShareAction Voting Matters Report – ranked ninth out of 69 asset managers.

2. Collaborative engagement

The second dimension is collaborative engagement with other institutional investors and organisations to engage with companies on ESG-specific issues. We see merit in collaborating on RI and ESG-related standardisation through investor groups and initiatives, and in working 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. From combining shareholder power and maximising influence, to sharing resources and expertise, we recognise the benefits of different forms of engagement and the advantages of working collaboratively.

Progress during 2023:

- We have made significant progress on our collaborative engagement initiatives including:
  - UN PRI's Advance, which looks to advance human rights and positive outcomes for people through investor stewardship;
  - Ceres' Valuing Water Finance Initiative, an investor-led effort to engage companies with a high-water footprint with the goal of helping protect water systems; and
  - ShareAction's Long-term Investors in People's Health (LIPH), a collaborative engagement initiative with the goal of addressing elevated and preventable financial risk linked with worker, consumer, and community health.
- We continue to work with additional engagement groups such as the Investor Forum, which we have been a member of since 2019. The Investor Forum seeks to position stewardship at the heart of investment decision-making by facilitating dialogue between investors and UK listed companies, working to create long-term solutions and enhancing value. Examples of companies engaged include the UK listed water utilities companies and several FTSE 100 companies.
- We are proud to have expanded our work to encourage the decarbonisation of the Japanese steel sector through several engagement groups coordinated by ACCR.

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 our discretionary investment teams who perform fundamental investment research. This allows us to build close working relationships with corporate management teams to drive change. Other investment engines at Man Group also leverage these efforts.

Progress during 2023:

- Following the development of our proprietary engagement tool in 2022, this year our investment and stewardship teams were able to review, record and monitor ESG engagements with portfolio companies. Further, we continue to enhance the framework that defines our fund-level engagement work, and seek to undertake long-term, issue-specific engagements with fund holdings.

Investing responsibly continued

Proxy voting

We recognise the importance of using our voting rights to encourage sound corporate governance practices at our investee companies, voting in line with outcomes that are aligned with the best long-term interests of our clients. We update our voting policy and guidelines annually to ensure they meet evolving best practice and investor expectations. Man Group's dedicated Stewardship team oversees all proxy voting activity at the firm level. The 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.

In 2023, we strengthened our Proxy Voting Policy in three key areas: climate (including say-on-climate resolutions to encourage companies to consult shareholders about their climate strategies and net zero action plans), diversity, and human rights.

Our aim is to vote at all meetings for our holdings where we have the legal right to do so. Man Group generally actively votes on every holding in client portfolios unless otherwise restricted within separately managed client accounts, there is a situation where the client retains voting rights or we are limited because of exposure to synthetic instruments. Where a separately managed account exists, or where voting rights have been retained by the client, we also refrain from engaging on these positions.

> We are seeing heightened shareholder scrutiny of climate transition plans and the Man Group Voting Policy reflects this. In addition, we welcome our clients holding us increasingly accountable for stewardship activities.

Lewis Naylor | Investment Stewardship Analyst

Most common topic of engagement

Human rights

Number of companies engaged

77

Direct engagement

Number of companies engaged

51

Number of countries covered

17

Collaborative engagement

Number of companies engaged

27

Engagement by ESG category

🟩	Environment	31%
🟩	Social	31%
🟩	Governance	38%

Firm-level engagement conducted by Man Group's Stewardship team. Excludes selective and active company engagement at the sub-group level. **For more information on our proxy voting please refer to our Global Proxy Voting Summary Report available on our website.**

Meetings voted

6,656

approx. 98% of votable shareholder meetings

Proposals voted

68,453

approx. 97% of votable items

Engagement case study

Region:
Asia and Pacific

Topic:
Climate change

Sector:
Materials

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

Summary

An investor group comprised of Man Group, Storebrand, Corporate Action Japan and coordinated by ACCR engaged with the company ahead of its AGM.

After months of engagement, the shareholder group welcomed the company's announcement of enhanced climate commitments. The company worked constructively to improve its ambition in relation to building knowledge internally for the shift from a blast furnace to an electric arc furnace steelmaking process. Further, a company statement that a stable supply of green hydrogen and green power (renewable energy) is needed as a key input to achieve its target of carbon neutrality was welcomed.

Education and advocacy

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

Man Group is proud to continue its active involvement with a number of industry groups that promote responsible investment practices. We are a signatory to the Institutional Investors Group on Climate Change (IIGCC), the UK Sustainable Investment and Finance Association (UKSIF), and the Standards Board for Alternative Investments (SBAI), as well as being an active member of the International Sustainability Standards Board (ISSB). 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 thought leadership around pressing ESG issues and high-quality research through the Man Institute. Further, we have hosted fortnightly ESG seminars internally to Man Group staff throughout the year.

> Our joint research with the academic experts at CCSI will aim to produce a more refined decarbonisation framework, and will bring rigour and greater standardisation when calculating the climate impact of public market securities.
>
> **Robert Furdak** | CIO of RI

Highlights of our industry involvement during 2023 include:

- Producing a number of proprietary research papers, including The Path Less Travelled series of investing responsibly in multi-asset portfolios, focused on non-corporate assets like government bonds and commodities. In addition, we recently released 'Effective Carbon Price: The Missing Link for Carbon as Alpha' which highlights a missing link in the use of carbon emissions intensity as an alpha signal and underscores the importance of considering the effective carbon price.
- Publication of Jason Mitchell's paper, 'To Net or Not to Net, That is the Question: A Regulatory Review for Calculating the ESG Impact for Hedge Fund Portfolios' in The Journal of Impact and ESG Investing. The paper examines the role of short selling through the arc of regulatory greenwashing concerns and safeguards.
- Active participation in industry events and forums, in which our teams share insights and learn from other leaders in responsible investment practices. This year, the team's notable participation included: the 'Going Beyond Climate Finance' panel at COP28, an Academic Network Panel at the UNPRI conference in Tokyo, and a 'Green Steel in Japan' webinar by Transition Asia.
- The continuation of our podcast series, 'A Sustainable Future', featuring 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.

Q&A
Jason Mitchell

Host of Man Group's 'A Sustainable Future' podcast

Q: 2023 was the sixth year of Man Group hosting the 'A Sustainable Future' podcast series – what purpose does it serve and what do you think has kept the podcast so popular?

A: The podcast is an open, educational resource for everyone interested in discovering approaches to sustainability and responsible investment; it explores the work we are doing across society today to build a more sustainable future. Within that, we ensure a wide discourse across all dimensions of sustainability and are ranked globally in the top 2% of all podcasts. The combination of reach and diversity of thought has meant our audience is a real mix of institutional investors, policymakers and multilateral organisations, as well as academics and students.

Q: What are the core themes of the series?

A: Some of the key themes include sustainable finance regulatory and policy change, the energy transition and climate security, and academic examinations of sustainable investing. Over 2023, we have also had some incredibly interesting conversations on topics including the linkage between AI and Labour Productivity, as well as Planetary Boundaries. 'A Sustainable Future' acts as an important tool in Man Group's approach to RI education and advocacy; discussing both the things we, as a society, are doing to build a more sustainable future and also the challenges we face.

Q: What is next for 2024?

A: We have produced over 80 episodes over the last five years. In 2024, we want to continue growing the podcast audience, delving further into topics within sustainability and RI, whilst maintaining the high-quality discussions and guests that the podcast is recognised for.

Emissions from our investments

As stewards of capital, we acknowledge the responsibility, on behalf of our investors and in accordance with their wishes, to monitor the climate impact of our portfolios, address climate change risks and opportunities through our investment decisions, and exert influence on our investee companies to create lasting positive impact.

In line with the TCFD's recommendations, we have disclosed the GHG emissions associated with our AUM and the WACI for our key investment strategies. WACI measures an investment portfolio's exposure to carbon-intensive companies, expressed as tonnes of CO_2 emissions per million dollars of revenue from companies in the portfolio. As a result, and in contrast to total GHG emissions for our AUM, WACI is not impacted by changes in AUM.

We acknowledge that determining the methodology used to calculate emissions metrics is an area that is evolving rapidly. We are focused on refining our analysis, and accordingly our climate-related disclosures, on an ongoing basis as the availability and quality of data improves and as best practice emerges. To that effect, our disclosures this year reflect the onboarding of new data sources and a change to our total emissions calculation methodology in line with industry guidance.

Details of our updated methodology and metrics are set out below.

Methodology

Datasets

For the analysis presented in our 2022 Annual Report, the sole source of external data used for the purpose of this exercise was obtained from S&P Trucost. The dataset provided carbon emissions data (Scope 1 and Scope 2 GHG emissions) by issuer, reported annually by companies or in some cases, estimated by S&P Trucost. We acknowledged the limitations of using that dataset: for example, it covered primarily single name corporate instruments, which made it relevant to only a portion of our AUM, and consequently meant overall coverage for instruments held in our portfolios was low.

At the time, we also highlighted our efforts to incorporate additional vendor datasets into our calculations and to overlay proprietary analytics to increase the accuracy of the data that we use. We are pleased to have curated the Man Group Carbon Dataset during 2023, which includes data from S&P Trucost, Sustainalytics and MSCI, combined with an internally developed tool to cleanse the data and perform quality checks. Further details can be found on page 55. Using multiple data sources has increased the level of coverage, and therefore related carbon emissions, across our AUM and we have restated our historical analysis to allow for greater comparability.

Although this development has significantly improved data quality, it is important to note that limitations remain. By relying on externally sourced data, we do not have full control over its quality. All three providers prioritise data related to corporate equity, whereas corporate credit coverage is generally lower. Certain markets, such as small and mid-cap issuers, continue to have incomplete disclosures or limited coverage. As we have observed previously, there is often a lag in the data available, driven by the timing of company reporting or the provider's collection, which presents a lack of continuity. We recommend that our metrics are read with these limitations in mind.

We continue to utilise internal data for AUM and underlying exposures.

AUM in scope

The firm's total AUM as at 31 December 2023 was $167.5 billion. We exclude our investments in private assets 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 $114.7 billion, or 68% of the firm's total.

Our approach

We use the total exposure of all long positions related to the $114.7 billion of AUM in scope for our WACI calculation. We believe total exposure is most appropriate as it captures any leverage used in the investment strategy or, conversely, any under investment of capital. 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; this is a departure from the Partnership for Carbon Accounting Financials (PCAF) definition of 'financed emissions', which are only calculated on physical shares and physical corporate bonds. We believe this is appropriate given the significant use of derivatives in some of our investment strategies.

While there are different views within the industry as to the application of short positions in the emissions context, we believe long exposures through both physical and derivative securities are the most direct representation of ownership; however, engagement rights with companies would only be through physical long positions (not long derivative exposure). 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. The data is, however, calculated on an issuer basis, therefore long securities are netted by short securities within the same fund.

We have updated our calculation of absolute emissions in line with the GHG Protocol and the PCAF guidance to use Enterprise Value including Cash (EVIC), rather than market capitalisation, which was used in previous years in line with the rest of the industry. In this case, we have also restated our historical analysis to allow for greater comparability. We acknowledge that a consensus around methodologies will develop over time, and we will seek to incorporate any further changes into our analysis in the future.

Metrics

We have used carbon emissions data by issuer for total exposure of all long positions at the strategy level at 31 December 2023, 31 December 2022 and 31 December 2021 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. As discussed above, the historical figures have been restated to allow for greater comparability given the changes to our methodology.

Our findings show that total emissions from AUM in scope have decreased during 2023. Our long exposure coverage has increased marginally, while our long emissions (absolute) have decreased from 5.9 million tCO_2e to 5.7 million tCO_2e. Despite the data improvements discussed previously, coverage remains relatively low considering the broad 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 2023**	Coverage	December 2022	Coverage	December 2021
Total assets under management in scope	Scope 1 & 2	56%	**5.7**	54%	5.9	55%	7.7

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 2023 year-end press release[1].

As illustrated in the table, coverage is significantly higher for long-only strategies, particularly for those where the holdings are in single name equities. Conversely, coverage for alternative strategies, in particular 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.

WACI (tCO_2e/\$m revenue)	Data	Coverage	**December 2023**	Coverage	December 2022	Coverage	December 2021
AHL Alpha	Scope 1 & 2	<10%	**5**	<10%	28	<10%	29
AHL Dimension	Scope 1 & 2	13%	**150**	15%	184	<10%	94
AHL Evolution	Scope 1 & 2	<10%	**30**	<10%	77	<10%	92
AHL Diversified	Scope 1 & 2	<10%	**8**	<10%	42	<10%	43
GLG Alpha Select	Scope 1 & 2	56%	**209**	45%	155	70%	348
GLG Event Driven	Scope 1 & 2	94%	**145**	95%	63	79%	19
GLG Global Credit Multi Strategy	Scope 1 & 2	82%	**220**	80%	276	73%	231
AHL TargetRisk	Scope 1 & 2	<10%	**0**	<10%	0	<10%	0
Alternative Risk Premia	Scope 1 & 2	70%	**156**	80%	214	76%	240
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%	**48**	100%	78	99%	74
Numeric Europe Core	Scope 1 & 2	99%	**96**	100%	94	100%	155
Numeric EM Core	Scope 1 & 2	99%	**252**	99%	147	99%	336
GLG Continental European Growth	Scope 1 & 2	99%	**201**	100%	107	100%	124
GLG Japan CoreAlpha	Scope 1 & 2	100%	**82**	100%	122	100%	104
GLG Undervalued Assets	Scope 1 & 2	94%	**103**	97%	181	99%	228
GLG High Yield Opportunities	Scope 1 & 2	49%	**20**	49%	83	44%	183
GLG Sterling Corporate Bond	Scope 1 & 2	58%	**18**	65%	94	62%	159

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

Although our analysis is focused on WACI, we continue to consider on an ongoing basis other carbon footprinting and exposure metrics that may be useful for decision-making. 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. We continue to monitor evolving industry standards around GHG emissions accounting and reporting. 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

Key:

● Compliant

◔ In progress

We have included disclosures against the TCFD's recommendations, providing further transparency on our approach to managing climate-related risks and opportunities across our business in 2023, in line with Listing Rules 9.8.6R and 14.3.27R.

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/ 2023 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-related risks and opportunities and for overseeing the firm's ambitions in-relation to climate matters. 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. The Board monitors climate-related risks and opportunities through its receipt of reporting from the RI Leadership team and the Corporate Sustainability Committee, and considers, where appropriate, the impact of climate when conducting its oversight and decision-making role against a range of matters, including strategic planning, budget planning, resource allocation, setting performance objectives and overseeing capital expenditure. The Audit and Risk Committee, specifically, has delegated authority to monitor compliance with regulations and disclosures related to climate, sustainability and other ESG considerations. An outline of our ESG governance structure, including the frequency of meetings, can be found on page 47 of the Sustainability and responsibility section.	●
Management's role in assessing and managing climate-related risks and opportunities.	Man Group management has a key role in assessing and managing climate-related risks and opportunities. Our RI Leadership team, comprised of members of our senior management, in conjunction with the Man Group CEO and Board, set the overarching ESG vision and strategy for the firm. There are several 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 senior management and the Board. We outline more details on management's role in assessing climate-related matters and our governance structure in the Sustainability and responsibility section (page 47) and the Non-financial and sustainability information section (page 65).	●
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 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).	●

Disclosure recommendation	Man Group assessment/ 2023 Annual Report reference	Compliance
Strategy continued		
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 Sustainability and responsibility 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.	●
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 opportunity in our business. The impact on our business, strategy and financial planning is discussed throughout this report, with our firm-wide strategy for managing and addressing climate-related risks and opportunities, alongside the risk mitigants, 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 Sustainability and responsibility section on pages 48 to 50 and lay out our targets as well as how we are progressing against them on page 51. Climate change has not had a financially material impact on our financial performance and position to date. 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 on the impact of climate on our financial statements, and the steps we have taken 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 endeavoured to reflect a holistic picture of the interdependencies among the factors that affect our ability to create value over time, however recognise that further progress is still 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 and measurable.	◕
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 2023 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 53 and 55). More detail on how we utilise our technology to factor climate-related risks and opportunities into our products and investment strategies can be found on pages 54 to 56. 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 have been considered in the financial statements in the CFO review (page 27) and Note 3 to the Group financial statements.	●
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 firm-wide 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 firm-wide 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.	●
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).	●

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[1] We set firm-wide targets considering the Paris Agreement, an international treaty on climate change adopted in December 2015. The goal of the agreement is to limit global warming to well below 2°C, and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

TCFD continued

Key:

● Compliant

◕ In progress

Disclosure recommendation	Man Group assessment/ 2023 Annual Report reference	Compliance
Risk management continued		
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).	●
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 Sustainability and responsibility section. We are investing 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 56. We have also made substantial progress in our climate stewardship activities during 2023, and we expand on these efforts on pages 58 to 60. We also discuss our continued commitment to the Net Zero Asset Managers initiative and acknowledge the importance of managing climate-related risks in our portfolios (page 53).	●
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 Sustainability and responsibility 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). We monitor our carbon emissions from travel and incorporate these as part of our annual budgeting process, embedding Scope 3 carbon emissions reduction targets across the business this year. We will continue to monitor the developments made in this area and refine our approach on an ongoing basis.	◕
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, in line with the NZAMI (page 48). We set firm-wide targets in line with the Paris Agreement. In 2022, 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 (page 53). 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 from 2022, as set out in the Directors' Remuneration report on pages 109 and 119 and incorporated carbon considerations in our budget process this year. 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. The targets we use to manage climate-related risks and opportunities related to our operations, and our performance against these targets, are shown in the Sustainability and responsibility section (page 51).	●
Scope 1, 2 and 3 greenhouse gas (GHG) emissions and related risks.	The emissions metrics related to our operations are shown in the Sustainability and responsibility section (pages 49 and 50). These calculations are in line with the 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.	●
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 pages 60 and 61, using GHG emissions from our assets under management and the weighted average carbon intensity for a number of our largest strategies. This year, we onboarded new data sources and developed a proprietary carbon dataset to increase the data coverage for our calculations. We have also updated our calculations in line with industry best practice. Our ambition remains to refine these calculations as better data becomes available and a consensus around methodologies develops. We have also set targets to reduce emissions within our investment strategies, in line with the NZAMI, which are outlined on page 53 of the Sustainability and responsibility section. We have disclosed the metrics we consider meaningful at this time. Outside of carbon emissions and intensity metrics, we also report on a range of carbon-only metrics, subject to data availability, for our clients. We continue to monitor industry developments and aim to incorporate best practices into our carbon reporting as they emerge.	●

Non-financial and sustainability information statement

Man Group has chosen to comply with sections 414C, 414CA and 414CB 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 and sustainability information statement. Information contained herein is incorporated by cross reference. 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 34. On behalf of the Board, the Corporate Sustainability Committee 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 48 to 51. Our metrics in relation to our investment strategies can be found on page 61. 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.
Climate-Related Financial Disclosures Our climate related financial disclosures can be found within the TCFD disclosures on pages 62 to 64.	The Board has collective responsibility for providing climate-related oversight and setting the firm's climate-related strategy. 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. Senior management are responsible for implementing the climate strategy as set by the Board. Further information on our ESG governance structure and risk management strategy can be found in the Sustainability and responsibility section on page 47.	We report in line with the TCFD recommendations Further information on our climate-related financial disclosures, can be found on pages 62 to 64. 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 processes Outlines our recognition and support for the development and integration of RI modalities across the firm.	Our Responsible Investment Committee oversees the implementation of the Man Group RI Policy, and other RI-related policies 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 ESG committees, which regularly inform and report on ESG-related matters to senior management, the RI leadership team and the Man Group Board. Man Group has established an ESG Centre of Expertise (RI Team), responsible for driving the integration of RI and engagement across the firm. Man Group's RI team is responsible for the day-to-day implementation of the Man Group RI Policy. The diversified nature of our multi-strategy businesses means that no RI 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 RI-related policies and processes overseen by the Responsible Investment Committee. Our ESG integrated AUM is $59.3 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 52 to 56. Man Group is a signatory to the UN-supported PRI and reports annually on our RI work to the PRI.	RI is linked to our investment performance and reputational principal risks on page 30 and page 33.
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, including the application and maintenance of our Engagement Policy. Fund-level engagement is delegated to the investment teams. The Engagement Policy was formalised by a cross-section of business units, including investment managers and RI and stewardship personnel. The Stewardship Committee is responsible for monitoring compliance with the policy and overseeing amendments to the policy.	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 57 to 59. Man Group is a signatory to the UK Stewardship Code and the UN-supported Principles for RI.	Not linked to our principal risks.

Non-financial and sustainability 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			
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 promotes the ManKind initiative across the firm to encourage employee participation in volunteering activities. We are pleased that over 400+ employees volunteered in 2023.	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 firm-wide 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.	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 Group'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 (Safecall), and governmental, regulatory, self-regulatory, or law enforcement authority, as well as to nominated individuals internally. Disclosures are reported, on an anonymised basis) to the Audit and Risk Committee.	Employee conduct is linked to our operational and reputational principal risks on pages 32 to 33.
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.

Our policies and standards	Due diligence and governance	Impact and outcomes of our policies and standards	Related principal risks
Employees continued			
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 Executive Committee and our Drive (DE&I) Steering Committee (see pages 40 to 41).	Our Board meets the diversity targets set by the FTSE Women Leaders Review, Parker Review and Listing Rules and we continue to be cognisant of diversity when reviewing the composition of our Board in line with our Board Diversity, Equity and Inclusion Policy. See pages 98 to 99 for further information. Further information on our diversity, equity and inclusion initiatives can be found within our DE&I report on the Man Group website.	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.
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. For more information see the Corporate Social Responsibility booklet on the Man Group website. 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/service-level agreements 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.

Overview for 2023

Our purpose and strategic priorities are outlined on pages 2 to 3 and 14 to 15. This section outlines the role of the Board in overseeing the delivery of strategy and the governance framework in place to support it. It also explains who our stakeholders are and how the Board considers their views when making key decisions.

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 2023, 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, 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 84.

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. The Chair does not participate in this decision.

The new UK Corporate Governance Code published in January 2024 will apply to Man Group in the financial year beginning 1 January 2025 (other than provision 29 which will apply the following financial year). We are considering the changes in the new Code and will report on progress at the appropriate time.

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

The Board of directors confirms that during the year ended 31 December 2023, 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 set out on pages 78 to 83.

Corporate Governance Code Index

1. Board leadership and Company purpose

We have a diverse and effective Board which leads the Group to achieve our purpose and safeguard our stakeholder focused culture.

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2. Division of responsibilities

Our Board is comprised of 75% independent non-executive directors, including the Chair. We monitor external commitments and conflicts of interest.

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3. Composition, succession and evaluation

The composition of the Board and its succession plans are kept under regular review by the Nomination and Governance Committee. We have an ongoing training programme and follow a three-year cycle of undertaking external Board evaluations.

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4. Audit, risk and internal control

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 internally and published externally is robust and reliable.

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5. Remuneration

We are transparent about our pay practices which aim to incentivise our executive team to achieve our strategy and generate sustainable value.

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Chair's governance overview

Anne Wade
Chair

> I am delighted to have taken on the role of Chair and look forward to continuing to work closely with the Board and the executive team to guide Man Group through the next phase of its journey.

Dear Stakeholder

I am pleased to present the Governance report for the year-ended 31 December 2023, my first as Chair of Man Group. This section will enable you to gain an understanding of Man Group's governance framework and responsibilities, as well as 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). This year, we have introduced an index on the opposite page to help stakeholders understand how the Company has complied with, and reported against, the principles and provisions of the Code.

Board changes

There have been several changes to our Board this year as I highlighted in my introductory statement. Jackie Hunt and Kate Barker stepped down in March and April respectively and we thank them for their valuable contributions whilst on the Board.

In May, Luke Ellis informed the Board of his intention to retire as CEO, following which we implemented our agreed succession plan and were very pleased to appoint Robyn Grew as Luke's successor. Robyn took over from Luke and joined the Board on 1 September. Robyn brings a wealth of knowledge and experience to the role; she has a clear vision and ambition for Man Group as a global, active investment firm, as well as undeniable passion for creating a collaborative and diverse culture at the firm. We thank Luke for his outstanding leadership of Man Group since 2016 and wish him all the best for his retirement.

In August, we welcomed Laurie Fitch to the Board. Laurie took over from me as Remuneration Committee Chair in October.

At the end of September, John Cryan stepped down as Chair after almost nine years on the Board, at which time I took over the role. I'd like to thank John for his enormous contribution to the Board over the years and wish him all the best for the future.

In early 2024, Alberto Musalem informed the Board that he had been selected as the next President and Chief Executive Officer of the St. Louis Federal Reserve Bank and, as a result, it would be necessary for him to step down from the Board. Alberto will leave us at the end of February and we wish him every success in this new appointment.

Strategy

Following the announcement of Robyn's appointment as CEO, the Board has devoted significant time to focusing on the firm's strategy, holding strategy sessions in June and September. Robyn and the executive management team presented and discussed with the Board potential options for the future strategic direction of the firm. These plans were finalised at a further strategy session in January 2024 and with key themes to be communicated to the market formally approved by the Board in February.

Diversity, equity & inclusion

We remain committed to promoting diversity, equity and inclusion across the organisation. We are proud to maintain a Board that exceeds the gender and ethnicity targets set out in the FTSE Women Leaders Review and Parker Review, and the Listing Rules, with two of the four senior Board positions (Chair, CEO, SID and CFO) now held by women. Our Board Diversity, Equity & Inclusion Policy, which was updated and approved by the Board in early 2024, is set out on pages 98 to 100.

Board activities and effectiveness

2023 has been a year of transition for Man Group and the Board, and a summary of our key activities is set out on pages 76 and 77. In addition to the Board changes mentioned above, we also approved the acquisition of Varagon, a leading U.S. middle-market private credit manager which completed in early September 2023 (further details are on pages 15 and 78). We were very pleased to be able to meet the Varagon team during the Board visit to New York this year.

In mid-2023, we commissioned external consultants (Clare Chalmers and A&O Consulting) to undertake a review of our Board culture and governance arrangements. The review indicated that the Board was high quality and well run, with a rigorous and disciplined approach. Areas for potential improvement were also suggested which we agreed and implemented during 2023 and early 2024. Further details are set out on page 86. Following on from this, we also conducted an internal Board effectiveness review in respect of 2023. We are pleased with the results, summarised on page 87, which echoed the independent review findings and demonstrate that we continue to be an effective and collaborative Board.

Board priorities for 2024

2024 is likely to be another busy year as we look to implement the strategy that the Board has approved. We intend to focus much of our time monitoring progress on delivery of the strategy to ensure that the firm continues to deliver outperformance for clients and excellent value to shareholders.

We will also look to continue to build on our Board skills and experience in 2024 through the appointment of additional non-executive directors with deep markets and extensive accounting experience.

Thank you

Finally, I'd like to thank all of our people for their hard work and commitment during 2023 and for continuing to demonstrate the strong and positive culture that makes Man Group so unique. I am delighted to have taken on the role of Chair and look forward to continuing to work closely with the Board and the executive team to guide Man Group through the next phase of its journey.

Anne Wade
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;
- Monitor management performance in delivering against the firm's 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 clients, shareholders, employees, broader communities and the environment, business partners and suppliers and regulators, 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 88

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 100

Nomination and Governance 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
- Monitors and reviews the Company's corporate governance arrangements
- Considers the output of Board performance reviews and is responsible for the implementation of any resulting recommendations

+ See page 96

Board delegation to the CEO
All significant 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.

Executive Committee (ExCo)

Following the appointment of Robyn Grew as CEO of the Company, a new, streamlined ExCo was established. Details of the membership of the ExCo and its function can be found on pages 74-75. The ExCo assists the CEO in the day-to-day management of the firm and is responsible for the implementation of the Company's global business strategy, ensuring that it is disseminated and actioned accordingly within the Company's two distinct geographically-aligned sub-groups in line with the delegated authorities framework.

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1 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 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 maintains a culture of open debate.
- Leads, with the support of the Nomination and Governance 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 subject to appropriate delegated authorities, risk management and internal controls.
- Develops, for Board consideration and approval, business strategy, and reports on management's delivery against it.
- Leads the ExCo (see pages 74 and 75), which is responsible for 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 firm's strategy and performance.

CFO

- 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, in accordance with the Board governance framework.
- Leads the development of annual budgets and medium-term plans for Board approval.
- Has responsibility for the firm's financial 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.

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.

Non-executive directors

- Determine and review business strategy and oversee management's delivery against it.
- Monitor and challenge management performance in delivering business strategy and objectives.
- Contribute to the identification of principal business risks and the determination of risk appetite.
- 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.

Company Secretary

- Supports the Board and Committees in discharging their respective roles.
- Advises the Board on corporate governance matters, ensuring good governance practices.
- 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 UK Market Abuse Regulation.
- Organises the Company's AGM and other shareholder meetings.
- Acts as the main point of contact for retail shareholders.

Board and Committee Attendance 2023

	Board[1]	Audit & Risk Committee	Nomination & Governance Committee[3]	Remuneration Committee
Kate Barker	3/3	1/1	N/A	2/2
Lucinda Bell	10/11[2]	5/5	10/11[2]	N/A
Richard Berliand	10/11[2]	5/5	11/11	7/7
John Cryan	9/9	N/A	10/10	5/5
Luke Ellis	7/8[2]	N/A	N/A	N/A
Laurie Fitch	3/3	2/2	1/1	2/2
Antoine Forterre	11/11	N/A	N/A	N/A
Robyn Grew	3/3	N/A	N/A	N/A
Jacqueline Hunt	2/2	1/1	N/A	2/2
Ceci Kurzman	11/11	N/A	1/1	2/2
Alberto G. Musalem	11/11	5/5	1/1	7/7
Anne Wade	11/11	N/A	11/11	7/7

[1] Includes two strategy sessions which were attended by all Board members and three ad-hoc Board meetings which were held to consider and approve specific matters.

[2] Due to conflicting commitments, Lucinda Bell, Richard Berliand and Luke Ellis were each unable to attend one Board meeting and Lucinda Bell was unable to attend one Nomination & Governance Committee meeting during 2023. These meetings were held at short notice to consider and approve specific matters. Each director received the meeting packs in advance of the meetings for review and provided their comments to the Chair or Committee Chair, which were addressed at the meeting as appropriate.

[3] Includes nine ad-hoc meetings which were scheduled to consider and approve specific matters.

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.

● N R

Anne Wade
Chair

Appointed
April 2020. Chair: October 2023.

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 and as a non-executive director of Holcim Limited from 2013 to 2015.

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.*

○

Robyn Grew
Chief Executive Officer (CEO)

Appointed
September 2023.

Background and career
Prior to joining the Board, Robyn served as President of Man Group with responsibility for managing the Solutions business and overseeing trading and execution. Robyn's previous roles at Man Group have included Group COO, Head of ESG and General Counsel. Before joining Man Group, Robyn held senior positions at Barclays Capital, Lehman Brothers and LIFFE (since renamed ICE Futures Europe), the largest futures and options exchange in London.

Areas of expertise and contribution
Robyn has significant operational and financial services experience as well as a strong track record of demonstrating strategic vision and collaborative leadership.

Material external positions
Trustee, Standards Board for Alternative Investments.

○

Antoine Forterre
Chief Financial Officer (CFO)

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.

● A N R

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*.

● R N A

Laurie Fitch
Independent Non-executive Director.

Appointed
August 2023. Remuneration Committee Chair: October 2023.

Background and career
Laurie's background spans asset management and investment banking, with extensive experience in both capital markets and M&A. Laurie was a Partner at PJT Partners until she retired in January 2024 and became a Senior Advisor. Prior to that, she co-headed Morgan Stanley's Global Industrials Group. Before that, she spent the majority of her career as an Analyst and Portfolio Manager at Artisan Partners and TIAA-CREF. Laurie was a non-executive director of EnQuest plc from 2018 to 2021 where she chaired the Remuneration Committee.

Areas of expertise and contribution
Extensive experience as an equity investor and banker, and strong strategic and international perspective.

Material external positions
Senior Advisor at PJT Partners. Non-executive director of EDP, Energias de Portugal*.

● A N

Lucinda Bell
Independent Non-executive Director

Appointed
February 2020. Audit and Risk Committee Chair: May 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) and a non-executive director of Crest Nicholson Holdings plc (2017-2023).

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*.

Key:

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

Alberto G. Musalem
Independent Non-executive Director

Appointed
November 2022. Alberto will step down from the Board on 29 February 2024.

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.

Cecelia (Ceci) Kurzman
Independent Non-executive Director

Appointed
February 2020. Designated employee engagement non-executive director: March 2022.

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.

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.

Diversity of the Board and executive management by gender and ethnicity as at 31 December 2023

Under LR 9.8.6R(10), the Company is required to disclose numerical data on the ethnic background and the gender identity of the Company's Board and its executive management. Please refer to page 84 for the Company's statement on its Board diversity targets as specified under LR 9.8.6R(9).

Following Robyn Grew's appointment as CEO, our Executive Committee was restructured and streamlined. This is reflected in the data below. For the purposes of this reporting, executive management has been defined as all members of the Executive Committee and the Company Secretary.

The data in the tables below has been collected and compiled in accordance with the UK Listing Rules. This is done annually via voluntary disclosure and is 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)	Number in executive management[1]	Percentage of executive management
Men	3	37.5%	2	8	66.7%
Women	5	62.5%	2	4	33.3%
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)	5	62.5%	4	10	83.3%
Mixed/Multiple Ethnic Groups	0	0%	0	1	8.3%
Asian/Asian British	0	0%	0	0	0%
Black/African/Caribbean/Black British	0	0%	0	0	0%
Other ethnic group, including Arab	3	37.5%	0	0	0%
Not specified/prefer not to say	0	0%	0	1	8.3%

[1] Robyn Grew and Antoine Forterre are considered both Board and executive management for the purposes of this reporting.

Implementing our strategy

Executive Committee

Following the announcement in May that Robyn Grew would be taking over from Luke Ellis as CEO in September, Robyn took the opportunity to review the structure of the senior leadership team and formed a new Executive Committee (ExCo), with membership set out opposite. The ExCo is responsible for implementing the firm's strategy at a Group level and communicating the strategy to the Group's UK/EEA and Rest of World (RoW) Holding Company (HoldCo) boards for onward implementation in their respective sub-groups.

The ExCo meets on a frequent basis to maintain its broad operational oversight of the business, discuss top-level strategic and risk issues and develop proposals for Board consideration. These meetings are supplemented by formal quarterly governance meetings held to provide a forum for the ExCo to review progress on strategy through various business updates and business spotlight sessions, agree any matters that should be escalated to the Man Group plc Board and any matters that need to be communicated to the UK/EEA and RoW HoldCo boards.

Key decisions and areas of focus during 2023

Key decisions

- Approved multi-year open-source technology development and product integration agreement with Bloomberg for database product, ArcticDB[1].
- Reviewed 2023 Budget and 2023-25 Medium Term Plan prior to their submission to the Man Group plc Board for consideration and approval[1].
- Approved funding from Man Group plc to the Charitable Trust[1].
- Monitored and assessed acquisition opportunities and considered the acquisition of Varagon Capital Partners prior to its submission to the Board for approval. Further information can be found on page 78[1].
- Considered and approved the acquisition of a 51% stake in Asteria, a Geneva-based investment firm and the creation of a strategic partnership with Fideuram[1].
- Discussed and agreed the firm's future workplace strategy.

Areas of focus

- Debated items to be presented to the Man Group plc Board at the strategy sessions held during the year.
- Assessed and monitored the financial performance of the firm.
- Agreed actions arising from business unit presentations.
- Considered matters relating to the firm's people and culture.
- Agreed any actions arising from the Man Group plc Board and Committee meetings and considered regular reporting from the UK/EEA and RoW HoldCo boards.
- Discussed the firm's global strategy to support Board consideration and decision-making at dedicated ExCo strategy sessions in November 2023 and January 2024.

Q&A with Robyn Grew, CEO

Q1. Can you outline the changes you made to the senior management team following the announcement that you would be taking over from Luke as CEO?

We have an excellent pool of talent at Man Group and following the announcement of my appointment as CEO it made sense to review the roles and responsibilities of the senior management of the firm. This led to the creation of a new, streamlined Executive Committee (ExCo), with its members representing the core functions from across the business who will support me in delivering the firm's strategic priorities.

As part of my review of the structure, I also made a number of changes to the roles and responsibilities of several ExCo members:

- Steven Desmyter was appointed as President with his responsibilities extending to Man Solutions and Responsible Investment in addition to Sales and Marketing;
- Michael Kasper was appointed Head of Strategy;
- Doug Hamilton has assumed the title of Chief Operating Officer;
- Greg Bond was appointed as Head of Americas in addition to his responsibilities for Man Numeric;
- Kate Squire was appointed as Head of Non-financial Risk; and
- Gary Collier was appointed as Chief Technology Officer.

The roles and responsibilities of each ExCo member can be found on the opposite page.

Q2. What is the mandate for the new ExCo?

The ExCo is responsible for the effective management and operation of the firm as well as fulfilling the key role of developing the firm's strategy for Board approval and overseeing its implementation and progress against key objectives. In my first few months as CEO, my work with the ExCo has been largely focused on the firm's strategy as I look to create a clear vision and roadmap for the firm's future direction. We held an ExCo offsite in November and a follow-up session in January 2024, both of which reinforced for me what a great leadership team we have. Each member of the ExCo has a deep understanding of the asset management industry and is an expert in their respective areas. I believe their leadership, support and contribution, together with their long-standing experience at the firm will be invaluable as we strive to achieve future successes for the firm.

Q3. Will there be any change in strategy or focus and what role do you envisage the ExCo having in achieving your vision for the firm?

Man Group has a strong reputation for delivering value to our clients and this will continue to remain at the heart of everything we do. I have spent considerable time in my first few months as CEO engaging with our clients to ensure that their priorities are reflected in the future direction of the firm. We will also continue to invest in the business, ensuring that we have both the talent and technology to support our ambitions. We made significant progress on our key priorities in 2023, and as I undertake my first full year as CEO, I intend to define and implement, with the help of the ExCo, a clear vision for us to deliver risk-adjusted returns and differentiated solutions for our clients, to build our competitive advantage in the industry and to achieve sustainable growth in the future.

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[1] Approved by Senior ExCo prior to creation of new ExCo.

Our Executive Committee

Robyn Grew
CEO

Key areas of responsibility
Robyn Grew is CEO of Man Group, and an executive director on the Man Group plc Board. As CEO, she leads the firm's Executive Committee and is central to the delivery of the firm's strategic ambitions. Robyn spearheads the firm's diversity programme, Drive.

Antoine Forterre
CFO

Key areas of responsibility
Antoine Forterre is Chief Financial Officer for Man Group, and an executive director on the Man Group plc Board.

Doug Hamilton
Chief Operating Officer

Key areas of responsibility
Doug Hamilton is the COO for Man Group. In this role, Doug has oversight of Man Group's Central Trading and Execution, Operations, Fund Treasury, Rest of World Office and Corporate Real Estate teams.

Eric Burl
Head of Discretionary

Key areas of responsibility
Eric Burl is Head of Discretionary at Man Group, responsible for Man's discretionary division.

Gary Collier
Chief Technology Officer

Key areas of responsibility
Gary Collier is CTO of Man Group, with responsibility for all technology and data science across the firm.

Greg Bond
Man Numeric CEO and Head of the Americas

Key areas of responsibility
Greg Bond is CEO of Man Numeric, Head of the Americas for Man Group, and a special advisor to Man Group's multi-strategy funds. He is also a member of the Man Numeric Investment Committee.

Kate Squire
Head of Non-Financial Risk

Key areas of responsibility
Kate Squire is Head of Non-Financial Risk at Man Group. Her role includes oversight of Global Compliance, Financial Crime, Operational Risk and Resilience, Information Security and ESG Infrastructure at Man Group.

Michael Kasper
Head of Strategy

Key areas of responsibility
Michael Kasper is Head of Strategy with responsibility to define and oversee Man Group's strategic priorities.

Russell Korgaonkar
Man AHL Chief Investment Officer

Key areas of responsibility
Russell Korgaonkar is Chief Investment Officer of Man AHL, with overall responsibility for investment and research. He is also a member of Man AHL's management and investment committees.

Steven Desmyter
President

Key areas of responsibility
Steven Desmyter is the President of Man Group and the Chair of the Man Charitable Trust. Steven oversees Man Solutions and leads Man Group's approach to responsible investment and research. Steven also manages the global sales and marketing distribution strategy.

Tania Cruickshank
General Counsel

Key areas of responsibility
Tania Cruickshank is General Counsel at Man Group. Tania leads the legal teams working in Man Group's offices in London, New York, Hong Kong and Pfäffikon, Switzerland.

Board activities

Key activities of the Board during 2023

Strategy and business development

Conducted strategy review
Assessed the strategic position of the firm, including industry trends, the geopolitical environment, long-term objectives, and required capabilities to achieve ambitions.

①②③④ⒸⓈⒺⓇ

Assessed progress against strategic plans
Assessed progress against the strategic objectives of the firm, including reviews of the investment engines and business functions. CEO and CFO reports presented at each meeting, alongside topic specific deep dives to assist with the ongoing assessment.

①②③④ⒸⓈⒺⒸⒺⒷⓇ

Considered external perspectives on the market environment
Considered current industry trends, including industry performance, investor sentiment and long-term market evolution.

①②③④ⒸⓈ

Reviewed M&A strategy and opportunities
Determined M&A strategy and considered opportunities.

①②③④ⒸⓈⒺ

Approved Varagon acquisition
Reviewed and approved acquisition of Varagon and received update on integration objectives and supporting governance framework.

①③ⒸⓈⒺⓇ

Considered Group Operations update
Received updates on the department's 2022 achievements and 2023 objectives. Areas of focus included service excellence, efficiency and departmental talent attraction and retention.

①②③ⒸⓈⒺⒸⒺⒷⓇ

Considered Investor Relations update
Reviewed Man Group in the context of the UK equity market, the broader market positioning, and the firm's key IR priorities.

①②③④ⒸⓈ

Evaluated ESG and RI strategies and initiatives
For further information see pages 44 to 67.

Received updates on the firm's ESG and RI strategies, considered key trends and Man Group's ESG ratings. Evaluated the firm's ESG ambitions, performance and opportunities.

①②③④ⒸⓈⒺⒸⒺⒷⓇ

Risk management

Assessed impact of US banking crisis
Assessed impact of market moves and US banking crisis on Man Group performance and considered Man Group's risk positioning.

①②③④ⒸⓈⒺⒸⒺⒷⓇ

Reviewed Man Group's principal and emerging risks
For further information see pages 28 to 35.

Examined the potential impact of emerging risks and discussed and challenged the firm's principal risks.

①②③④ⒸⓈⒺⒸⒺⒷⓇ

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.

①②③④ⒸⓈⒺⒸⒺⒷⓇ

Reviewed risk appetite and governance framework
Approved revised risk appetite and governance framework.

①②③④ⒸⓈⒺⒸⒺⒷⓇ

Financial performance

Approved 2023 Budget and 2023 – 25 Medium Term Plan (MTP)
Approved the 2023 Budget and 2023-25 MTP having reviewed the underlying assumptions for net flows, performance, revenue margins and costs.

③④ⒸⓈⒺⒸⒺⒷ

Approved FY 2022 year-end results and 2023 interim results
Reviewed, challenged and approved the 2022 Annual Report and the 2023 interim results.

④ⒸⓈⒺ

Recommended and approved final and interim dividends
Recommended the 2022 final dividend to shareholders which was approved at the 2023 AGM. Approved payment of the 2023 interim dividend.

④Ⓢ

Reviewed balance sheet deployment
Reviewed Man Group's seed book, balance sheet, investments and funding in the context of the firm's growth strategy, and agreed an appropriate approach.

①②③④ⒸⓈ

Approved revolving credit facility (RCF) extension
For further information see page 78.

Reviewed and approved increased RCF of up to $800 million.

①②③④ⒸⓈⒺⒸⒺⒷⓇ

People and culture

Approved appointment of Chair
Noted the retirement of John Cryan and approved the appointment of Anne Wade as Chair of the Board.
① ② ③ ④ Ⓒ Ⓢ Ⓔ Ⓒ Ⓔ Ⓑ Ⓡ

Approved appointment of CEO
For further information see page 5.

Noted the retirement of Luke Ellis and approved the appointment of Robyn Grew as CEO of Man Group.
① ② ③ ④ Ⓒ Ⓢ Ⓔ Ⓒ Ⓔ Ⓑ Ⓡ

Considered findings of independent Board review
For further information see page 86.

Discussed findings of independent review of the Board's culture and governance arrangements, agreed actions and monitored progress on achieving actions.
① ② ③ ④ Ⓒ Ⓢ Ⓔ Ⓒ Ⓔ Ⓑ Ⓡ

Approved appointment of non-executive director
Discussed and approved the appointment of Laurie Fitch as a non-executive director, recognising the skill set she brings to the Board to support the delivery of the firm's strategy.
① ② ③ ④ Ⓒ Ⓢ Ⓔ Ⓒ Ⓔ Ⓑ Ⓡ

Reviewed firm culture
Reviewed Man Group's culture, with a focus on diversity, equity and inclusion. Considered various initiatives aimed at listening to and supporting employees.
③ Ⓔ Ⓒ

Reviewed employee engagement model and key themes arising from employee engagement feedback
For further information see page 80.

Discussed key themes identified from the Board's engagement with employees around the world. Considered the current engagement model in the context of broader market practice. Agreed actions to address feedback.
③ Ⓔ

Approved executive directors' objectives
Discussed, challenged and approved the executive directors' objectives.
③ ④ Ⓒ Ⓔ

Approved employee Sharesave Offer 2023
Approved the offer of the 2023 Sharesave scheme to all eligible employees.
③ ④ Ⓔ

Key to strategy:

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

Key to stakeholders:

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

Board activities

●	Innovative investment strategies	24%
●	Strong client relationships	22%
●	Efficient and effective operations	21%
●	Returns to shareholders	20%
●	Governance and other	13%

+ For more information on our strategy see pages 2 and 3.

+ For more information on our stakeholder groups see pages 78 to 83.

Stakeholder engagement

Our key stakeholders

The Board believes that engaging with stakeholders is crucial to Man Group's business, enabling better decision-making for the long-term benefit of the Company and its stakeholders.

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 designated strategy days in June and September 2023 to consider the long-term strategic direction of the firm. As part of these strategic discussions, the Board considered market and industry trends and potential impact on stakeholders. These were reflected in the strategic priorities agreed by the Board.

Our section 172(1) statement is integrated across these pages 78 to 83 and sets out who our stakeholders are, how the Board has engaged with each stakeholder group and any key outcomes. We have also identified below the principal decisions made by the Board during the year, and how the Board considered the interests of our stakeholders when making long-term strategic decisions.

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 – 78.
Interests of employees – 80.
Fostering business relationships – 79.
Impact on the community and environment – 81.
High standards of business conduct – 82.
Need to act fairly between shareholders – 80.

Key to stakeholders:

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

Engagement in action – Principal decisions of the Board

CEO appointment

Ⓒ Ⓢ Ⓔ Ⓒ Ⓔ Ⓑ Ⓡ

In May, Luke Ellis notified the Board of his intention to retire as CEO. The Board implemented its succession plans and approved the appointment of Robyn Grew, Man Group's President, as the next CEO. Robyn took over from Luke on 1 September 2023.

Given the CEO's role in leading the organisation and setting the firm's strategy, the Board was aware of the importance of this appointment to all stakeholders and took this into account during succession planning discussions, when formalising the role specification and as part of the appointment process. Particular consideration was given to the impact on clients, shareholders and employees.

The Board was pleased to approve Robyn's appointment, given her previous wide-ranging experience and strong track record of demonstrating strategic vision and leadership, and will continue to work closely with Robyn to approve and oversee delivery of the firm's strategy during 2024.

RCF extension

Ⓒ Ⓢ Ⓔ Ⓒ Ⓔ Ⓑ Ⓡ

In December 2023, the Board approved a new Revolving Credit Facility of up to $800 million. The increase in size reflects the growth of the business since the previous $500 million facility was put in place in 2019. As part of the Board's discussions, consideration was given to the Company's balance sheet as a result of the increased facility and the potential impact to the Company's shareholders.

Consideration was also given to the impact of the decision on employees and the environment. The Board noted that the facility would become a sustainability linked loan once ESG-related tests had been specified and agreed. These are expected to align with the metrics contained in the Executive Director LTIP ESG scorecard.

Acquisition of Varagon

Ⓒ Ⓢ Ⓔ Ⓡ

In July, the Board agreed to acquire a controlling interest in Varagon Capital Partners, a leading US middle-market private credit manager. The acquisition was intended to support Man Group's growth in US private credit and enhance its investment capabilities with a complementary US-focused direct lending strategy.

Given the strategic importance of the acquisition, the Board considered the potential impact of the transaction on Man Group's key stakeholders. Particular focus was given to the opportunities that the acquisition and diversified fund range could offer to Man Group's existing client base and the extent to which Man Group's extensive distribution network and operational expertise could support Varagon with its continued growth and delivery for clients.

The transaction completed in September with the creation of Man Varagon, a new investment engine within Man Group's existing infrastructure.

Share buyback programme

Ⓒ Ⓢ Ⓡ

The Board approved a share buyback programme of up to $125 million during the year, which commenced in March 2023 and concluded in May 2023. Prior to its approval, the Board considered the views of the firm's stakeholders, particularly those of its shareholders, and deliberated whether the buyback programme would be considered an appropriate use of capital for delivering long-term success. Alternative uses of capital were also discussed, and the Board concluded that the buyback was the most appropriate option for the firm and reflected the Board's confidence in the performance of the firm.

Clients

Why?

Delivering outperformance for our clients is fundamental to our corporate purpose. To achieve this, 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 challenging and unpredictable markets, with frequent changes in sentiment and sharp reversals during 2023. The Board received regular updates on how the firm engaged with its clients during these periods of volatility and how it continued to meet clients' investment goals, build strong client relationships and deliver market outperformance.

The acquisition of Varagon during the year has further diversified the firm's client offering, by adding a US-focused direct lending strategy. Further information on the Board's consideration of the acquisition of Varagon is set out on page 78.

Client relationships and priorities were a key focus during the Board's strategy sessions, recognising the importance of the firm's long-lasting and strategic partnerships with its clients and supporting client needs.

The Board delegates most direct engagement with clients to executive directors and the senior management team. Regular updates on client interaction and engagement are presented at Board meetings via the CEO report. During the year, the Board received a detailed presentation on the firm's sales activity, which focused on client sentiment and priorities.

Since her appointment as CEO, Robyn has spent considerable time engaging with clients to ensure that their priorities are in alignment with the future direction of the firm.

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

- The Board continues to have a deep knowledge of the firm's client base and client relationships, and how these continue to link to the firm's ambitions and strategic goals.
- The Board remains aware of key areas of client focus such as liquidity, investment risk and ESG. A presentation on ESG and RI matters held during the year included considerable discussion by the Board on the differing client views around ESG issues.
- The Board considered possible client impact as part of the CEO succession and transition process.
- The Board approved the acquisition of Varagon, noting the benefits of the acquisition on the firm from a client perspective.

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 82.

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

Stakeholder engagement continued

Shareholders

Why?

As a listed company, the Board is aware of the importance of institutional and individual shareholders. Central to this is considering the effective use of capital to deliver long-term success.

We are committed to proactive engagement with our shareholders and 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 2023 included investment performance and risk management in challenging financial markets, the growth of our Solutions offering, the acquisition of Varagon, the impact of artificial intelligence on our business model, our capital allocation policy and management changes.

The Board receives regular reports from the Investor Relations function on the Company's shareholder base, including key themes on shareholder sentiment. The Board also held an Investor Relations deep-dive session during 2023.

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. We have carefully considered the 2024 Notice of Annual General Meeting, taking into consideration shareholder views on the resolutions that are proposed.

Outcomes

- Board received metrics on shareholders as part of monthly reporting to inform discussion and decision-making.
- Continued proactive engagement with shareholders, led by the firm's Investor Relations function, CEO and CFO. 100+ meetings took place during the year.
- CEO and CFO hosted a dinner with eight long-standing shareholders.
- Introductory meeting with Anne Wade as incoming Chair offered to top shareholders. Anne met with all shareholders who requested a meeting.
- Board approved a share buyback programme during the year in line with the firm's approach to capital management.
- Board considered shareholder views when discussing the Pre-Emption Group's updated Statement of Principles and agreed not to seek approval for an increase to the non-pre-emptive limits at the 2023 AGM.
- All resolutions passed at the 2023 AGM receiving over 90% in favour.
- Board considered shareholder views as part of its deliberations with respect to the increase of the firm's revolving credit facility.

Employees

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, Ceci Kurzman was the non-executive director responsible for leading employee engagement throughout 2023. Ceci conducted a series of sessions with employees during the year and shared her feedback from these sessions with the Board. Further information is provided on page 83. Employees are also encouraged to share their thoughts and feedback on working at Man Group with Ceci via email, with the creation of a dedicated email address. The workforce engagement model was reviewed and the Board agreed that it continued to be effective way to engage with employees.

The Board received updates on how the CEO transition and senior management updates were communicated to employees and discussed Robyn's approach to engaging with employees, including Q&A style townhall meetings and a 'Robyn's take' Slack channel which contains updates on the firm and the industry more generally. Townhall sessions were held during the year which focused on the CEO transition and the firm's discretionary strategy. Minds at Man sessions were also held throughout the year which provided a strategic overview of each of the firm's investment engines as well as ESG, Generative AI and investment risk. These sessions enabled employees to ask questions and share their views with directors and senior management.

The Board held an in-person breakfast session at the firm's New York office in September 2023 where employees were invited to join them for a coffee and conversation, and were encouraged to ask Board members questions.

The Board also undertook a review of Man Group's culture in the latter part of the year, which supplemented the regular people and culture updates throughout the year. We also considered and discussed the results of the staff survey undertaken during the year and the actions proposed to address the feedback received.

Outcomes

- The Board continues to champion the firm's diversity, equity and inclusion initiatives and schedules regular updates from relevant teams across the firm.
- The Board discussed the outcomes of the 2023 staff survey, noting the areas of focus for 2024 and agreed actions to address them.
- The Board considered feedback from Ceci's employee engagement sessions. Key themes included positive feedback on the agile working model, the ability to progress within the organisation and the positive culture that exists within the firm.

Communities

Why?

Charitable efforts are central to Man Group's ethos and culture. 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, and volunteering opportunities for employees (operated by the firm's ManKind programme).

Our staff networks host a number of events and initiatives over the course of the year which celebrate communities globally. These include events in celebration of Black History Month, Pride and International Women's Day, the latter of which included an in-conversation session with three of our non-executive directors, Anne Wade, Kate Barker and Jackie Hunt, who shared their views on equity, allyship and inclusive leadership.

Outcomes

- 400+ Man Group staff volunteered as part of the firm's 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 works with the #10,000BlackInterns, City Gateway and Girls Are INvestors Network (GAIN) programmes. Man Group is a signatory to the Race at Work Charter and is a Disability Confident Committed employer.
- Ongoing work with a number of schools and charities, including the King's Maths School (UK).
- Every employee was offered the opportunity to expense a £250 (or local currency equivalent for those based outside the UK) donation to a local food bank or homelessness support charity, with an additional £18,613 donated by employees through various other fundraising activities in December 2023.
- Man Group's Corporate Sustainability brochure and Diversity, Equity and Inclusion Report detail a range of commitments and how the firm embodies its key principle of 'responsibility'.

Volunteering opportunities

Each year employees from across the firm are offered the opportunity to volunteer their time to support charities and organisations that are striving to make a positive impact in local communities. Further detail can be found on page 43 and in the case study on page 83.

Environment

Why?

Man Group recognises the need to be a good corporate, global citizen and responsible investor, whilst taking into account the needs and beliefs of our clients.

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 itself, as well as the ESG solutions that we offer to our clients.

The firm is an active member of industry groups including the IIGCC, SBAI, UKSIF and is a signatory to the UN Global Compact and the UN-supported Principles for Responsible Investment, amongst others. Man Group is also a signatory of the Net Zero Asset Managers initiative, a group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner. In 2023, Man Group was also admitted to the strategic forum for the Taskforce on Nature-related Financial Disclosures (TNFD), a global and multi-disciplinary consultative group of institutional supporters who share the vision and mission of TNFD. More detail can be found on pages 46 to 64.

Outcomes

- ESG matters were discussed regularly at Board and Audit and Risk Committee meetings during 2023. In November 2023, the Board received a detailed presentation on RI and ESG matters, from both a corporate and investment management perspective.
- The Board continues to monitor compliance with ESG targets and provide challenge where appropriate.
- The Remuneration Committee monitors ESG performance in the context of ESG-related objectives and metrics as part of executive director remuneration arrangements.

ESG

Our commitment to ESG is fundamental to our corporate strategy, both in the way we provide investment services to our clients and beneficiaries in line with their goals, and as a listed company ourselves. ESG matters are driven, through the ESG governance framework, at all levels of the firm and feature in many of the management meetings we have each year.

We have continued to integrate ESG into our investment processes in line with client demand, with ESG-integrated AUM of $59.3 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 Sustainability and Responsibility section on pages 46 to 47 and 52 to 59.

Business Partners and Suppliers

Why?

Man Group has a long-held reputation for good relationships with business partners and suppliers. This is important to the Board and to all employees.

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?

Whilst the Board generally has limited direct engagement with firm suppliers and delegates this engagement and oversight to senior management, in September 2023 the Board visited the New York offices of Bank of New York Mellon (BNYM), a key business partner of the firm. During this visit, the Board met with BNYM's CEO and other members of BNYM's 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

- Updates during the year on the open source technology development and product integration agreement with Bloomberg for ArcticDB.
- Man Group remains a signatory to the Chartered Institute of Credit Management Prompt Payment Code.
- Where unresolvable issues arise with existing suppliers, the Board is made aware via the Audit and Risk Committee of the transition of business activities to new partners.

Regulators

Why?

The firm's products and services are regulated by various global regulators. Man Group is committed to compliance with its regulatory obligations and to 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 and consider regular updates from senior management on compliance matters, including upcoming changes introduced by regulators that require action.

Man Group's induction programme for new non-executive directors includes a comprehensive overview of Man Group's legal and regulatory responsibilities as well as matters of regulatory focus and development.

Outcomes

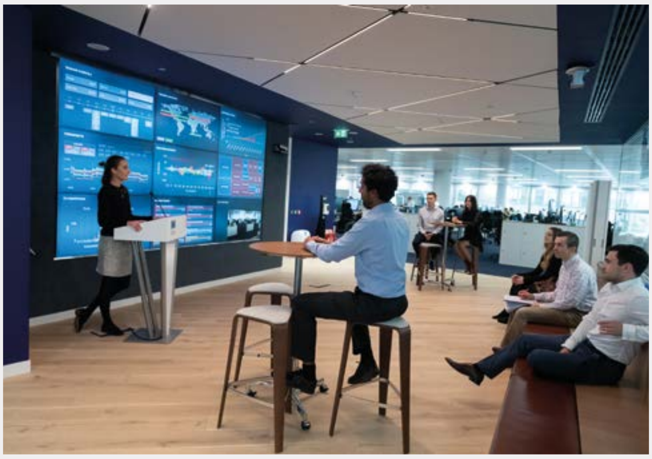
- The Board considered the regulatory impact of the CEO transition and resulting senior management changes.
- The Board and Audit and Risk Committee regularly discussed regulatory priorities, including the potential impact of anticipated changes to the UK Corporate Governance Code, the SEC's Private Fund Adviser Rules, the Overseas Funds Regime and the CBI's Individual Accountability Framework.
- The Board reviewed and approved the Company's revised Share Dealing Code and Inside Information Policy.

High standards of business conduct

As an asset management company, it is vital that our workforce acts 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 pages 65 to 67 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 2023. The Board also received updates on employee engagement, the output of the 2023 employee survey and feedback following engagement with the designated employee engagement non-executive director.

Engagement in action – case studies



Employee engagement

Ceci Kurzman, our non-executive director responsible for leading employee engagement, met with various groups of employees throughout the year, including members of the sales team and women returning from parental leave.

In September 2023, Ceci met with a group of employees from Man Group's Sales team based in Denmark, the Netherlands, Spain and Italy. The group highlighted the importance they placed on spending regular time in the London office to build relationships and feel part of the firm and culture. They also noted the advances in the firm's technology in supporting them in working 'on the go' and the flexibility that the agile working model offered.

In November 2023, Ceci met with a group of UK-based employees who had recently returned from maternity leave to discuss the parental leave and benefits offered by Man Group and the arrangements to support parents returning to work. Particular focus was given to the value that employees attached to the gender-neutral parental leave policy, the support offered by Man Group to individuals whilst on parental leave, the rising cost of childcare and potential options to broaden childcare arrangements and benefits. Ceci summarised the discussions to the Board and, in response to feedback from the group, a review of the existing parental leave and benefits relating to childcare is underway. An update will be provided to the Board in 2024.

Community/volunteering

Man Group participates in many different programmes, from which we have selected two as examples.

The Man Group team in Hong Kong SAR has been working with the Seeds of Art Charity Foundation throughout the year whose objectives include caring for children and the elderly and disadvantaged families in Hong Kong; supporting schools in rural areas; and providing disaster relief and emergency assistance locally. Overall, three volunteering sessions were held during the year in support of the charity, bringing together employees and their families who wish to give back to their community. At a volunteering event held in October 2023, a team of 21 employees and their families distributed more than 350 packs of essential goods to the elderly and disabled in the Lok Fu district of Hong Kong SAR. The firm continues to be very proud of the charitable efforts of its staff across the globe.

In the UK, our School and University Outreach volunteering programme, which is part of our Paving the Way initiative, and is coordinated across our DE&I (Drive) networks and workstreams.

This programme helps inform young people about the breadth of careers in the investment and technology industries and is designed to raise their aspirations, inspiring them to pursue a career in financial services.

We do this through offering:

- Career talks from a wide variety of our people, spanning all divisions within Man Group;
- The Art of Selling workshop;
- The Trading Game workshop; and
- Insights Days at our offices for groups of students.

We also offer help to teachers and employees of educational charities, holding mentoring circles or training sessions on topics that they request (which often include career progression, leadership and management).

Board effectiveness

A skilled, effective and forward-thinking Board

Board oversight, challenge and decision-making

During the year the Board held 11 formal meetings which included two strategy sessions and three ad-hoc Board meetings. Where possible, members were all physically present however, on occasion, members joined by videoconference where they were unable to attend the meeting in person. Attendance at these meetings is set out on page 71.

The Board regularly meets with, and seeks input from, senior management, subject matter experts and representatives from key teams. These interactions enable Board members to build their understanding of Man Group as well as the trends, risks and opportunities impacting the sector.

Consideration of the Company's identified stakeholders forms part of the Board's decision-making process. Further details on these groups, together with how the Board engages with stakeholders and key outcomes during 2023, are set out in the stakeholder engagement section on pages 78 to 83.

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, where appropriate. Board meetings are effectively chaired and structured in a manner that encourages all views to be expressed and heard.

Diversity, equity and inclusion

The Board is a highly skilled, committed and diverse group of individuals, focused on understanding its own strengths, challenges and operational style. The Board biographies on pages 72 to 73 and the analysis of the Board's composition and skills on page 85 give an overview of the breadth and 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 different tenures delivers fresh outlooks and challenge, complemented by a longer-term understanding of the business and its people. In early 2024, the Board approved a revised Diversity, Equity & Inclusion Policy which articulates our approach to Board diversity, equity and inclusion now and in the future. More information can be found on pages 98 to 99.

Independence and time commitment

All of the non-executive directors are considered to be independent and the Chair was considered independent on her 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 (see page 71 for further details); and
- formal review of independence as part of the process for renewing the appointment of non-executive directors.

The Board and culture

The Board recognises that both the maintenance and development of company culture drives Man Group's ability to deliver on its strategic priorities and provides a collaborative and inclusive environment for all employees. As Man Group continues to grow, the Board is committed to ensuring that the culture of the firm is aligned with its core values and is successfully embedded across the organisation. The Board receives regular reporting at Board meetings (via the CEO report) and undertakes a formal review of culture annually. Further information on the outcomes of this review can be found on page 87. In addition, feedback is actively sought from employees through the staff engagement survey and through the workforce engagement programme. Further information on engagement with employees through our workforce engagement non-executive director, Ceci Kurzman, can be found on page 80.

To avoid 'over-boarding' and to 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' contributions. Before appointing a new 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 specifying the expected time commitment to firm-related activities.

No additional significant external appointments were undertaken by Board members during the year.

The Company reports the following diversity target information as at 31 December 2023:

FCA Listing Rule target	Outcome	Group's position
At least 40% of Board directors are women.	Target achieved.	62.5% of Board directors are women.
At least one senior Board position[1] is held by a woman.	Target achieved.	Chair and CEO are women.
At least one Board director is from a minority ethnic background.	Target achieved.	Three of the Board directors are from a minority ethnic background (see page 73).

[1] Chair, CEO, SID or CFO

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 management and the Company Secretary, with relevant briefing materials circulated in advance and follow-up meetings arranged where appropriate. 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. In response to Board feedback, the induction programme was restructured during 2023 and has been organised in three separate phases. The first phase focuses on core Board responsibilities and dynamics, governance arrangements and the Man Group culture/history, and includes meetings with Board members, the Company Secretary and key advisers. Phase two focuses on central functions of the business while phase three focuses on the investment engines. Phases two and three involve meetings with certain members of the ExCo and the management team.

Laurie Fitch was appointed as a non-executive director during the year, and received a tailored induction in the months following her appointment, which followed the new structure.

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:

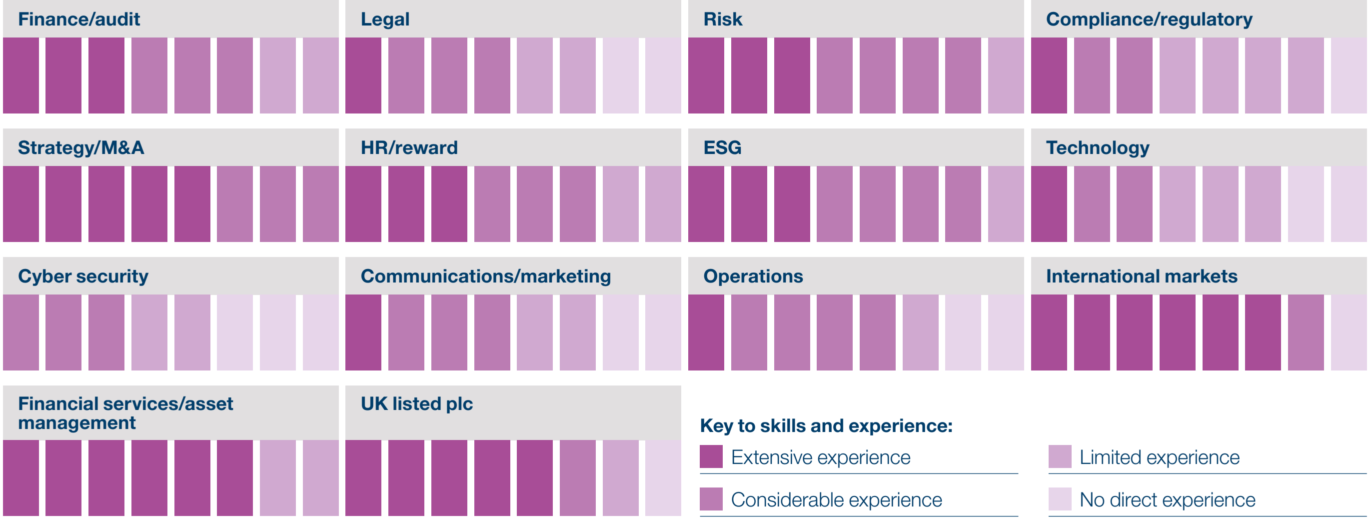
- briefings included within Board papers;
- presentations from senior management and other employees on specific issues; and
- educational sessions from internal subject matter experts and external advisers.

The main training topics covered during the year were:

- the hedge fund industry, investor sentiment and industry trends;
- update on developments within corporate governance reporting;
- Consumer Duty implementation; 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.

Aggregated skills and experience of Board members as at 31 December 2023



Board tenure

Age

Board evaluation

Determining Board effectiveness

An evaluation process is undertaken on an annual basis to determine the effectiveness of the Board, its Committees, the Chair and individual directors. The process is either facilitated internally by the Chair or, every third year by an external organisation. The Board seeks to continually improve its performance and ensure it is effective in discharging its duties under the UK Corporate Governance Code. The review offers an opportunity for individual members to reflect on the past performance of the Board and identify areas of focus for the future to enhance the Board's effectiveness.

Evaluation for the year ended 31 December 2022

In 2022, the Board evaluation process was internally facilitated by the then Chair, John Cryan. The findings highlighted several areas of focus and development for consideration during 2023 and progress against these actions is shown below.

Area of assessment	Agreed actions	Progress made during 2023
Meeting conduct	• Review Board papers to ensure these provide sufficient context and 'scene-setting'.	• Board feedback indicated that Board papers are of extremely high quality, are the right length and contain the right level of detail. The importance of having sufficient time to review papers in advance of meetings was highlighted. Further consideration is to be given to certain reports to ensure sufficient focus is given to the performance of key strategies.
	• Increase frequency of non-executive director-only sessions at Board meetings.	• Non-executive director-only sessions were introduced at each meeting. Feedback indicated that these were valuable sessions and suggested that further consideration should be given to extending them.
Management presentations	• Arrange additional management presentations for non-executive directors outside of Board meetings.	• Sessions with portfolio managers held in Q1 with positive feedback received from Board members. Additional presentation topics identified for implementation in 2024.
Succession planning	• Enhance structure around director and senior management succession planning.	• Success of the 2023 succession processes and implementation highlighted consistently in Board feedback. Continue to focus on Board succession in 2024.
Strategy	• Focus on longer-term strategic priorities and tracking progress against these.	• Positive feedback received on the progress that has been made in 2023 and continued focus in 2024 with significant amount of Board time spent on strategy discussions.

Independent Board review 2023

During the year, the Board commissioned an independent review of the Board's culture and governance arrangements. The review, which was separate from the annual Board evaluation, was jointly facilitated by Clare Chalmers and A&O Consulting, and involved interviews with individual Board members and other key stakeholders, with a summary of key findings presented to the Board.

The review concluded that the Board was engaged and of a high quality, and that the governance processes supporting its operation were effective. It noted that there was recognition of the important role that the Board played in providing scrutiny and challenge to the executive, and a consistent view that the executive responded well to challenge and reacted appropriately when it was given.

The review set out the following recommendations for the Board to consider:

- increase the pool of executive search firms used to support non-executive search processes;
- extend the membership of the Nomination and Governance Committee to include the rest of the existing non-executive directors;
- enhance the non-executive director induction programme to include additional focus on firm and Board culture; and
- ensure that appropriate information is shared with all Board members outside formal Board and Committee meetings, particularly in the case of significant externally driven events.

The Board found the review to be a valuable exercise and agreed with the recommendations set out in it. These were implemented during 2023 and early 2024.

2023 Board effectiveness evaluation

① Design and initiate process	② 1:1 meetings	③ Discussion, outcomes and actions
Board members were advised of the themes (highlighted below) to be discussed with the Chair at individual meetings to enable Board members to prepare for their meetings.	The Chair met with each Board member to discuss feedback and any other additional items they wished to raise. The Senior Independent Director also met with each Board member to discuss the Chair's leadership of the Board.	The Board discussed the findings of the review. Strengths and actions relating to development areas were agreed upon. Key findings and development areas are set out below.

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 New York was a success with plans to revisit the US in Q3 2024.
- Board and executive succession planning, implementation of firm's strategy and increasing firm performance discussions were identified as key areas of focus for 2024 (further details below).
- Details of the key findings of the Committee evaluations are set out in the individual Committee reports.

Summary of internal effectiveness development areas for 2024

Area of assessment	Key findings	Agreed actions
Performance	• Increase focus and discussion on absolute and relative firm performance. • Further strengthen understanding of investor views during Board discussions.	• Review and enhance performance data and reporting in Board reports. • Continue to hold investor relations deep-dive each year and introduce investor commentary in Board reporting where appropriate.
Strategy	• Significant time and focus dedicated to Man Group's strategy in 2023 following Robyn Grew's appointment as CEO. • Continue to focus on longer-term strategic priorities and tracking progress against these in 2024.	• Agree strategic priorities and support and oversee implementation. • Agree key milestones and accountability to enable the Board to assess progress, whilst recognising the importance of retaining flexibility to respond to new opportunities.
Succession planning and leadership	• Continue to build on the Board's existing skills and experience. • Encourage management voices and views from across the organisation.	• Progress non-executive searches for individuals with deep markets experience and strong accounting experience, acknowledging that this may involve the appointment of multiple individuals at similar times. • Increase exposure to and engagement with all ExCo members and other members of the senior management team.

Audit and Risk Committee report

Lucinda Bell
Chair, Audit and Risk Committee

> The ARCom devoted significant time to the oversight of acquisition accounting and integration matters following the strategic investments made by the firm in 2023.

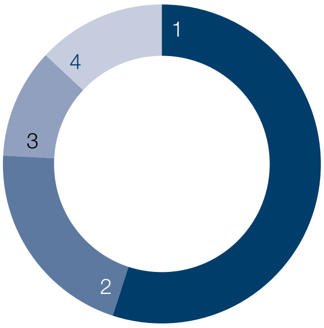
Summary of the ARCom's main activities during 2023

- Monitored the financial information within Man Group's 2023 interim and annual financial statements and challenged the key accounting policies, judgements and estimates adopted by management, with a particular focus on acquisition accounting judgements. 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 2023 Internal Audit Plan and reviewed the Internal Audit model. Received regular updates on the progress of Internal Audit reviews and monitored management's response to address actions.
- Recommended the reappointment, and approved the remuneration, of Deloitte as external auditor.
- Approved the 2023 external Audit Plan.

Membership:

Lucinda Bell (Chair)
Richard Berliand
Laurie Fitch
Alberto G. Musalem

Proportion of the committee time spent on key responsibilities



1. Risk management	55%
2. Financial reporting	21%
3. External audit	11%
4. Internal audit	13%

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.

Firstly, I would like to welcome Laurie Fitch, who became a member of the ARCom in August 2023. The ARCom has benefited from her previous experience and fresh insights. Kate Barker and Jackie Hunt stepped down from the ARCom during 2023, and Alberto Musalem will step down on 29 February 2024. I would like to thank them all for their valued contributions to the ARCom during their tenures.

Key achievements for 2023

Throughout the year, the ARCom closely monitored risks arising from the volatility of financial markets following interest rate rises in 2022, notably in the context of the US banking crisis in March 2023. The Committee scrutinised the controls in place to navigate the challenges presented by this environment, with liquidity, counterparty, and geopolitical risks all being themes that continued to feature prominently in the ARCom's work during the year.

Following the announcement of Robyn Grew's appointment as CEO, the ARCom reviewed the implementation of senior management changes, with a focus on the restructuring of the risk functions which included the establishment of the position of Head of Non-Financial Risk with a widened scope of responsibilities.

The acquisition of Varagon and investment in Asteria during the year necessitated close ARCom oversight of acquisition accounting judgements, further details of which can be found on page 90. The ARCom also reviewed management integration plans to ensure appropriate implementation of the firm's risk controls across new business units.

We also maintained a focus on cyber and information security risk matters, providing oversight to further enhancements of the firm's controls and closely monitoring live industry-wide threats. The ARCom also reviewed the firm's usage of GenAI and the policies and controls in place to ensure risks associated with the technology are mitigated.

The ARCom devoted significant time to the oversight of regulatory developments during the year, including in respect of the future of the UK audit and financial oversight regime, and the SEC's new Private Fund Adviser rules.

Focus areas for 2024

For 2024, as well as considering the standing items of business, the ARCom will focus on the following areas:

- monitoring regulatory developments in respect of Private Fund Adviser Rules in the US and UK corporate governance reforms;
- monitoring the integration of new business units to ensure consistent implementation of risk controls;
- assessing geopolitical and economic risk factors which will impact the firm and its stakeholders; and
- undertaking the external quality assessment of 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 2024.

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 ARCom 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, Head of Non-Financial Risk, 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 meeting 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: • reports and presentations on key financial reporting, risk, compliance and audit matters from management; • standing governance items; • regular dashboards and/or metrics which highlight and monitor changes in the key risks impacting the business, compliance, ESG and RI risk matters, the financial controls framework and internal controls; and • 'deep-dive' assessments of topical risk items identified by the ARCom and 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), Richard Berliand, Laurie Fitch and Alberto Musalem (who will step down from the ARCom on 29 February 2024).

The ARCom as a whole has a combined skill set relevant to the sector in which the Group operates and Lucinda, as Chair of the ARCom, has 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 72 and 73.

The Board Chair, CEO and CFO 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 approved by the Board in December 2023, are available on the Company's website.

How the ARCom has discharged its roles and responsibilities

Financial reporting

Key accounting and disclosure matters

The ARCom reviewed the key accounting policies, judgements and estimates adopted by management as part of the monitoring of 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 and disclosure matters

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 ARCom also reviewed management's approach to how the committed cash outflows arising from the two acquisitions in the period are incorporated in long-term liquidity planning. The principal and emerging risks, which are outlined on pages 30 to 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 143 and 35).	After due consideration, the ARCom confirmed to the Board that it was appropriate for the 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.
Acquisition accounting Man Group acquired a controlling interest in two businesses in the year, Varagon and Asteria. Both transactions are treated as business combinations in the Group financial statements. As the accounting for the acquisition of Varagon is particularly complex, significant attention was given to determining the appropriate treatment, involving the application of critical judgement. The accounting for the acquisition of Varagon is considered to be both a critical accounting judgement and a source of significant uncertainty, as disclosed in Note 3 of the Group financial statements.	The ARCom reviewed and challenged the judgements applied by management in accounting for each of the transactions. In particular, the ARCom challenged the treatment of payments to the Varagon sellers who are also employees as post-acquisition remuneration rather than as transactions with owners. The ARCom also considered the assumptions used in valuing these employment-related expenses, which are a source of significant estimation uncertainty given their link to the expected future value and performance of the Varagon business. The ARCom considered the complexity the accounting treatment adds to the interpretation of Man Group's results, and management's proposal to use alternative performance measures (APMs) to assist with this. The ARCom further considered the judgement applied by management in accounting for future payments to the sellers who are also key clients as payments to them in their capacity as customers rather than sellers. The ARCom considered management's assessment of the accounting for the non-controlling interest and associated put option in Asteria, including the judgement applied when determining that the non-controlling interest was not material for separate disclosure in the Group financial statements. The ARCom reviewed the disclosures in Notes 3 and 17 in the Group financial statements, which provide details of the critical accounting judgements and estimates, and of the business combinations themselves, respectively.	After debating the resultant accounting treatment, the ARCom concluded that it was satisfied with management's application of the requirements of IFRS and concurred with management's proposal to use APMs, further considered below, to assist in understanding the economic substance of the transactions and the cash flows in each accounting period. The ARCom agreed with management's assessment that future payments to sellers should be treated as deductions from future revenues, rather than being included in the acquisition accounting. The ARCom considered the application of materiality to the accounting for the Asteria transaction and concurred with management's assessment that the non-controlling interest was not material for separate disclosure in the Group financial statements. The ARCom further confirmed that it agreed with the appropriateness of the disclosures in Notes 3 and 17 of the Group financial statements.
Consolidation of investments in funds Man Group holds investments in a number of funds which it manages for seeding, co-invest, or risk retention requirements. Judgement is exercised when assessing whether certain 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 Group 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. Of particular focus in the year were the CLOs which were consolidated into the financial statements, introducing significant new balances to the Group balance sheet in both the Interim and Annual Reports. The ARCom also considered the appropriateness of the use of APMs to exclude the impact of the consolidation gross-up, thereby reflecting Man Group's maximum exposure to loss associated with the consolidated fund entities.	The ARCom concluded that it was satisfied with management's assessment of the vehicles which are deemed to be controlled by Man Group, the associated accounting treatment and the critical judgement disclosure in the financial statements. 35 investments have been consolidated on a line-by-line basis with a grossing up impact on the balance sheet of $1,492 million. The ARCom agreed that CLO liabilities held by funds controlled by the firm should be presented in a new line in the Group balance sheet. As the CLO assets are similar in nature to the assets held by the other consolidated funds, the ARCom agreed with their inclusion within Investments in fund products and other investments.
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 Group financial statements. + Please refer to Note 23 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 Group financial statements. The actuarial assumptions underlying the valuation of the defined benefit pension plans were updated at 31 December 2023 to reflect the impact of microeconomic factors, most notably on inflation and 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 23, and the critical accounting estimate disclosure in Note 3 to the Group financial statements.

Matters considered	Action	Outcome
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. The two acquisitions in the year have increased the value of goodwill held on the Group balance sheet, which has been tested for impairment as a single group of cash-generating units (CGUs). + Please refer to Note 18 in the Group financial statements for further details	The ARCom considered reports from management outlining the methodology for the impairment assessment and the rationale for testing a single group of CGUs. The ARCom also 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 2023.
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 20 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 impact of the acquisition of Varagon in the year, and 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 $19 million was recognised in the year due to the recognition of DTAs following changes in forecast future profits, including the impact of the acquisition of Varagon in the year.
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 new leases with sub-tenants for space in Riverbank House which extend for almost all of the remaining period of the head lease with no break options, which resulted in the derecognition of the associated ROU lease assets for this space and the recognition of a resultant gain on disposal. The ARCom noted that, as a result of the derecognition, the carrying value of Man Group's investment property ROU lease assets at 31 December 2023 was immaterial.	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 2023, and therefore that there is no impairment expense to be recognised for the year then ended. The ARCom also confirmed it agreed with management's proposed accounting for the finance leases which commenced in the year and the inclusion of the gains on disposal of the ROU assets as non-core items in Man Group's APMs.
Alternative performance measures Man Group assesses its performance using a variety of APMs, most significantly core EPS. The Board focuses 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 ARCom further discussed the treatment of costs related to business combinations in the year in the APMs. The balance between the use of APMs and the use of statutory measures when discussing Man Group's financial results in the year 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 confirmed that it concurred with management's assessment of non-core items arising from the business combinations in the year. 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 Board'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 monitor compliance with regulations and disclosures related to climate, sustainability and ESG, the Committee reviewed the 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 2024 meeting. Further details on these disclosures can be found in the Sustainability and responsibility section on pages 44 to 61.

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. Robust procedures and controls are in place 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.

Correspondence with the FRC

The audit of the 2022 financial statements was selected for quality review by the FRC, pursuant to which the ARCom Chair met with the FRC's supervision team in May 2023. The output of the review fed into the broader audit quality inspection report published by the FRC in July 2023. There were no findings communicated in respect of the Man Group audit. The areas identified in the FRC's 'Annual Review of Corporate Reporting 2022/2023' publication were reviewed, however no specific changes were required to Man Group's draft accounts as a result.

Risk management and internal controls

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

As ever, the ARCom was responsive to the changing needs and risk profile of the firm in discharging its risk management role, exemplified by its focus on integration risks following the strategic transactions undertaken by the firm during the year. Macroeconomic and market risks continued to be closely monitored, with an emphasis on the impact of such dynamics on counterparty and liquidity risk. Key areas of risk-based discussion are set out below.

Integration risk

As a result of the firm's investments in Varagon and Asteria during the year, the ARCom requested an assessment of the risks arising from the integration of the businesses into the operations of the wider firm. Several high priority near-term risks were identified, as well as longer-term risks which the ARCom will continue to monitor as risk controls and processes are integrated with those of the wider firm.

In recognition of the importance of swiftly embedding a collaborative culture, emphasis was given to the consideration of cultural integration risks and the measures taken by management to ensure new teams were integrated at the earliest opportunity.

The Committee also worked with management to incorporate integration risk as an additional business risk in the firm's principal risks register to ensure additional focus because of the increased risk in this area during 2023.

Counterparty and liquidity risk

Throughout the year, the Committee closely monitored macroeconomic and market dynamics and their impact on the firm's counterparty and liquidity risk profile.

Following the March 2023 banking crisis, the ARCom received an update on Man Group's counterparty and liquidity risk management processes, which had functioned well during the period. The ARCom endorsed the firm's conservative approach to counterparty selection, which had resulted in no direct counterparty exposure to any of the US regional banks and ensured that the firm was well insulated from wider market volatility during this period. Further details on the firm's response to the March 2023 banking crisis can be found on page 29.

The Committee also considered liquidity and counterparty risk in the context of the US debt ceiling crisis, monitoring management scenario and stress testing to ensure potential market infrastructure impacts were understood and mitigated as far as possible.

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

The ARCom received its annual update from the Risk function and discussed its role in supporting Man Group's governance processes. A review of the impact of the senior role changes effected during the year, following the appointment of Robyn Grew as CEO, was also undertaken by the Committee, with a particular focus on any resulting changes to the firm's governance framework. Pursuant to these changes, the role of Head of Non-Financial Risk was established (assumed by Kate Squire, former Global Head of Compliance, Regulatory and BORR) to consolidate all non-financial risk functions into one department to further enhance the existing coordination between the different functions.

At the May meeting, the ARCom received a detailed overview of work to map the firm's third-party providers and processes through a service-led model to build a robust resiliency and business continuity framework. The Committee noted the regulatory focus on this area and the steps taken during several live incidents to identify potential third- and fourth-party impacts on Man's operations. The Committee also reviewed key third-party provider dependencies, including the measures in place to ensure strict oversight of outsourced processes.

The ARCom considered and monitored people related risks during the year, including litigation risk and related market trends, in addition to its annual examination of key person risk across key business units, with an emphasis on the succession plan for those roles.

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. The Committee also considered the impact of the new 'failure to prevent fraud' offence introduced as part of the Economic Crime and Corporate Transparency Act 2023.

The ARCom also reviewed proposed amendments to the Risk Appetite and Governance Framework (the Framework), the structure of which had been amended to enable an approach more tailored to the intended audience of each part of the Framework. 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 and Group Financial Controller on the Finance function's operations and controls.

The ARCom monitored the status of the government's reforms in audit and corporate governance and discussed the updated UK Corporate Governance Code, focusing in particular on the new requirements regarding the review and reporting of the risk management and internal controls framework. The ARCom also kept abreast of changing reporting standards and application guidance throughout the year, including in relation to IFRS 13 'Fair Value Measurement' following the FRC's thematic review and IFRS Sustainability Disclosure Standards, and recent guidance on financial instruments with the characteristics of equity. The Committee also devoted significant time to a review of the definition of core earnings following changes in the business, and the approach to the consolidation of CLOs in the financial statements.

At the December meeting, the Group Financial Controller presented on the firm's tax position, the key projects undertaken by the Tax team during 2023 and areas of focus for 2024.

Compliance

During the year, the Head of Non-Financial Risk presented the 2023 Compliance Review. Particular focus was given to due diligence work undertaken ahead of the Varagon and Asteria transactions, as well as regulatory notifications and alignment of controls post-completion, routine entity level regulatory examinations, and introductory meetings between the regulator and the firm's new CEO and Chair during the year. 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, including through review of amendments to the firm's Global Whistleblowing Policy.

In July, the ARCom received training on the FCA Consumer Duty, its impact on the firm and the broader asset management market, facilitated by external counsel with Man Group's Product and Compliance teams.

Following the publication of the SEC's significant new rules applicable to advisers of private funds, the Committee received an update on the potential impact to the firm and the Compliance function's approach to implementation. In addition, the Money Laundering and Reporting Officer (MLRO) presented their Annual Report at the February 2023 meeting and confirmed that Man Group had established and maintained effective anti-money laundering and counter-terrorist financing systems and controls.

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. The ARCom monitored the implementation of control enhancements to ensure the firm's controls continued to be robust and keep pace with the fast-changing threat landscape. The Committee was fully briefed on the steps taken in response to the high profile MOVEit breach, management having acted quickly to ascertain any risk to the firm and ensure no material client or operational impacts occurred. The Committee was also mindful of other industry threats, such as the ION Group cyber event, due to the potential for such incidents to disrupt markets or cause other indirect impacts to the firm.

In July, the ARCom received an update on the firm's usage of GenAI tools and the controls in place to mitigate the risks of the technology. The Committee endorsed the firm's approach, which balanced the appetite to embrace GenAI to benefit numerous functions across the firm against ensuring the risks of the technology were mitigated, achieved through the implementation of strict policies and monitoring.

During the year, the ARCom also received a training briefing on key cyber security themes relevant to the firm and the financial services industry, facilitated by external subject matter experts.

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 pages 28 to 35.

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 December 2023 and February 2024 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 2024 Internal Audit Plan which included details of the planned audit reviews for 2024 and the proposed team responsible for delivering the 2024 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 2022 and 2023 Internal Audit Plans 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, the Committee reviewed the effectiveness of the Internal Audit function and the outsourced Internal Audit model, seeking feedback from management and Committee members. The process concluded that, overall, the Internal Audit function continued to perform to a satisfactory level and provided an independent perspective on Man Group's control environment. An external quality assessment (EQA) of the Internal Audit function will build on this process in 2024, considering areas such as resourcing, delivery, reporting and adding value, and the independence of the function, incorporating feedback from ARCom members and key stakeholders across the firm. The EQA was deferred from 2023 to early 2024 so that the new Global Internal Audit Standards could be considered as part of the process.

External audit

Audit Committees and the External Audit: Minimum Standard (the Standard)

The Company is subject to the Standard published by the FRC in May 2023 which currently applies on a voluntary basis.

The Company has chosen to apply the Standard, and confirms compliance with its requirements. Reporting on the activities undertaken by the Committee to meet the requirements of the Standard is contained throughout the ARCom report. The Company's accounting policies are included within the financial statements on pages 138 to 173.

2023 External Audit Plan

At the October meeting, the 2023 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 2023 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 $1.8 million for 2023. Further details can be found on the Company's website.

The table below shows the remuneration paid to Deloitte in 2022 and 2023.

	2023 $'000	2022 $'000
Fees payable to the external auditor for the audit of the Company and the consolidated financial statements	**990**	786
Other services:		
The audit of the Company's subsidiaries pursuant to legislation	**2,684**	2,295
Audit-related assurance services	**451**	464
All other services	**337**	56
Total auditor's remuneration	**4,462**	3,601

The increase in the remuneration paid to Deloitte in 2023 is due to cumulative market realignment and inflation, as well as costs relating to the integration of Varagon and Asteria, and certain controls assurance services transitioned to Deloitte for the first time in 2023 due to its familiarity with the Group.

The independence of the external auditor is safeguarded by control measures including:

- policies limiting the nature of non-audit services (see above) 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; 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 2024, the ARCom concluded that Deloitte continued to be independent and objective.

Effectiveness of external audit process

At the May 2023 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 team at partner and director level were commended for their technical skills and engagement with management.

The output of the effectiveness review also praised the efficiency of the audit as a result of thorough planning at the outset.

A number of areas, including the development of audit quality indicators and continued coordination with Internal Audit, were identified as requiring further consideration and Deloitte's plans to address these issues were set out alongside their 2023 Audit Plan. After discussion, the ARCom concluded that the external audit process in respect of the 2022 financial statements had been effective.

Deloitte provided constructive challenge to management's assumptions and judgement in relation to the consolidation of CLOs in the financial statements and acquisition accounting in relation to Varagon. In all areas, Deloitte concluded that the assumptions and judgements applied by management were appropriate.

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 Company was required to put its external audit out to tender again in 2023 at the latest.

Following initial planning 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. Following a thorough and extensive tender process, details of which were included in last year's Annual Report, the ARCom recommended the reappointment of Deloitte as Man Group's external auditor to the Board. The Board subsequently recommended the reappointment of Deloitte to shareholders, who then approved the reappointment at the 2023 Annual General Meeting.

Following the ARCom's review of the effectiveness of the external audit process earlier in the year and its assessment of the external auditor's independence and objectivity, 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 2024 Annual General Meeting.

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 2022 evaluation as requiring further consideration and development during 2023, together with the progress that has been achieved in 2023.

2023 progress on 2022 actions

2022 evaluation	2023 progress
Discuss and agree appropriate balance between audit versus risk coverage at meetings	Meeting agendas continued to be split into risk and audit sections to allow for the necessary focus on each area to be clearly drawn out. The balance was monitored throughout 2023 and feedback on the approach was sought as part of the 2023 evaluation. The merits of establishing separate audit and risk committees will continue to be reviewed in 2024. Where appropriate, certain year-end audit matters were front-loaded to December 2023 to spread the audit workload across the year more evenly and enable earlier engagement and focus from ARCom.
Monitoring of attendance of non-ARCom members at ARCom meetings	Only ARCom members and key contributors attended the audit portion of ARCom meetings during 2023. While non-ARCom Board members are welcome to attend the risk portion of the meeting, feedback noted the established escalation and reporting to the Board by the ARCom Chair served as an effective means of escalating relevant matters for Board consideration to ensure that Board members could discharge their responsibility for oversight of risk matters, complementing the scrutiny and challenge driven by ARCom members during meetings. The management team was also praised for broadening the range of presenters at the ARCom to enable the Committee to build relationships with the wider risk teams.

Progress against the 2022 evaluation actions was assessed in July 2023, with feedback sought from ARCom members at that stage.

In December 2023 the ARCom conducted its annual effectiveness evaluation, which was facilitated internally. Responses were obtained from ARCom members and certain regular attendees through meetings conducted with the ARCom Chair.

In response to feedback, amendments were made to the February agenda to further enhance the focus on audit matters, while an update on liquidity management and policies was also added to the forward agenda for 2024.

Additional areas identified for focus in 2024 included the continued consideration of an appropriate balance between audit and risk matters at meetings, as well as the merits of separate audit and risk committees.

Responses indicated that the ARCom continued to operate as a thoughtful and collaborative forum while also prompting productive debate and challenge.

Lucinda Bell
Chair, Audit and Risk Committee

Nomination and Governance Committee report

Anne Wade
Chair, Nomination
and Governance Committee

> The Committee was delighted to recommend to the Board for approval the appointment of Robyn Grew as our new CEO.

Summary of the Nomination and Governance Committee's activities during 2023 and early 2024

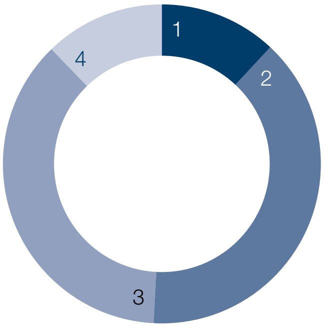
- Reviewed the size, composition, diversity and skill set of the Board and its Committees.
- Undertook a review of candidates to succeed John Cryan as Chair and recommended to the Board for approval the appointment of Anne Wade who took over the role on 1 October 2023.
- Implemented its succession plans and recommended to the Board for approval the appointment of Robyn Grew as the Company's next CEO.
- Recommended to the Board for approval the appointment of:
  - Laurie Fitch as a non-executive director, Chair of the Remuneration Committee and member of the Audit and Risk Committee and Nomination and Governance Committee;
  - Ceci Kurzman as a member of the Remuneration Committee and Nomination and Governance Committee; and
  - Alberto Musalem as a member of the Nomination and Governance Committee.
- Recommended to the Board for approval changes to the Board Diversity, Equity and Inclusion Policy.
- Recommended to the Board for approval that the Committee's remit be extended to include governance oversight and consequent name change to the Nomination and Governance Committee.

Membership:

Anne Wade (Chair)	Richard Berliand
Lucinda Bell	Laurie Fitch
Ceci Kurzman	Alberto Musalem

Where appropriate, Robyn Grew is invited to attend Committee meetings.

Proportion of the committee time spent on key responsibilities



1. Board and Committee composition	12%
2. Board search and appointment	39%
3. Succession planning	37%
4. Governance and other	12%

Dear Stakeholder

2023 proved to be another extremely busy year for the Committee. As reported last year, the Committee spent significant time in early 2023 considering potential successors for John Cryan as Chair. Following a review of potential internal candidates and an external benchmarking process, the Committee recommended, and the Board approved, my appointment as Chair, with effect from 1 October 2023. I did not participate in any of the discussions or decisions around Chair succession. I would like to reiterate my thanks to John for his time and support during our handover period and wish him all the best for the future.

Given the importance of succession planning to the long-term success of the Company, the Committee continued to dedicate meaningful time to considering this during the course of 2023. This included identifying potential successors for the CEO role and, with the assistance of an external executive search firm, undertaking a thorough preparatory external benchmarking exercise. Following Luke Ellis' decision to retire as CEO, the Committee was pleased to be able to implement its succession plans and recommend to the Board for approval the appointment of Robyn Grew as Man Group's next CEO. Robyn took over from Luke on 1 September 2023 following a three-month handover period.

During 2023, after an extensive search process, we also welcomed Laurie Fitch to the Board who succeeded me as Remuneration Committee Chair on 1 October 2023, at which time she also joined this Committee. In addition to Remuneration Committee experience, Laurie brings to the Board extensive experience as an equity investor and banker, as well as strong strategic insight and international perspective.

In response to Board feedback and the independent governance review recommendation, we also took the opportunity to reassess Committee membership more broadly and recommended to the Board for approval the appointment of Ceci Kurzman and Alberto Musalem as additional members of the Committee with effect from 1 October 2023. We also agreed to extend the remit of the Committee to include governance-related items and have renamed it the Nomination and Governance Committee.

Having considered the composition of the Board and its committees, the Committee identified that the Board would benefit from additional markets and financial services accounting experience. Non-executive search processes focusing on these areas were initiated in 2023 and will be the key area of focus for the Committee in 2024.

Anne Wade
Chair

Role of the Committee

The Committee's full terms of reference were updated during the year to reflect the Committee's extended membership and additional governance responsibilities. The terms of reference were reviewed by the Committee and submitted to the Board for approval and 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;
- review plans for executive director and senior management development and succession; and
- keep the Company's corporate governance arrangements under review and make appropriate recommendations to the Board to ensure that the Company's arrangements are consistent with UK corporate governance standards and best practice.

Committee membership and remit

As mentioned above, in response to Board feedback and the recommendation set out in the independent governance review undertaken during the year, the Committee took the opportunity to review its membership and agreed that, given the importance of the role of the Committee, the rest of the existing non-executive directors should be appointed to the Committee. This new structure became effective on 1 October 2023.

In addition, the Committee recommended and the Board approved that it would be appropriate to extend its remit to cover governance-related items, consistent with many of our peers. It will now be the responsibility of the Committee, with the support of the Company Secretary, to review the Company's corporate governance arrangements and recommend any changes to the Board as well as monitor developing trends, initiatives or proposals in relation to Board governance issues.

Board and Committee changes

As previously mentioned, there have been a number of changes to the Board and Committees during 2023. Jackie Hunt and Kate Barker stepped down from the Board and from the Audit and Risk Committee and Remuneration Committee with effect from 28 March 2023 and 1 April 2023, respectively. We would like to thank Kate for her significant contribution to the Board over the past six years, and Jackie for her insights during her tenure, and we wish them all the best in their future endeavours.

In May, Luke informed the Board of his intention to retire as CEO. The Board approved the appointment of Robyn Grew as the next CEO who took over from Luke on 1 September 2023. Further details on the CEO succession process are set out opposite. At the end of September, John Cryan retired from the Board after almost nine years, following which I took over as Chair on 1 October 2023.

Upon my appointment as Chair, it was appropriate that I step down as Chair of the Remuneration Committee. As a result, a non-executive search process was initiated, focusing on individuals with recent and relevant remuneration committee experience. 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 Board members met with a shortlist of candidates and were pleased to recommend the appointment of Laurie Fitch as a non-executive director and as a member of the Audit and Risk Committee and Remuneration Committee to the Board for approval. The Board approved Laurie's appointment which took effect on 25 August 2023.

On 1 October 2023, Laurie was subsequently appointed as Chair of the Remuneration Committee and as a member of the Nomination and Governance Committee. On that date, Ceci Kurzman was also appointed as a member of the Remuneration Committee and Nomination and Governance Committee and Alberto Musalem was appointed as a member of the Nomination and Governance Committee.

In January 2024, Alberto informed the Board that he had been appointed as the next President and Chief Executive Officer of the Federal Reserve Bank of St. Louis with effect from 2 April 2024 and, as a result, he would be required to step down from the Man Group Board prior to taking up his new role. We will continue to benefit from Alberto's expertise and insights until the end of February and I would like to thank him for his contributions whilst on the Board.

CEO succession timeline

Q1 2023

- In line with its responsibilities and best practice, formal succession planning process for senior management, including role of CEO, undertaken by Committee.
- Consideration given to potential internal candidates for the CEO role and external benchmarking exercise undertaken with the support of Hedley May, an external search firm who has no other connection with the firm or any individual director.

Q2 2023

- Succession plans finalised and successor for CEO role identified.
- Luke Ellis notified the Board of his intention to retire as CEO.
- Board invoked succession plans and approved appointment of Robyn Grew to succeed Luke Ellis.

Q3 2023

- Handover period between Luke Ellis and Robyn Grew.
- Robyn Grew announces plans for new Executive Committee (see pages 74 and 75 for further information).
- Robyn Grew takes over as CEO and is appointed to the Board.
- New Executive Committee formally established.

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 2023 evaluation.

Progress on priority areas identified in 2022 evaluation

Priority area	Agreed action	Progress 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.	• Laurie Fitch appointed to the Board and as Chair of the Remuneration Committee. • Searches initiated in 2023 with a focus on candidates with deep markets experience and candidates with strong financial and accounting experience.
Succession planning	• Enhance formality around executive succession planning process.	• Regular discussions around executive succession planning were supplemented by a thorough preparatory external benchmarking exercise for the CEO role, supported by an external executive search firm. The Committee recommended and the Board approved the appointment of Robyn Grew as the next CEO following Luke Ellis's decision to retire.

The Committee also discussed the following areas which were identified in the 2023 Board evaluation as requiring further Committee consideration during 2024:

- progress non-executive searches for individuals with markets and accounting experience;
- explore the potential appointment of an adviser to the Board to provide additional insights and knowledge around technology and cyber security; and
- continue to keep Board and executive succession plans under review.

Anne Wade
Chair

Board Diversity, Equity and Inclusion Policy

The Board Diversity, Equity 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 its Committees, and influence and monitor its impact within the Company as a whole.

The policy, which is set out on page 99, is fully aligned with Man Group's Global Inclusion Statement and Diversity, Equity and Inclusion report, available on our website. Further details of our diversity, equity and inclusion activities throughout the firm are given in the People and culture section on pages 36 to 43. The progress 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) is set out in the non-financial KPIs section on page 21.

Overview

The Board is committed to promoting diversity, equity and inclusion in their broadest sense, both in terms of the Board's own composition and within Man Group's senior management and employee base as a whole. The Board sees diversity as the combination and interaction of people with different knowledge, skills, experience, backgrounds and outlooks. It believes that this creates greater value and leads to better decision-making and performance at all levels of the organisation.

The Board is responsive to diversity, equity and inclusion challenges within the financial services industry, acknowledging the underrepresentation of some groups within the 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 diversity and inclusion focused committees and working groups with other firms across the industry to maximise impact, and is committed to transparency and sharing progress publicly as 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 into FTSE company boards and senior management, including the recommendations set out in the FTSE Women Leaders Review on gender diversity and the Parker Review on ethnic diversity and the Board diversity targets set out in the Listing Rules. The Board is committed to complying with these by ensuring that there is at least 40% female representation and at least one director from an ethnic minority background on the Board, as well as ensuring that at least one of the senior Board positions is held by a woman. The Board acknowledges that during periods of transition, this composition may not, temporarily, be maintained.

The Board also recognises that these targets should be viewed as a base level to work from and that diversity of thought comes in many forms. As a consequence, the Board challenges itself to continue its progress and maintain a target of at least 50% of its members representing minorities and diversity in all its forms.

Set out below are three main areas on which we are focusing in pursuing our policy objectives.

Board appointments

When seeking to make a new appointment, the Board will focus first on identifying an individual with the capability, expertise and experience that are 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 underrepresented groups on search firms' long lists 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 2023

The Committee considered diversity in the context of the new non-executive search and as part of the Chair and CEO succession processes and requested the external search firms supporting on these searches to take account of this when identifying potential candidates for the relevant roles. As set out on page 73 we are pleased that we have exceeded the targets contained in the Women Leaders' Review and Parker Review and that two of the four senior Board roles (CEO, CFO, Chair and SID) are held by women, exceeding the targets set out in the Listing Rules.

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 equitable and 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. 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 and Governance 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 underrepresented 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 and Governance Committee in relation to the implementation of its diversity, equity and inclusion objectives are outlined in its terms of reference.

Implementation in 2023

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. The Board also discussed and approved gender and ethnicity targets for senior management. Further details are set out on pages 40 to 41.

Formal succession planning discussions at Board and Nomination and Governance 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 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 within the business, including several portfolio managers; and
- participation by certain non-executive directors in an Executive Committee mentoring programme.

Review and reporting

The Board is committed to the development of diversity, equity and inclusion on the Board and among Man Group's employees. It will seek feedback on Board balance, including diversity in all its forms alongside 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 2023

Feedback from the 2023 Board and 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 and accounting experience to the Board in 2024. During 2023, the Board was pleased to appoint Laurie Fitch as a non-executive director who brings extensive investment management experience, economic and public policy expertise and broad knowledge of capital markets and regulation. The Nomination and Governance 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 Company was an early adopter of the new disclosures required under the Listing Rules around gender and ethnic diversity at Board and executive management level. The metrics regarding diversity targets (gender and ethnicity) of Board and Executive Committee members and the Company Secretary, in the form prescribed by the FCA, are included on page 73.

Directors' Remuneration report

1. Chair's annual statement

Laurie Fitch
Chair of the
Remuneration Committee

Summary of the Remuneration Committee's activities in 2023 and early 2024

- Considered the fees for the Chair, the non-executive directors and the Senior Independent Director.
- Determined the total annual compensation for the executive directors, Executive Committee members, the Company Secretary and Remuneration Code staff.
- 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.
- Approved remuneration arrangements for the new CEO.
- Agreed arrangements for retiring CEO.
- Reviewed and approved the Directors' Remuneration report.

Current Membership[1]:

Laurie Fitch (Chair)[2]

Ceci Kurzman[3]

Anne Wade[2]

Richard Berland

Alberto Musalem

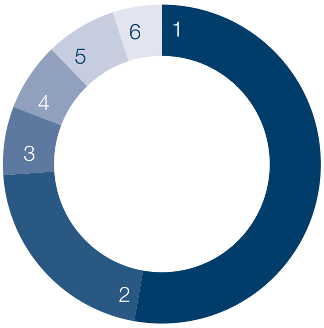
Where appropriate, Robyn Grew (and previously Luke Ellis) is invited to attend Committee meetings.

[1] John Cryan retired from the Board and stepped down from the Committee on 30 September 2023. Jackie Hunt stepped down from the Board and the Committee on 27 March 2023. Kate Barker retired from the Board and stepped down from the Committee on 1 April 2023

[2] Anne Wade stepped down as Chair of the Committee on 30 September 2023. Laurie Fitch was appointed to the Committee on 25 August 2023 and was appointed Chair of the Committee on 1 October 2023 and attended all meetings after 25 August 2023

[3] Ceci Kurzman was appointed as a member of the Committee on 1 October 2023 and attended all meetings after that date

How the Committee spent its time in 2023



1. Executive Directors' Remuneration	53%
2. Employee Remuneration	21%
3. Senior Management Remuneration	7%
4. Shareholder Engagement, DRR and Remuneration Policy	7%
5. Governance and Other	7%
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 2023. For ease of reference, this report contains the following sections:

- a detailed index to help you find the sections you need (page 100);
- this annual statement (pages 101 to 103);
- the 'remuneration at a glance' section, summarising how the Directors' Remuneration Policy has been implemented in 2023 (pages 104 to 108); and
- the annual report on remuneration (pages 109 to 123).

1.1 Introduction

I am presenting my first DRR as Chair of the Committee, having been appointed on 1 October 2023.

On behalf of the Committee, I would like to thank those shareholders who continued to engage with us during 2023. We were delighted that, at the 2023 Annual General Meeting (AGM), more than 90% of our shareholder base voted in favour of the DRR.

2023 has been a year of leadership change at Man Group. In May 2023, Luke Ellis, who had been CEO since September 2016 informed the Board of his decision to retire. Robyn Grew, formerly President of Man Group was appointed to the role of CEO and joined the Board as an Executive Director on 1 September 2023.

The remuneration aspects of Luke's retirement and Robyn's appointment are in line with the Directors' Remuneration Policy, as set out in more detail later in the report.

During the remainder of the year, the Committee's particular areas of focus included remuneration outcomes in the context of Man Group's performance and remuneration below Board level.

Against a challenging year for active investment managers, Man Group plc has delivered resilient performance this year, and we believe the executive pay outcomes, as detailed below and in the sections that follow, appropriately reflect that level of performance.

1.2 The Remuneration Policy

Our existing Directors' Remuneration Policy was approved by shareholders at the 2022 AGM. The Committee has continued to keep the policy under review and is happy that it has operated as intended during 2023.

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.

During 2024, the Committee will be undertaking a review of the Directors' Remuneration Policy to ensure that it continues to support appropriately the delivery of our strategic priorities and rewards executives for long-term, sustained performance. As part of that process, we intend to seek the views of our shareholders, and other stakeholders, by undertaking a far-reaching consultation, as has been our approach during previous policy reviews. The policy will be submitted to shareholders for approval at the 2025 AGM.

1.3 Shareholder engagement in 2023

We remain committed to ongoing contact and engagement with our shareholders to ensure a transparent and open dialogue around Man Group's executive remuneration arrangements. At the time the DRR was published in March 2023, we contacted shareholders, representing around 56% 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 subsequently met with all shareholders who requested a meeting.

1.4 The link between the pay of executive directors and the workforce

At the start of 2023, against a continuing backdrop of high inflation and the resulting cost of living pressures, management conducted a tiered salary review whereby those on lower salaries, representing approximately 20% of the global employee population, received double digit salary increases, subject to satisfactory performance. Overall salaries in 2023 increased by an average of 5.6%.

Financial KPIs	Strategic priorities				Non-financial KPIs
	Innovative investment strategies	Strong client relationships	Efficient and effective operations	Returns to shareholders	
– Relative investment performance – Relative net flows – Core management fee EPS growth – Core EPS	**Bonus metrics**				– Carbon footprint – Women in senior management roles – ESG integrated AUM – Employee engagement
	Relative net flows				
			Core management fee EPS		
			Core EPS		
	ESG-related objectives				
	Strategic and personal objectives				
	LTIP metrics				
	Relative investment performance				
				Relative TSR	
	Cumulative relative net flows				
			3-year core management fee EPS		
			3-year core EPS		
	ESG scorecard				

1. Chair's annual statement continued

For 2024, once again, higher salary increases will be targeted at those employees on lower salaries. Overall salaries are budgeted to increase by an average of 4.4%.

In addition, as part of its consideration of the overall appropriateness of the executive directors' remuneration in 2023, the Committee undertook the following actions:

- approved the total bonus pool to be allocated to staff;
- 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 115; 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 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.

Board changes during 2023

On 11 May 2023, we announced that Luke Ellis was to retire from his role as CEO with effect from 31 August 2023 and that he would be succeeded by Robyn Grew, formerly President of Man Group.

Full details of Luke and Robyn's remuneration arrangements are disclosed later in the DRR (pages 104 and 116). In determining their arrangements, the Committee followed the approach set out in the Directors' Remuneration Policy.

A summary of the key decisions is shown below:

Luke Ellis

Luke's 12-month notice period started immediately upon notification of his planned retirement. His bonus for the 2023 financial year has been pro-rated for the time served to 31 August 2023, the date on which he stepped down from the Board. The 2023 bonus was deferred in the usual way and will be released in line with the normal vesting schedule, along with those awards already held under the Deferred Share Plan from bonus deferral in previous years. He will not be eligible to receive an LTIP award in March 2024. He will be subject to a two-year shareholding requirement of 300% of salary from the date he stepped down from the Board.

Robyn Grew

Robyn was appointed to the Board and became CEO on 1 September 2023. The structure and quantum of the CEO remuneration package is consistent with our Directors' Remuneration Policy and is aligned with that of her predecessor. It comprises:

- base salary of $1,100,000;
- annual bonus opportunity of up to 300% of salary, subject to performance and deferral (pro-rated in 2023 to reflect start date);
- long-term incentive plan award of 300% of salary. Robyn's first LTIP award was granted on 4 September 2023; and
- pension of 14% of salary and other benefits in line with the Directors' Remuneration Policy.

As part of Robyn's move to the UK from the US, the Company has provided a relocation package, which included temporary accommodation and flights. The Committee also agreed to tax equalise Robyn back to the US until the end of 2024 at the latest, however no payment was required for 2023. Further details can be found on page 109.

On 28 February 2023, we announced that John Cryan who had served as Chair of the Board since January 2020, would retire towards the end of 2023 and Anne Wade would succeed him as Chair of the Board. Anne was appointed as Chair of the Board on 1 October 2023 at which time she stepped down as Chair of the Remuneration Committee. Anne's fees on appointment were set at £385,000, in line with that of her predecessor.

1.5 Review of performance in 2023

2023 was challenging for active investment managers and tested allocators' appetite for risk as interest rates dominated the story of financial markets. Nevertheless Man Group's performance was resilient.

We delivered +1.6% of relative investment performance during the year. Our net inflows for the year were ahead of the industry, demonstrating the relevance of our offering and our client relationships. Following the acquisition of Varagon, our assets under management ended 17% higher compared with the beginning of the year, a new record for the firm.

Core management fee EPS in the year was unchanged as growth in net management fees was offset by a planned increase in fixed costs to support growth.

Our ability to generate value for our shareholders continues to be a core focus. Man Group delivered Total Shareholder Return (TSR) performance in 2023 of 15% outperforming the FTSE 250 return of 8% and broadly in line with the return of our more direct peers in the FTSE 350 Financial Services index of 14%.

1.6 Remuneration outcomes for 2023

In the 'Remuneration at a glance' section of this report on page 105 we have again detailed how we set stretching targets for the 2023 bonus.

Targets for each performance measure are set by the Committee with consideration of a number of reference points including internal budgets and forecasts, consensus estimates available at the time and the long-run historical performance of Man Group and our peers.

The range of targets set for relative net flows requires at least industry outperformance and at the maximum level would deliver strong market share gains. In 2023, we saw net inflows during a period when many of our peers experienced outflows and delivered relative net flows of 4.9%, which falls between target and maximum, a strong outcome in a difficult flow environment.

The target and maximum for core management fee EPS were set above the 2022 targets, and against these higher targets 18.4 cents per share was delivered, resulting in a close to maximum outcome for this metric.

The one-year volatility of performance fee income means that it is appropriate to set a wide range for core EPS bonus targets. Nevertheless, the threshold, target and maximum were set between 21-28% higher than in 2022 at 25.5 cents, 32.0 cents and 38.5 cents respectively. Whilst the maximum target was set below the core EPS delivered in 2022, this is in the context of record performance in the last two financial years. As a result of lower performance fees, following an exceptionally strong 2022, core EPS of 22.4 cents was delivered, i.e. below threshold.

This resulted in an overall outcome on the financial component of the bonus of 42.7% out of a maximum of 70%.

In the second year that ESG-related objectives have been included explicitly in the bonus, the Committee noted that good progress had been made (as detailed on page 110). These objectives, which are aligned to the objectives set out under our sustainable growth strategy, are common to both executive director roles and a score of 10%, out of a maximum of 15% was awarded.

The personal and strategic objectives which account for a maximum of 15% of 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. The Committee determined that Luke Ellis' performance justified an outcome of 11% as an award. Since being appointed as CEO on 1 September 2023, the Committee determined that Robyn Grew had made an excellent start and an outcome of 12% was warranted. The Committee determined that Antoine Forterre's performance also justified an outcome of 12% as an award.

The 2021 LTIP award was made in March 2021 for the three-year period from 1 January 2021 to 31 December 2023 and vests in March 2024, with a subsequent two-year post vesting holding period. The level of vesting at threshold is 0% meaning that the directors must exceed the threshold performance for any of the award to vest.

The LTIP metrics and targets for the 2021 award are set out in the 2020 DRR together with details of how the Committee considered the target ranges to be appropriately stretching. In that context, I am pleased to say that the 2021 LTIP has vested at 95.4%, driven by the strong performance in 2021 and 2022.

Over the three-year LTIP performance period, our funds performed strongly overall, returning $18bn in investment gains and delivering 4.9% of relative outperformance to our clients. We saw record net inflows of $19.8billion with all our main strategy categories experiencing positive net flows, which has had a direct positive impact on our AUM. Relative net flows, a measure of our ability to attract and retain investor capital in comparison with peers was +6.7% on average over the last three years, reflecting the strength of the client franchise and ability to gain market share on a consistent basis.

The growth in AUM has translated to an increase in management fee revenue each year. Combined with fixed cost discipline and operating leverage as a result of early and significant investment in technology, this resulted in strong core management fee EPS growth, in particular in 2021 and 2022.

Man's share price has increased by 64.6% over the same three-year period, compared to an average decrease of 13.7% amongst asset management peers. Man has delivered TSR of 112.8% which puts it well into the first quartile of its FTSE 250 peer group.

A summary of the outcome against each of the performance metrics together with further details of how the Committee established the stretching target ranges is shown in the 'Remuneration at a glance' section on pages 106 with full details included on page 112 of the annual remuneration report.

Robyn Grew and Antoine Forterre did not receive 2021 LTIP awards as they were not Executive Directors at the time the LTIP award was granted. The value of Luke Ellis' award is set out on page 112. In line with our policy, as Luke was employed for the full performance period, he is entitled to retain the full award.

Robyn Grew received her first LTIP award in September 2023. No long-term variable pay will be included in the single figure table until this award vests in 2026. The actual outcome of the 2023 award will be reported in the 2026 DRR.

In determining whether the overall remuneration of the executive directors for 2023 was appropriate, the Committee considered a number of factors including:

- the performance delivered for 2023
- the experience of Man Group's shareholders. Over the three-year LTIP performance period, Man Group's relative TSR of 112.8 % put it in the top quartile, ranking at position 7 out of 147 companies, when compared to the FTSE 250 peer group
- the experience of Man Group's employees. Average employee bonuses are lower than in 2022, aligning the employee experience with that of the executive directors.

The Committee concluded that the bonus outcome was fair and appropriate and therefore no discretion was applied. The Committee also considered that the LTIP vesting outcome fairly reflected the performance delivered over the three-year period and no discretion was applied. As part of its consideration, the Committee satisfied itself that there were no windfall gains under the LTIP and no adjustments were required.

Other 2023 Remuneration decisions

During the year, having carefully considered the broader context and the approach for the wider workforce, the Committee determined that with effect from 1 January 2024, Antoine Forterre's salary would be increased from $654,000 to $680,000 to further align his base salary with market. This represents an increase of 4.0%, below the budgeted average employee increase for 2024 of 4.4%.

The annual review of the Chair and non-executive directors' (NEDs') fees was also undertaken during the year. As indicated earlier, no changes are being proposed to the fees for the Chair. The Board decided to uplift the NEDs' base fee from £75,000 to £80,000 with effect from 1 January 2024 to reflect the significant increase in workload for the NEDs over the past year and ensure we have a fee level that enables us to attract NEDs representative of our different geographies. This is the first change to the base fee since 2020. The Board also approved an increase in the Senior Independent Director fee with effect from 1 January 2024 from £15,000 to £25,000, again to recognise that there had been no change since 2020 and to bring it in line with the market.

The Committee considered the structure of the annual bonus scheme and the LTIP and agreed that the overall structure of the annual bonus including the bonus opportunity, the bonus metrics and weightings will remain unchanged for 2024. Likewise, there will be no changes to the LTIP structure, award level, performance measures or their respective weightings.

1.7 Conclusion

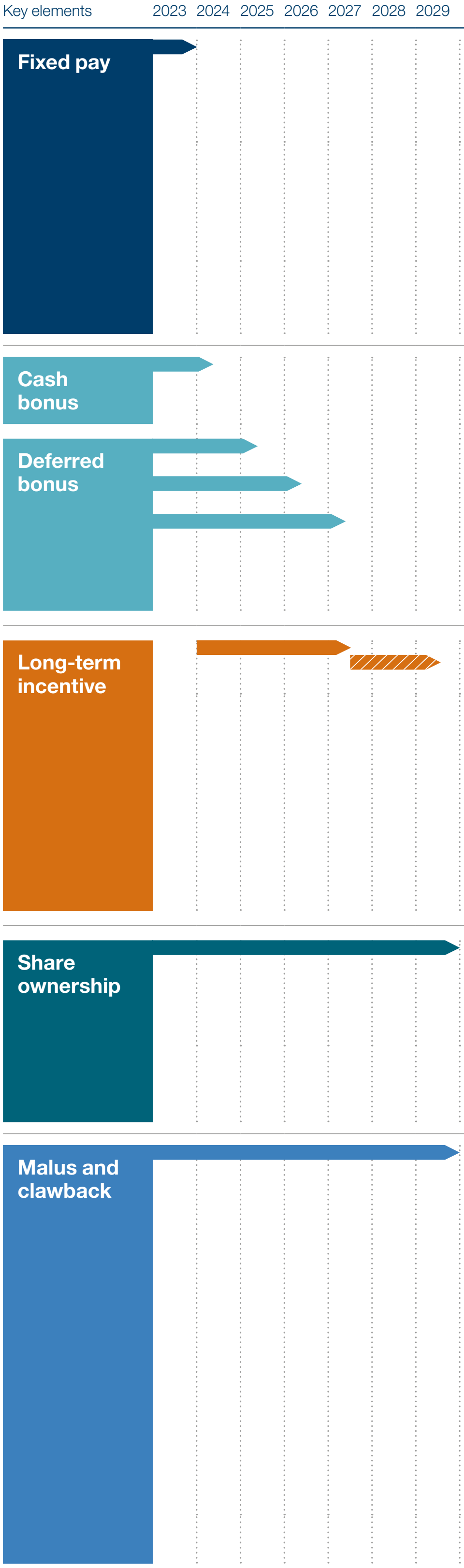
I hope that you find the information in this letter, and the sections of the DRR that follow, to be clear and useful and I would welcome any feedback you may have.

We look forward to welcoming you at our 2024 AGM and receiving your support for this DRR at that meeting.

Laurie Fitch
Chair of the Remuneration Committee

2. Remuneration at a glance

2.1 Directors' Remuneration Policy summary table



Key elements		Remuneration Policy	Implementation in 2023/24
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 01/01/23: • Luke Ellis $1.1m* • Robyn Grew $1.1m** • Antoine Forterre $654k * stepped down on 31 August 2023 ** appointed 1 Sept 2023 Salaries effective from 01/01/24: • Robyn Grew $1.1m • Antoine Forterre $680k
	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 **Deferred 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
	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 31/12/23: • CEO (Robyn Grew) 650% • CFO (Antoine Forterre) 410% • CEO (Luke Ellis) 2,654%
	Post-employment requirements	• 100% of the requirement, or the actual holding on departure if lower, to be retained for two years after leaving the Board.	
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	

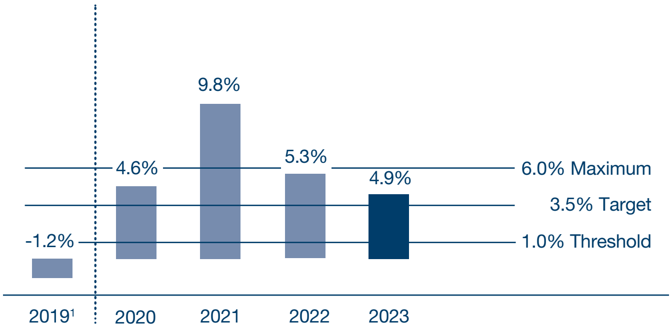
+ The full details of the Directors' Remuneration Policy approved in May 2022 can be viewed at www.man.com.

2.2 Remuneration outcomes for 2023

2023 Bonus outcome

The targets for relative growth in net flows were set at the same percentage growth rates as in the previous three 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 4.9.% represents strong performance.

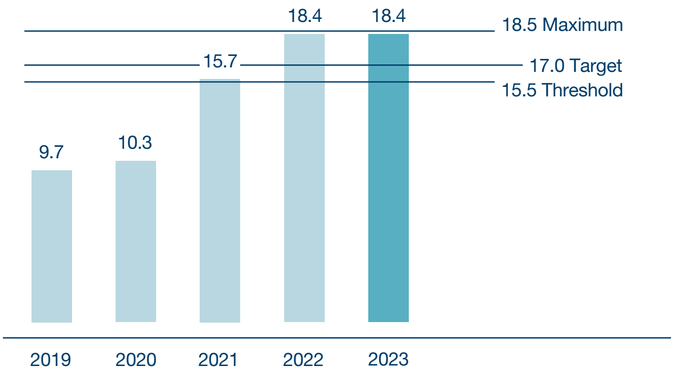
Net flows, relative growth (%)



[1] For 2019, the metric was growth in net flows; from 2020 the metric is growth in relative net flows. The chart shows absolute growth for 2019 and relative growth from 2020 onwards.

The threshold for core management fee EPS was set at the same as the 2022 threshold, the target and maximum were set 3% and 6% higher than the 2022 targets. We delivered core management fee EPS of 18.4 cents, in line with 2022 despite the growth in net management fee due to an increase in our fixed cost base as a result of planned investment to support growth. This represented another year of excellent performance which delivered a close to maximum payout under this metric.

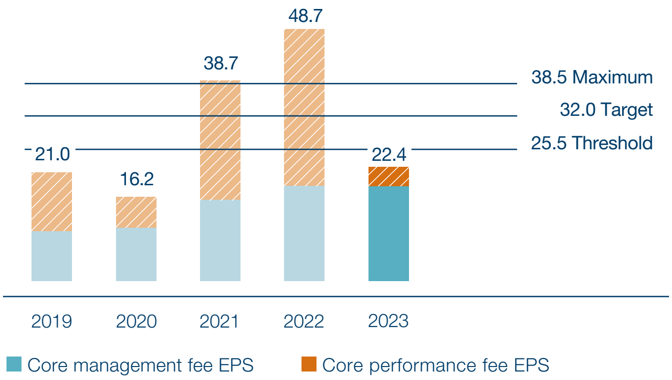
Core management fee EPS (¢)



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 2022, the core EPS threshold, target and maximum targets was set 23%, 28% and 21% higher than in 2022. This resulted in core EPS targets of 25.5 cents, 32.0 cents and 38.5 cents at threshold, target and maximum respectively. The realised core performance fee EPS of 4.0 cents for 2023 represents an 87% decrease on the exceptional performance delivered in 2022, driven by a significant reduction in performance fees. Added to core management fee EPS, the core EPS delivered was 22.4 cents i.e. below threshold.

Core EPS (¢)



Details of the performance against the ESG-related objectives, shared by the executive directors, and their individual strategic and personal objectives are set out in the table on pages 110 to 111.

2. Remuneration at a glance continued

Long-Term Incentive Plan outcome (for the period from 1 January 2021 to 31 December 2023)

Targets and outcome

In the 2020 DRR, the Committee set out the targets for the LTIP grant to be made in March 2021 and explained 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.

2021 LTIP (1 January 2021 to 31 December 2023)

Metric	Weighting	Threshold	Target	Maximum	Achievement	Outcome
Relative investment performance	25%	0.0%	3.0%	6.0%	4.9%	20.4%
Relative TSR vs. FTSE 250	25%	Median	Mid 2nd quartile	Upper quartile	Upper quartile	25.0%
3-year cumulative core management fee EPS, cents	10%	30.0	33.0	36.0	52.5	10.0%
3-year cumulative core total EPS, cents	30%	42.0	56.0	75.0	109.8	30.0%
Relative cumulative net flows	10%	0.0%	9.0%	18.0%	20.0%	10.0%
Total	**100%**					**95.4%**

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 4.9% was between target and maximum, resulting in a payout of 20.4% for this metric. Delivery of almost 5% relative outperformance versus our peers implies $6 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 147 stocks still listed at the end of December 2023 (from 173 at the beginning of the measurement period), Man Group has again delivered relative TSR in the top quartile, ranking at number 7 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, 7% and 17% higher than achieved in 2020 at target and maximum respectively over three years which the Committee considered to be appropriately stretching.

Cumulative core management fee EPS of 52.5 cents has been driven by outstanding performance over the period, especially in 2021 and 2022.

As described earlier, core EPS is the sum of core management fee EPS and core performance fee EPS, with the latter being the more volatile and unpredictable element of core EPS. 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 43% higher respectively than had been achieved at any time during that period. A record three-year cumulative core EPS outcome of 109.8 cents was delivered.

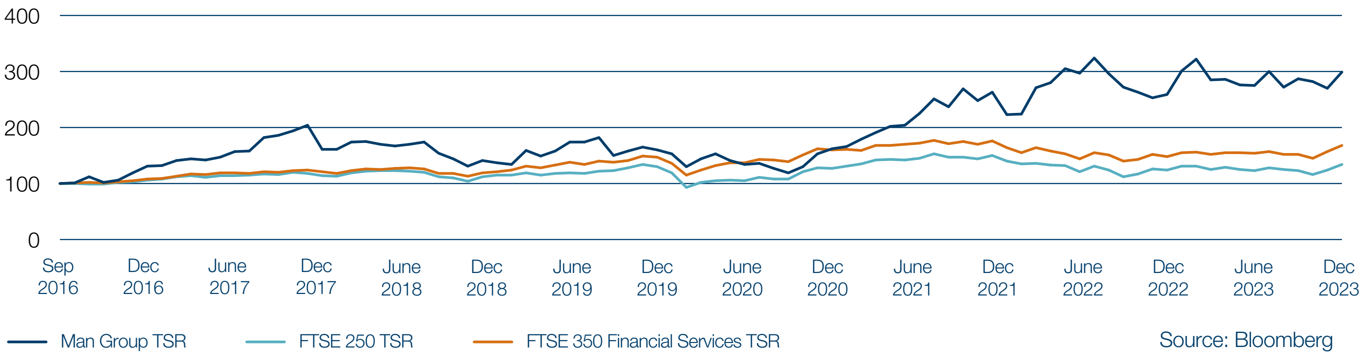
The targets for **relative cumulative net flows** required outperformance of 0%, 9% and 18% at target, threshold and maximum respectively. The achievement of 20.0% of relative growth on this measure represents an excellent outcome for all Man Group's investors.

Over the three-year LTIP performance period, Man Group has delivered excellent results and this performance is reflected in the 2021 LTIP vesting level being 95.4%, as set out above and in more detail on page 112. 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 2020. 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. The Committee also satisfied itself that there were no windfall gains.

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, including the period between 1 September 2023 and 31 December 2023 when Robyn Grew took over from Luke as CEO. This is compared to both the FTSE 250 and the FTSE 350 Financial Services Index and shows Man Group's outperformance against both sets of peers.

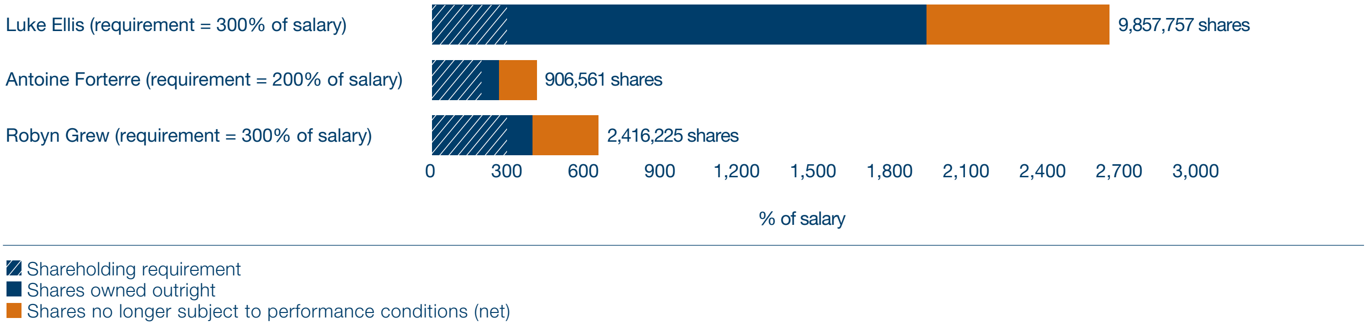
Total Shareholder Return (TSR) (Sep 2016 – Dec 2023)



Source: Bloomberg

The chart below shows the executive directors' shareholdings compared with 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). All executive directors comfortably exceed their shareholding requirement.

Executive directors' shareholdings (number of shares)



2. Remuneration at a glance continued

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 2023	Year ended 31 December 2022[4]
CEO – single total remuneration figure (SFT) ($’000)	**9,108**	13,332
Ratio of SFT to median UK employee[1]	**60:1**	76:1
Compensation – all employees ($m)[2]	**592**	718
Compensation ratio[3]	**50%**	40%
Number of bonus-eligible employees	**1,655**	1,508
Mean annual bonus award per bonus-eligible employee ($’000)	**201**	323
Median annual bonus award per bonus-eligible employee ($’000)	**35**	54
CEO SFT as % of total compensation of all employees	**1.5%**	1.9%
Aggregate total SFT of all executive directors as % of total compensation of all employees	**1.9%**	2.2%

[1] See table R8 on page 115 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 2023.

[3] Compensation ratio represents total core compensation costs for all employees (fixed base salaries, benefits, variable bonus compensation and associated social security costs) as a proportion of core 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] 2022 numbers have been restated to reflect the actual value of the LTIP that vested in March 2023, based on the share price and exchange rate on that date; in the 2022 DRR, the number was estimated based on a three-month average share price and the exchange rate at the end of 2022.

3. Remuneration outcomes in 2023

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 2023 and the prior year.

Single total figure of remuneration for executive directors (audited) – Table R1

	Executive directors				Former executive director	
	Robyn Grew[1]		Antoine Forterre		Luke Ellis[2]	
All figures in USD	**2023**	2022	**2023**	2022	**2023**	2022
Salary	**366,667**	–	**654,000**	625,000	**733,333**	1,100,000
Taxable benefits[3]	**208,016**	–	**3,337**	3,127	**1,780**	2,499
Pension benefits[4]	**46,609**	–	**82,827**	76,014	**92,161**	132,654
Other[5]	**844**	–	**16,601**	9,175	**6,737**	10,050
Total fixed remuneration	**622,136**	–	**756,765**	713,316	**834,011**	1,245,203
Short-term variable[6]	**711,700**	–	**1,269,414**	1,740,000	**1,401,400**	3,128,400
Long-term variable[7,8]	**–**	–	**–**	–	**5,538,351**	8,958,722
Total variable remuneration	**711,700**	–	**1,269,414**	1,740,000	**6,939,751**	12,087,122
Total	**1,333,836**	–	**2,026,179**	2,453,316	**7,773,762**	13,332,325

1 Remuneration disclosed for 2023 is in connection with Robyn Grew's role as an executive director. Robyn Grew was appointed to the Board on 1 September 2023.

2 Luke Ellis stepped down from the Board on 31 August 2023. Remuneration disclosed for 2023 reflects the period during the year that he was an executive director of the Company (1 January 2023 – 31 August 2023).

3 Taxable benefits include private medical insurance. The remuneration disclosed for Robyn Grew includes costs associated with her relocation from the US to the UK, which consist of costs paid for temporary accommodation ($168,865), flights ($23,491) and other travel expenses ($4,375). These costs were incurred following the announcement of her appointment as CEO.

4 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.

5 'Other' includes non-taxable benefits (e.g. life insurance, Group income protection and fund fee rebates).

6 See table R2 for details of the short-term variable compensation award. The Committee has not applied any discretion to the formulaic outcome.

7 The 2021 award under the Man Group plc LTIP was made in March 2021 for the three-year performance period commencing on 1 January 2021 and ending on 31 December 2023. 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 11 March 2021 being £1.5445. The value shown above therefore includes $1,865,452 which relates to share price growth over the performance period. Antoine Forterre and Robyn Grew did not receive an award under the March 2021 LTIP as they were both appointed to the Board after this date.

8 The long-term variable outcome reported in 2022 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 £2.858 and exchange rate of £1:$1.1865 on the date it vested in March 2023. Vested shares are subject to a further two-year retention period.

3.2 Annual bonus in respect of 2023 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 2023.

Annual bonus in respect of 2023 (audited) – Table R2

Financial metric	Weighting	2022 actual	Threshold (25% of max)	Target (50% of max)	Maximum (100% of max)	**2023 outcome**	**% achieved**	**Bonus outcome after weighting (% of max)**
Relative net flows	30%	5.3%	1.0%	3.5%	6.0%	**4.9%**	**78%**	**23.4%**
Core management fee EPS (cents)[1]	20%	18.4	15.5	17.0	18.5	**18.4**	**97%**	**19.3%**
Core EPS (cents)[1]	20%	48.7	25.5	32.0	38.5	**22.4**	**0%**	**0.0%**
Total financial metrics	**70%**							**42.7%**
ESG-related objectives[2]	**15%**	n/a						**10.0%**
Total financial metrics and ESG objectives	**85%**							**52.7%**
						Robyn Grew[3]	Antoine Forterre	Luke Ellis
Strategic and personal objectives	**15%**					**12.0%**	**12.0%**	**11.0%**
Percentage of maximum annual bonus awarded	**100%**					**64.7%**	**64.7%**	**63.7%**
Quantum of award – total[3]						**$711,700**	**$1,269,414**	**$1,401,400**
Quantum of award – paid in cash						**$320,265**	**$571,236**	**$630,630**
Quantum of award – deferred						**$391,435**	**$698,178**	**$770,770**

1 The Committee specifically reviewed the impact of the Varagon acquisition on the realised EPS metrics, and therefore the overall bonus outcome, and concluded that no adjustments to the outcome were required. The outcome excludes the impact for relative net flows.

2 The ESG objectives relating to the 2023 annual bonus can be found on page 110.

3 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.

4 Values for Robyn Grew are for services as an executive director (from 1 September 2023).

3. Remuneration outcomes in 2023 continued

Assessment of performance against qualitative objectives

Objective	Outcome	Assessment
ESG related[1]		
Climate and sustainability		
Improvements in Man Group's environmental impact enabling us to meet our SBTi corporate targets for a 1.5-degree future	Progress towards net zero goals is on track, with targets for Scope 1, 2, and 3 set out and emissions data reviewed quarterly. Audit of Riverbank House resulted in a number of findings to optimise emissions reductions that are being implemented.	●
Continue to broaden sustainability fund offering	A total of eight new sustainability funds were launched or added through acquisition.	●
Diversity, equity and inclusion		
Build long-term talent pipeline with a focus on diversity	Since 2018 when Man Group signed the Women in Finance Charter 2018, we are pleased to have seen a positive trajectory in the proportion of women in senior management roles. As of December 2023, 31% of the senior management team were female, achieving our target for 2024 of 30% a year early. In 2022, 26% of the senior management were female. During 2023, a new target was set to increase ethnicity in senior management to 15% by the end of 2027. As at the end of November, 87% of our staff had completed their ethnicity data. This new target works alongside our existing focus on building a diverse workforce and specifically, increasing the representation of ethnic minorities. Continued positive feedback from employees (through the employee engagement survey) on the firm's diversity, equity and inclusion initiatives.	●
Social fairness		
Ensure Man Group behaves fairly towards all employee stakeholders (direct and indirect)	In the US, all our employees are paid in line with the US Living Wage and in the UK all our employees are paid in line with the London Real Living Wage. We continue to work with our suppliers to promote being a London Real Living Wage payer. For the second year running, a tiered salary review was conducted, whereby the lowest paid employees were prioritised for higher salary increases.	◗

Objective	Outcome	Assessment
Strategic and personal		
Robyn Grew		
Strategy and innovation		
Undertake a full strategic review, with a focus on supporting Man Group's future growth	A full strategic review was undertaken in 2023 which was discussed with and approved by the Board. The review focused on continuing to invest in and develop the strength of Man's business and culture to enable future growth.	●
Strategic integration		
Ensure the successful completion of the announced transactions with Varagon Capital Partners and Asteria (partnership with Fideuram), and establishment of appropriate integration plans	The completion of the Varagon acquisition was announced in September 2023 with all key day-one deliverables achieved, marking the end of Phase 1 of the integration. The completion of the Asteria integration was announced at the end of October 2023 and a new partnership with Fideuram was launched.	●
Talent		
Promote, appoint and structure the senior leadership team required to deliver continued future growth	Successful restructure of the senior leadership team including a new streamlined Executive Committee, promoting internal talent.	●
In-depth review of talent bench-strength to ensure talent in place to support strategy.	Wider reorganisation delivered with a series of internal promotions, reflecting talent bench across the organisation. Review process undertaken, targeting key talent to ensure retention. Voluntary attrition in 2023 was 7.0% down from 10.7% in 2022.	●
Enhanced development and succession plans across the organisation	Succession plans completed and reviewed.	◗

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[1] The ESG-related objectives are shared by the CEO and CFO.

Objective	Outcome	Assessment
Strategic and personal		
Antoine Forterre		
Strategy and innovation		
Conduct a review of internal reporting with a view to supporting decision-making and tracking progress against strategy	Reporting review completed, providing increased transparency and automation on engine and product level performance which will aid in business decision-making. Significant contribution to strategic review.	●
Continue to review inorganic growth opportunities	M&A: multiple opportunities assessed in 2023 with acquisition of Varagon identified as meeting acquisition criteria and subsequently completed. New partnership with Fideuram launched.	●
Risk and controls		
In-depth review of the Group's overall operational risk framework	Operational risk framework revamped with new organisation structure in place. New risk management and governance platform successfully rolled out and policy framework amended with new dashboards.	●
Re-evaluate the current Internal Audit model	Review of Internal Audit model conducted with further review planned for 2024.	●
Stakeholders		
Review the Group's People functions with the aim to support its strategy more effectively	Assessment of the People function completed with actions identified for implementation during 2024.	◗
Assess options to de-risk UK defined benefit pension plan further	External review of UK Defined Benefit scheme undertaken with external provider. All options were considered but it was determined that no changes will be made at present; the scheme will be kept under review.	●

Strategic and personal		
Luke Ellis		
Strategy and innovation		
Lead the development of new investment strategies, solutions, or initiatives to support long-term alpha generation and growth	Establishment of quant trader function across asset classes and steady progress on roll-out of central OMS. Successful first paying customer for Arctic (Bloomberg), HUB on track with original business plan. Continued launches of new products and solutions, including the first Exchange Traded Fund (ETF) and a crypto strategy; fourteen new investment strategies seeded across the business. Successful roll-out of ManGPT, open to all employees at the firm. Establishment of a tech Machine Learning team to drive innovation across the organisation.	●
Talent		
In-depth review of talent bench-strength to ensure talent in place to support strategy more effectively	Continued focus on retention, resulting in the second-best year in ten for firm-wide attrition. Voluntary attrition in 2023 was 7.0% down from 10.7% in 2022.	●
Enhanced development and succession plans across the organisation	Succession plans completed and reviewed.	◗
Stakeholders		
Further expansion and diversification of the client base with a particular focus on new solutions and insurance/wealth channels	Increase in Institutional Solutions AUM to $16.2bn* and number of solutions with institutional clients to 46* ($14.4bn and 38 respectively in FY 2022). Wealth partnerships established with Fideuram and in progress with SBI. Establishment of formal insurance sales coverage team. *as at 31 Dec 2023. The Committee considered and is satisfied that the year to date numbers were higher as at 31 August 2023.	●

3. Remuneration outcomes in 2023 continued

3.3 Vesting outcome in respect of the 2021 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 2021 LTIP was awarded in March 2021 for the three-year performance period from 1 January 2021 to 31 December 2023. The vesting of the 2021 LTIP was subject to the achievement of five performance measures. The targets and vesting outcomes for the 2021 LTIP are shown in the table below:

Vesting outcome for 2021 LTIP award (audited) – Table R3

Performance measures for 2021 LTIP[1]	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%	4.9%	82%	25%	20.4%
Cumulative relative net flows	0.0%	9.0%	18.0%	20.0%	100%	10%	10.0%
3-year cumulative core management fee EPS (cents)	30.0	33.0	36.0	52.5	100%	10%	10.0%
3-year cumulative core total EPS (cents)	42.0	56.0	75.0	109.8	100%	30%	30.0%
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)							95.4%

1 The Committee specifically reviewed the impact of the Varagon acquisition over the period on the realised EPS metrics, and therefore the overall LTIP outcome, and concluded that no adjustments to the outcome were required. The outcome excludes the impact for relative net flows and relative investment performance.

Vesting outcome for 2021 LTIP award (audited) – Table R4

	Date of grant	Shares awarded[1]	Vesting percentage	Number of shares vesting	Value of shares vesting	Vesting date	End of holding period
Executive director							
Luke Ellis	12 Mar 21	2,063,091	95.4%	**1,968,189**	$5,538,351	Mar-24	Mar-26

1 Awards under the LTIP were made in March 2021 for the three-year performance period commencing on 1 January 2021 and ending on 31 December 2023; 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 = £0.7159 and a share price of £1.5445, 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.

3.4 Relative importance of spend on pay

The table below shows the year-on-year change in total employee expenditure compared with the change in shareholder distributions.

Relative importance of spend on pay – Table R5

	2023 $m	2022 $m	**% change**
Total employee expenditure[1]	**595**	678	-12
Shareholder distributions[2]	**404**	565	-28

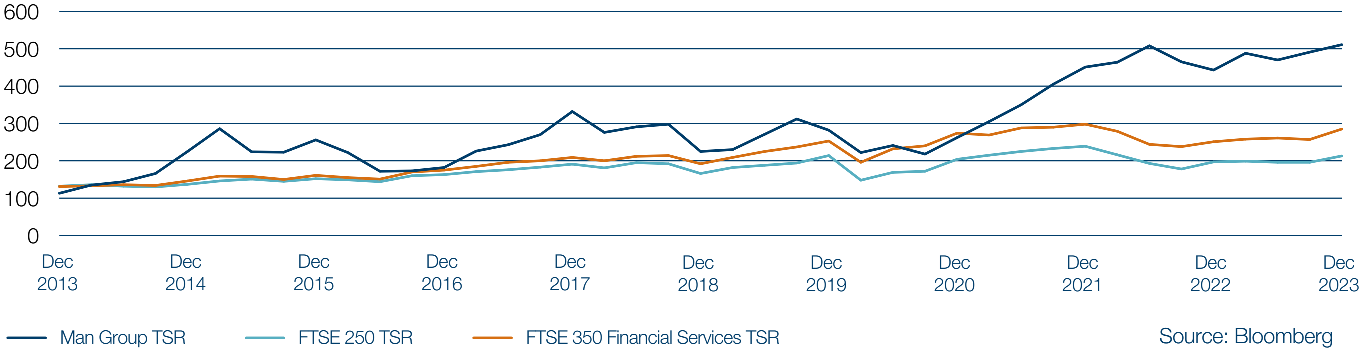
1 Remuneration paid to or receivable by all employees (i.e. accounting cost excluding other employment-related expenses in relation to Varagon acquisition accounting). Refer to Note 5 to the Group financial statements for further details.

2 Distributions to shareholders (dividends paid of $179 million and repurchase of shares of $386 million in 2022, dividends paid of $181 million and repurchase of shares of $223 million in 2023).

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 (Dec 2013 – Dec 2023)



Source: Bloomberg

Historical CEO remuneration – Table R6

Accounting period ended		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	**31 Dec 2023**
CEO single figure ($'000)	R Grew[1]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**1,334**
	L Ellis[2]	n/a	n/a	1,347	6,215	2,856	2,804	3,150	7,797	13,332[5,6]	**7,774**
	E Roman[3]	5,068	5,367	910	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**
Short-term variable award (as a percentage of maximum opportunity)	R Grew[1]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**64.7%**
	L Ellis[2]	n/a	n/a	40.2%	78.8%	58.3%	56.3%	69.4%	98.5%	94.8%	**63.7%**
	E Roman[3]	100.0%	83.3%	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)	R Grew[1]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**
	L Ellis[2]	n/a	n/a	28.6%	46.2%	n/a[4]	n/a[4]	n/a[4]	60.0%	84.6%[5,6]	**95.4%**
	E Roman[3]	40.0%	40.7%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**

1 Robyn Grew was appointed as CEO with effect from 1 September 2023. Remuneration disclosed for 2023 reflects four months' service only. Robyn Grew was awarded her first LTIP in 2023. Consequently no long-term variable awards are shown for Robyn Grew in the table above.

2 Luke Ellis was appointed CEO on 1 September 2016. Remuneration for 2016, therefore, reflects four months' service only. Luke Ellis stepped down from the Board on 31 August 2023 and will remain on garden leave until his retirement in May 2024.

3 Emmanuel Roman became CEO on 28 February 2013 and stepped down on 31 August 2016.

4 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.

5 The Committee exercised its discretion and reduced the number of shares initially awarded under the 2020 LTIP by 10.6%.

6 The long-term variable outcome reported in 2022 was estimated based on a three-month average share price and year-end exchange rate. It has been restated in the CEO single figure table as set out on page 109.

3. Remuneration outcomes in 2023 continued

3.6 Percentage change in directors' remuneration

The table below sets out the percentage change in remuneration for the directors compared with 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

	2023			2022[2]			2021[2]			2020[2]		
	Salary/ fees	**Benefits[1]**	**Bonus**	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus
Executive directors												
Robyn Grew[3]	**–**	**–**	**–**	–	–	–	–	–	–	–	–	–
Antoine Forterre	**5%**	**7%**	**-27%**	0%	-7%	24%	–	–	–	–	–	–
Former executive director												
Luke Ellis[4]	**0%**	**7%**	**-33%**	0%	-7%	15%	0%	6%	42%	0%	-9%	23%
Non-executive directors												
Anne Wade[5]	**67%**	**5%**	**–**	11%	-4%	–	15%	–	–	–	–	–
Kate Barker[6]	**0%**	**2%**	**–**	15%	73%	–	1%	-6%	–	10%	1,153%	–
Lucinda Bell	**0%**	**-21%**	**–**	-11%	340%	–	6%	618%	–	–	–	–
Richard Berliand	**0%**	**-10%**	**–**	-6%	196%	–	-10%	-40%	–	8%	341%	–
John Cryan[7]	**10%**	**-67%**	**–**	0%	143%	–	0%	273%	–	400%	-4%	–
Laurie Fitch[8]	**–**	**–**	**–**	–	–	–	–	–	–	–	–	–
Jackie Hunt[9]	**0%**	**-88%**	**–**	–	–	–	–	–	–	–	–	–
Ceci Kurzman[10]	**5%**	**41%**	**–**	8%	313%	–	0%	–	–	–	–	–
Alberto Musalem[11]	**0%**	**158%**	**–**	–	–	–	–	–	–	–	–	–
All staff[12]	**6%**[13]	**4%**[13]	**-47%**[14]	6%[13]	4%[13]	18%[14]	3%[13]	15%[13]	84%[14]	4%[13]	22%[13]	-15%[14]

[1] Taxable benefits include private medical insurance and relocation expenses for executive directors and includes travel, staff entertainment expenses and gifts, 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 115), which shows that the large percentage movements recorded above are explained by movements in small absolute numbers.

[2] Disclosures in respect of prior years can be found in the relevant Directors' Remuneration reports.

[3] Robyn Grew was appointed to the Board on 1 September 2023 and therefore a percentage change has not been disclosed.

[4] Luke Ellis stepped down from the Board on 31 August 2023, however the salary, benefits and bonus that he received during the period he was an executive director of the Company have been annualised for the purposes of calculating the percentage changes.

[5] Anne Wade stepped down as Remuneration Committee Chair and was appointed as Chair of the Board on 1 October 2023.

[6] Kate Barker stepped down from the Board on 1 April 2023. The fees received for the period she was a non-executive director during 2023 have been annualised for the purposes of the calculation shown above.

[7] The Board agreed an increase in the Chair fee effective 1 January 2023; however, John Cryan stepped down from the Board on 30 September 2023. These changes are reflected in the calculation shown for 2023; however, for the purposes of showing the percentage change for his fees the amount received during 2023 has been annualised.

[8] Laurie Fitch was appointed to the Board on 25 August 2023 and therefore no percentage change has been recorded.

[9] Jackie Hunt stepped down from the Board on 27 March 2023; however, the fees received for the period she was a non-executive director in 2023 have been annualised for the purposes of the calculation shown above.

[10] Ceci Kurzman was appointed as the designated employee engagement non-executive director during 2022 and is paid an annual fee of £7,500 for the role. Ceci was appointed as a member of the Remuneration Committee effective 1 October 2023 and therefore the increase in total fees has been reflected in the calculation above.

[11] Alberto Musalem was appointed to the Board on 1 November 2022. His fees for 2022 have been annualised for the purposes of calculating the percentage change in 2023.

[12] Figures are calculated on an annualised full-time-equivalent (FTE) basis (excluding directors). Figures shown for 2020 were disclosed on a per capita basis.

[13] Represents the average increase in salary and taxable benefits in underlying currency in which each member of staff is paid.

[14] 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 2023 single total figure of remuneration, which comprises the combined sum of Robyn Grew's and Luke Ellis' single total figure of remuneration as shown in Table R1 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
2023	A	90:1	60:1	34:1
2022[1]	A	126:1	76:1	39:1
2021	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 2022 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 2022 as set out in more detail on page 109; consequently the CEO ratio numbers above have also been restated.

The Committee reviewed the CEO ratio when compared with previous years. A significant proportion of the CEO's total remuneration is delivered in variable remuneration. In order to drive alignment with investors, the value ultimately received from LTIP awards is linked to long-term share price movement. As a result, the pay ratio is likely to be driven largely by the CEO's incentive outcomes and may therefore fluctuate significantly on a year-to-year basis.

The median pay ratio for 2023 is lower than the ratio for 2022. This is primarily driven by the lower level of CEO bonus payout and the lower value of the vested LTIP award. The value of the vested LTIP (2021 LTIP award) included in the 2023 ratio relates to Luke Ellis' LTIP award. Whilst Robyn Grew received an LTIP award in 2023, this award will not vest until 2026. The Committee considers that the median pay ratio for 2023 and the recent trends in the pay ratios are consistent with Man Group's remuneration framework and reflect the variable nature of the CEO's total remuneration. The Committee believes the pay ratio is consistent with our pay policies in the UK.

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 2023 has been calculated in line with the methodology for the 'single figure of remuneration' for the CEO (table R1, page 109). 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	89,649	118,287	169,337
Total pay and benefits	**101,097**	**151,181**	**265,376**

3.8 Retirement benefits

Robyn Grew, Antoine Forterre and Luke Ellis 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 2023 and the prior year.

Single total figure of remuneration for non-executive directors (audited) – Table R9

	Fees		**Taxable benefits[4]**		**Total**	
All figures in GBP	**2023**	2022	**2023**	2022	**2023**	2022
Anne Wade (Chair from 1 October 2023[1])	**175,000**	105,000	**33,294**	31,758	**208,294**	136,758
John Cryan (Chair to 30 September 2023[2])	**288,750**	350,000	**34,233**	104,414	**322,983**	454,414
Kate Barker[2]	**26,875**	107,500	**2,241**	2,201	**29,116**	109,701
Lucinda Bell	**110,000**	110,000	**2,170**	2,751	**112,170**	112,751
Richard Berliand	**115,000**	115,000	**2,170**	2,422	**117,170**	117,422
Laurie Fitch[3]	**40,256**	–	**8,614**	–	**48,870**	–
Jackie Hunt[2]	**25,000**	83,718	**380**	3,165	**25,380**	86,883
Ceci Kurzman	**85,000**	81,250	**11,223**	7,946	**96,223**	89,196
Alberto Musalem	**100,000**	16,667	**11,158**	4,331	**111,158**	20,997

[1] Anne Wade was appointed as Chair of the Board on 1 October 2023.

[2] Jackie Hunt stepped down from the Board on 27 March 2023, Kate Barker on 1 April 2023 and John Cryan on 30 September 2023 and their remuneration has been pro-rated accordingly.

[3] Laurie Fitch was appointed to the Board on 25 August 2023 and her remuneration has been pro-rated accordingly.

[4] Taxable benefits comprise travel, gifts and staff entertainment expenses and the tax paid in relation to such benefits.

3. Remuneration outcomes in 2023 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)

Luke Ellis stepped down from the Board on 31 August 2023. His 12-month notice period commenced following the notification of his retirement in May 2023 and he began his garden leave from 1 September 2023. He remains employed by the Company until 10 May 2024 and he will receive his salary, contractual benefits and pension supplement in full until this date. His 2023 bonus has been pro-rated for the period he was an executive director of the Company. For further information on the treatment for the 2023 bonus and Luke's outstanding awards under the Deferred Share Plan see tables R2 and R15. As a retiree, he retains his right to outstanding LTIP awards as detailed in table R13. He retains his right to the full award for his 2021 LTIP given he was employed for the full performance period; however, his 2022 and 2023 LTIP awards will be pro-rated for time.

Mark Jones stepped down from the Board on 1 October 2021. The value of his 2021 award LTIP was $3,146,786. This award is subject to same performance conditions and vesting outcomes as disclosed in table R3 and R4.

3.12 Directors' interests

Directors' interests in shares of Man Group plc (audited) – Table R10

	Number of ordinary shares[1] 31 December 2023[2]	Number of ordinary shares[1] 31 December 2022
Executive directors		
Robyn Grew	**1,460,160**	–
Antoine Forterre	**579,031**	498,932
Former executive director		
Luke Ellis[3]	**7,194,916**	6,806,054
Non-executive directors		
Anne Wade	**44,000**	30,000
Kate Barker[4]	**52,166**	52,166
Lucinda Bell	**–**	–
Richard Berliand	**75,000**	75,000
John Cryan[4]	**40,000**	40,000
Laurie Fitch	**–**	–
Ceci Kurzman	**–**	–
Jackie Hunt[4]	**–**	–
Alberto Musalem	**–**	–

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 2023 up to 28 February 2024, being the latest practicable date prior to the publication of this report.

3 Luke Ellis stepped down from the Board on 31 August 2023, however the shareholding is disclosed as at 31 December 2023.

4 Jackie Hunt, Kate Barker and John Cryan stepped down from the Board on 27 March 2023, 1 April 2023 and 30 September 2023 respectively. Where applicable, their shareholdings are shown as at the date of their departure from the Board.

Executive directors' shareholdings measured against their respective shareholding requirement as at 31 December 2023 (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								
Robyn Grew	1,460,160	956,065	2,416,225	7,154,999	1,100,000	300%	650%	Yes
Antoine Forterre	579,031	327,530	906,561	2,684,536	654,000	200%	410%	Yes
Former executive director								
Luke Ellis	7,194,916	2,662,841	9,857,757	29,191,092	1,100,000	300%	2654%	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 and R15.

2 Shares that count towards achievement of the shareholding requirement are limited to: (i) shares owned outright; (ii) unvested deferred shares granted under the Deferred Share Plan (DSP); 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 Shareholdings for Robyn Grew, Antoine Forterre and Luke Ellis are valued at 29 December 2023 share price of £2.3260 and a GBP/USD exchange rate of £1 = $1.2731.

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 directors				
Robyn Grew	300%	3,300,000	Mar-27	Mar-29
Antoine Forterre	300%	2,040,000	Mar-27	Mar-29

1 Awards under the LTIP will be made in March 2024 for the three-year performance period commencing on 1 January 2024 and ending on 31 December 2026; the proportion of the award which vests will be determined based on the measures, weightings and target ranges set out in table R20 (page 119). 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 2023	Granted during the year	Lapsed during the year	Dividends accruing[4]	**31 December 2023**	Vesting date[5]	End of holding period[6]
Executive directors								
Robyn Grew	Sep-23	–	1,238,359[1]	–	25,331	**1,263,690**	Sep-26	Sep-28
Antoine Forterre	Mar-22	769,851	–	–	44,855	**814,706**	Mar-25	Mar-27
	Mar-23	–	576,311[2]	–	33,578	**609,889**	Mar-26	Mar-28
Former executive director								
Luke Ellis	Mar-19	1,587,079	–	–	92,471	**1,679,550**	Mar-22	Mar-24
	Mar-20	3,491,991	–	850,093[7]	153,931	**2,795,829**	Mar-23	Mar-25
	Mar-21	1,949,503	–	–	113,588	**2,063,091**	Mar-24	Mar-26
	Mar-22[3]	1,354,940	–	–	78,945	**1,433,885**	Mar-25	Mar-27
	Mar-23[3]	–	969,331[2]	–	56,477	**1,025,808**	Mar-26	Mar-28

1 Following the appointment of Robyn Grew as CEO an award under the LTIP was granted in September 2023 for the three-year performance period commencing on 1 January 2023 and ending on 31 December 2025. The monetary value of the awards was $3,300,000 representing 300% of base salary converted into a number of shares using the GBP/USD exchange rates of £1 = $1.2617 and a share price of £2.1120, being the market value on the immediately preceding dealing day to grant. The award has been granted as a conditional award 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. The award attracts dividend accruals from grant date to the end of the two-year holding period for vested shares.

2 Awards under the LTIP were granted in March for the three-year performance period commencing on 1 January 2023 and ending on 31 December 2025. The monetary value of these awards was $3,300,000 for Luke Ellis and $1,962,000 for Antoine Forterre, each representing 300% of base salary converted into a number of shares using the GBP/USD exchange rates of £1 = $1.1912 and a share price of £2.8580, 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 These awards will be pro-rated for time from the beginning of the performance period until 31 May 2024, this being the end of the month in which Luke Ellis retires.

4 On 19 May 2023, dividend accruals of 49,877 and 315,043 shares were added to Antoine Forterre's and Luke Ellis' awards respectively based on a sterling dividend of 8.07 pence. On 22 September 2023, dividend accruals of 25,331, 28,556 and 180,369 shares were added to Robyn Grew's, Antoine Forterre's and Luke Ellis' awards respectively based on a sterling dividend of 4.42 pence.

5 Awards vest at 0% at threshold, 50% at target and 100% at maximum, with straight-line vesting between these points.

6 Vested shares are delivered to participants at the end of a two-year holding period.

7 The figure comprises shares that lapsed during the year due to the Committee applying a 10.6% reduction to the number of shares initially awarded and shares that lapsed due to performance metric outcomes.

Conditional share awards under the Deferred Executive Incentive Plan (DEIP) – subject only to service conditions (audited) – Table R14

	Date of grant[1]	1 January 2023	Vested during the year	Lapsed during the year	Dividends accruing	**31 December 2023**	Date vested
Former executive director							
Luke Ellis	Mar-18	422,606	422,606	–	–	**–**	Mar-23

1 No further awards are to be granted under the DEIP following the adoption of the LTIP.

3. Remuneration outcomes in 2023 continued

Options granted under the Man Group Deferred Share Plans – subject only to service conditions (audited) – Table R15

	Date of grant	**1 January 2023**	Granted during the year	Exercised/ vested during the year	Lapsed during the year	Dividends accruing[11]	**31 December 2023**	Exercised/ vested date
Executive directors								
Robyn Grew[1]	Deferred Share Plan (DSP)							
	Mar-21[2]	**128,653**	–	–	–	2,631	**131,284**	–
	Mar-22[3]	**496,766**	–	–	–	10,160	**506,926**	–
	Mar-23[4]	**913,860**	–	–	–	18,693	**932,553**	–
	Mar-23[5]	**228,462**	–	–	–	4,671	**233,133**	–
Antoine Forterre	Deferred Share Plan (DSP)							
	Mar-22[6,7]	**454,285**	–	151,428	–	17,644	**320,501**	Mar-23
	Mar-23[8]	**–**	281,106	–	–	16,374	**297,480**	–
Former executive director								
Luke Ellis	Deferred Share Plan (DSP)							
	Mar-20	**117,048**	–	117,048	–	–	**–**	Mar-23
	Mar-21[9]	**161,136**	–	80,567	–	4,694	**85,263**	Mar-23
	Mar-22[6]	**278,042**	–	92,680	–	10,800	**196,162**	Mar-23
	Mar-23[10]	**–**	252,704	–	–	14,721	**267,425**	–

1 Robyn Grew was appointed to the Board on 1 September 2023. The opening balance of options for Robyn Grew under the DSP, all of which relate to her employment before becoming a director, are shown as at 1 September 2023. Shares awarded under the DSP are delivered automatically on the vesting date.
2 Award vests in March 2024 with shares delivered automatically upon vesting.
3 Award vests in two equal instalments in March 2024 and March 2025 with shares delivered automatically upon vesting.
4 Award vests in a single instalment in March 2028 with shares delivered automatically upon vesting.
5 Awards vests in three equal instalments in March 2024, March 2025 and March 2026 with shares delivered automatically upon vesting.
6 Award vests in two equal instalments in March 2024 and March 2025.
7 A proportion of the award is attributable to the period prior to Antoine Forterre's appointment as an executive director.
8 Award vests in three equal instalments in March 2024, March 2025 and March 2026. Options may not be exercised for at least six months following vesting.
9 Award vests in March 2024.
10 Award vests in three equal instalments in March 2024, March 2025 and March 2026.
11 On 19 May 2023, dividend accruals of 21,633 and 19,216 shares were added to Antoine Forterre's and Luke Ellis' awards respectively based on a sterling dividend of 8.07 pence. On 22 September 2023, dividend accruals of 36,155, 12,385 and 10,999 shares were added to Robyn Grew's, Antoine Forterre's and Luke Ellis' awards respectively based on a sterling dividend of 4.42 pence.

Options granted under the Man Group Sharesave Scheme (audited) – Table R16

			Number of options						
	Date of grant	1 January 2023	Granted during the year	Exercised during the period	Lapsed during the year	**31 December 2023**	Option price	Earliest exercise date	Latest exercise date
Executive director									
Robyn Grew	–	–	–	–	–	**–**	–	–	–
Antoine Forterre	Sep-22	14,925	–	–	–	**14,925**	201.0p	Oct-27	Mar-28
Former executive director									
Luke Ellis	Sep-19	11,811	–	–	–	**11,811**	127.0p	Oct-24	Mar-25

3.14 Shareholder voting and engagement

At the AGMs held on 6 May 2022 and 5 May 2023, 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 Directors' Remuneration Policy (May 2022)	939,700,962	91.37	88,798,755	8.63	1,028,499,717	698,307
Approve the annual report on remuneration (May 2023)	785,623,944	92.89	60,091,556	7.11	845,715,500	29,255,421

4. Implementation of Directors’ Remuneration Policy for 2024

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	Robyn Grew	Antoine Forterre
1 January 2023	n/a	$654,000
1 January 2024	$1,100,000	$680,000

4.2 Annual bonus for 2024

The following table shows the performance metrics and weightings for the annual bonus in 2024 which remain unchanged from 2023. The Committee considers that the disclosure of detailed performance targets in advance for 2024 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 total EPS	20%
Strategic and personal	15%
ESG objectives	15%
Total	100%

4.3 Long-Term Incentive Plan for 2024

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	0.0%	3.0%	6.0%	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	61.0¢	69.0¢	77.0¢	10%
3-year cumulative core EPS, cents	81.0¢	104.0¢	127.0¢	30%
Relative cumulative relative net flows	0.0%	9.0%	18.0%	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 (at 31 December 2026: threshold 33%, target 34% and maximum 35%), to reduce Scope 1 to 3 emissions per FTE (cumulative emissions from 1 January 2024 to 31 December 2026: threshold 9.5 tCO_2e, target 8.7 tCO_2e and maximum 7.8 $tC0_2e$) and to grow the percentage of ESG-integrated AUM excluding market beta (cumulative growth from 1 January 2024 to 31 December 2026: threshold 11%, target 16% and maximum 21%).

4.4 Non-executive directors’ Remuneration Policy for 2024

During 2023, the Remuneration Committee approved an increase in the fees for the non-executive directors from £75,000 to £80,000 and an increase in the Senior Independent Director (SID) fee from £15,000 to £25,000. This is the first increase in the non-executive director and SID fees since January 2020.

Non-executive directors’ fees for 2024 – Table R21

Position (all figures in GBP)	**2024**	2023	% change
Chair of the Board[1]	**385,000**	385,000	–
Board fee[2]	**80,000**	75,000	6.7%
Senior Independent Director	**25,000**	15,000	66.7%
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.

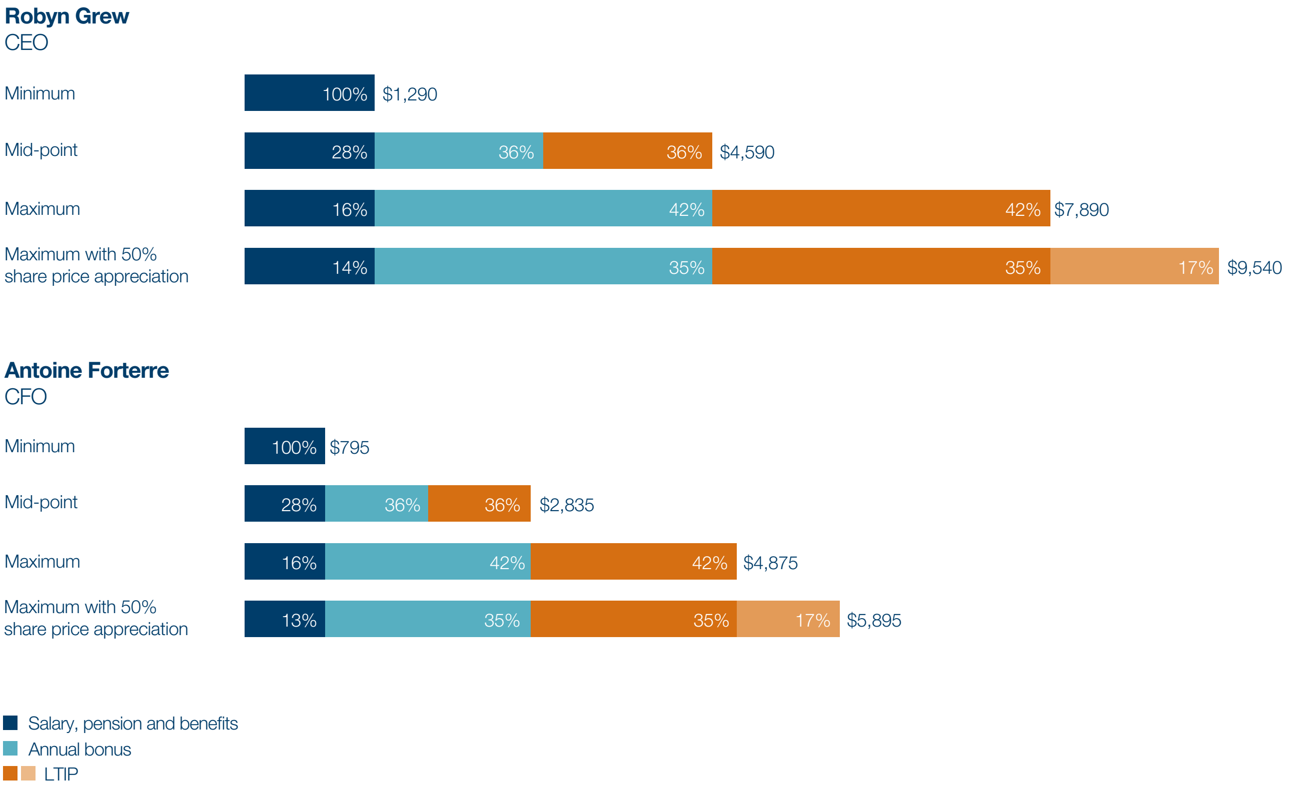
2 Includes Nomination and Governance Committee membership.

4. Implementation of Directors' Remuneration Policy for 2024 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 2024 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 seven times during 2023 with attendance by members as indicated on page 71. Laurie Fitch joined the Committee on 25 August 2023 and became Committee Chair on 1 October 2023, at which time Anne Wade stepped down as Committee Chair but remained as a member. Ceci Kurzman joined the Committee on 1 October 2023. Jackie Hunt, Kate Barker and John Cryan stepped down from the Committee on 27 March, 1 April and 30 September 2023 respectively. All other members held office throughout the year. In addition to the meetings, certain urgent proposals relating to the retention of awards by good leavers and remuneration arrangements for certain individuals 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 meetings. Members of the Legal, Compliance, People 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 if required.

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 leaving the Board. 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 104.

Predictability

The charts on page 120 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 101. 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.

Simplicity

Incentive schemes are straightforward in their structure and operation with explicit links between strategic priorities, key performance indicators and incentive metrics.

Directors' Remuneration report continued

5. Remuneration Committee continued

Clarity
A summary of the Remuneration Policy is clearly laid out in tabular form in the DRR on page 104 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. The new UK Corporate Governance Code published in January 2024 will apply to Man Group in the financial year beginning 1 January 2025. We are considering the changes in the new Code and the implications for Man's Remuneration Policy and will report on progress at the appropriate time.

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 relation to 2023 were £96,400 (excluding VAT). 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 2023 and the early part of 2024

The summary below sets out the main issues considered and decisions made by the Committee in the period following the publication of the 2022 Directors' Remuneration report up to the current date.

Non-Executive Director and Senior Independent Director fees
- Reviewed the fee level of the non-executive directors and the Senior Independent Director in the context of benchmarking of similar roles in broadly equivalent-sized companies in the financial services sector, the FTSE 350 and of the demands of the role and approved that these should be increased. See page 119 for further details.

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 2023 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.
- Agreed the remuneration arrangements for Luke Ellis upon his retirement.
- Established the remuneration arrangements for Robyn Grew ahead of her appointment as CEO.
- 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 and approved an increase in the CFO's salary. See page 103 for further details.

Shareholder engagement and reporting
- Reviewed shareholder voting and feedback on the 2023 AGM resolutions for the 2022 DRR, noting the substantial level of support.
- Reviewed the 2023 DRR taking account of best practice recommendations and institutional shareholder guidelines.

Compensation below Board level
- Reviewed, challenged and approved the 2023 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 2023 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 2023 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 115).

Financial regulation and governance
- Reviewed ongoing regulatory developments on remuneration and their implications for the Company's business.
- Reviewed the Company's Financial Conduct Authority Remuneration Policy Statement and the Company's Remuneration Policy.
- Approved the list of Remuneration Code staff for 2023.

5.4 2023 Committee evaluation

Committee members provided their feedback on the operation and effectiveness of the Committee during 2023. The topics covered included progress on the priorities for 2024 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. It further acknowledged the strong start made by the new Committee Chair, Laurie Fitch.

Following this process, certain key areas of focus were agreed for 2024:

- Deliver the 2023 DRR.
- 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.
- Review Directors' Remuneration Policy and engage with shareholders on any potential changes.

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 to enable us to continue to recruit and retain global talent. 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 72 and 73 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

Laurie Fitch
Chair of the Remuneration Committee

28 February 2024

Directors’ report

The Directors present their report, together with the audited consolidated financial statements, for the year ended 31 December 2023.

Man Group plc is incorporated as a public company limited by shares 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 Companies (Jersey) Law 1991 (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 124 and 125 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 68 to 126. In line with common practice, certain disclosures normally included in the Directors’ report have instead been integrated into the Strategic report (pages 2 to 67) and the financial statements:

Disclosure	Location	Page(s)
Business relationships, stakeholders and their effect on decisions	Strategic report Governance report	10–11 78–83
Directors’ responsibility statement and statement of disclosure to auditor	Directors’ responsibility statement	126
Directors’ share interests	Directors’ Remuneration report	116–117
Employment policies including disability and equal opportunities and employee involvement	Strategic report Governance report	36–42 65–67 80
Financial risk management	Notes 8 and 14	147, 153
Financial instruments	Note 13	152
Future developments in the business	Strategic report	12–19
Going concern disclosure	Note 2	142
Greenhouse gas emissions, energy consumption and energy efficiency	Strategic report	46–61
Internal control and risk management	Strategic report	28–35
Research and development activities	Strategic report	14–19
Purchase of own shares	Note 25	169
Subsidiary undertakings listing	Note 31	172

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 100 to 123. There are no further disclosures relevant to Listing Rule 9.8.4R.

Directors

Details of the directors, with their biographies, can be found on pages 72 to 73. The following director changes occurred during 2023:

Jacqueline Hunt	Stepped down from the Board on 27 March 2023
Dame Katharine Barker	Stepped down from the Board on 1 April 2023
Luke Ellis	Stepped down from the Board on 31 August 2023
John Cryan	Stepped down from the Board on 30 September 2023
Laurie Fitch	Appointed to the Board on 25 August 2023
Robyn Grew	Appointed to the Board on 1 September 2023

Alberto Musalem, who has served as a non-executive director since 1 November 2022, will be stepping down from the Board on 29 February 2024.

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 Jersey law. 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 their 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 and any local jurisdictional requirements, 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 2024 AGM of Man Group plc will be held at Riverbank House, 2 Swan Lane, London EC4R 3AD on Thursday 9 May 2024 at 10am.

Shares

Share capital

The issued share capital as at 28 February 2024 consisted of 1,313,349,959 ordinary shares of $3^{3}/_{7}$ 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 25 to the financial statements and in the Company’s Articles.

Authority to purchase own shares

At the 2023 AGM, the Company was authorised by its shareholders to purchase up to a maximum of 124,190,442 of its ordinary shares. Details of shares purchased under this authority by the Company during the year are detailed in Note 25 to the financial statements.

Substantial interests

As at 31 December 2023, 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 (DTRs). As a non-UK incorporated issuer, a substantial interest is deemed to be 5% or greater. 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
JPMorgan Asset Management Holdings, Inc.	Below 5%	Below 5%	6 January 2023
BlackRock, Inc.	Below 5%	Below 5%	13 June 2023
Silchester International Investors LLP	60,389,137	5.02%	11 December 2023

No changes to the above were disclosed to the Company in accordance with DTR 5 during the period 11 December 2023 to 28 February 2024 inclusive, being the latest practicable date prior to the publication of this report.

Information provided to the Company under the DTRs is publicly available via the regulatory information service and on the Company's website at https://www.man.com/investor-relations.

Dividend information

The directors recommend a final dividend of 10.7 cents per share in respect of the year ended 31 December 2023.

Payment of this dividend is subject to approval at the Company's 2024 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 25 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 100 to 123.

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 $800 million revolving credit facility dated 19 December 2023 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 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 2024 AGM.

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.

Approved by the Directors and signed on behalf of the Board.

Elizabeth Woods
Company Secretary

28 February 2024

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 the Group 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 2023, whose names and functions are on pages 72 to 73, 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 2023 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 Man 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 matters that we identified in the current year were: • Accuracy of performance fees; and • Accounting treatment of the acquisition of Varagon Capital Partners L.P. (Varagon).
Materiality	The materiality that we used for the group financial statements was $19.8m (2022: $19.0m) 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 16 (2022: 20) components and audits of specified account balances within a further 15 (2022: 10) components across 10 (2022: 10) geographic locations. Together, this accounts for 99% (2022: 99%) of the group's revenue, 98% (2022: 98%) of the group's profit before tax and 99% (2022: 98%) of the group's total assets.
Significant changes in our approach	There were no significant changes in our approach. However, there is a new key audit matter of the group's acquisition of Varagon, as further described below.

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 $180m as disclosed 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 restrictions;
- Considering the available revolving credit facility of $800m as disclosed in Note 8 and assessing the nature and terms of the financing facilities available to Man Group;
- Assessing the impact of downside scenarios considered by management, including whether the potential impact of climate change was captured;
- Testing of the clerical accuracy and assessing the sophistication of the model used to prepare the forecasts;
- 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, including consideration of macroeconomic conditions; and
- Assessing the appropriateness of the going concern disclosures by comparing them to management's assessment for consistency and for compliance with the relevant reporting requirements.

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 Man 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.

4. Conclusions relating to going concern continued

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.

5.1 Accuracy of performance fees

Key audit matter description	At $178m (2022: $778m) performance fee revenue remains a material revenue balance, albeit reduced relative to the exceptionally high levels in the prior year (as further explained in the Chief Financial Officer's review on page 23). 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 calculated less frequently than management fees, usually once a year based on crystallisation dates specified in agreements. Performance fee calculations are also manual and are more complicated than those for management fees, increasing the relative risk of misstatement. 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 related risk of misstatement, 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 tested the relevant controls over the accuracy of performance fees. We further obtained an understanding of the relevant controls at service organisations. We placed reliance on these controls as part of our audit approach. **Tests of detail:** We independently agreed a sample of calculation methodologies to investment management agreements and source documentation, evaluated the calculation methodology and the accuracy of the inputs used (such as fee methodology, fee rates, fee base, crystallisation dates, fund return and relevant benchmarks), assessed the arithmetic accuracy of the underlying computation and challenged any judgements when interpreting governing documents. We assessed the reliability of source information obtained from third-party administrators by reference to the third-party administrators' controls reports and retrospective comparisons against audited financial statements of the funds, where available. For amounts subsequently finalised and invoiced after the year-end, we assessed the amounts invoiced by mid-February against the accrued amounts at the year-end.
Key observations	Based on our work, we concluded that performance fees are appropriately recorded.

5.2 Accounting treatment on acquisition of Varagon

Key audit matter description	During the year, Man Group acquired a controlling interest in Varagon which was accounted for under IFRS 3 Business Combinations (IFRS 3) and led to the recognition of $22m of goodwill and $147m of acquired intangible assets (page 90 and Note 17 to the financial statements). The Varagon acquisition included a number of features which involved technically complex accounting analysis and/or judgement, where significant audit time was required to work through the relevant contractual agreements and IFRS requirements as follows: **Classification of the Rollover Sellers' retained economic interest as a liability, or as a non-controlling interest within equity:** As described in Note 17, the Rollover Sellers, being certain sellers of Varagon who remain in employment post-acquisition, retain their 27% economic interest in Varagon in the form of non-voting units in the group's holding company of Varagon, subject to certain conditions. The terms of these units, together with the related transaction agreements, include embedded 'put' options which, if exercised, require the group to buy this remaining economic interest at an amount up to fair market value. The economic interest is classified as a liability within trade and other payables (Note 11), and not equity. **Treatment of payments to Rollover Sellers as remuneration:** As described in Note 17, these put option payments are forfeited (entirely or in part) if the relevant Rollover Seller does not complete a specified minimum period of service. Economically, management considers these payments to be the consideration payable to the Rollover Sellers for their ownership interests in Varagon. However, as the payments are forfeited if employment terminates, they are required to be treated as employment-related expenses over the relevant post-acquisition service periods (Note 5). Therefore, the consideration of $179m attributable to the acquisition of 100% of Varagon's recognised net assets (Note 17) includes no consideration in respect of the Rollover Sellers' transfer of their 27% former interest in Varagon. The Group has applied its Alternative Performance Measures in the current year to assist users in understanding the Rollover Seller payments and the effect of the required accounting. **Incentive payments to Institutional Sellers:** Certain institutional sellers of Varagon whose affiliates are also counterparties to Investment Management Agreements (IMAs) with Varagon, are entitled to future cash payments if the IMAs are extended in the future. Judgement is required (Note 3) as to whether these payments represent, in whole or in part, deferred transaction consideration, or an IMA extension transaction on arm's length terms. **Valuation of acquired intangible assets:** In addition, management's fair valuation of the acquired intangible assets (with assistance from an external valuations expert) and the fair valuation of the potential future put payments to the Rollover Sellers involved forward looking assumptions involving significant estimation uncertainty. These included: significant assumptions regarding future growth; related underlying assumptions about client and key management retention and attraction of new business; and appropriate risk adjustments and discount rates commensurate with the high level of subjectivity and uncertainty involved in the forecast assumptions. Accordingly, we identified the Varagon acquisition to be a key audit matter.

5.2 Accounting treatment on acquisition of Varagon continued

How the scope of our audit responded to the key audit matter	In responding to this key audit matter, we performed the following procedures: **Overall Procedures:** • Analysed management's accounting papers on the acquisition, assessed the accounting treatment with assistance from our relevant IFRS technical experts. • Inspected the transaction documents to evaluate the appropriate accounting treatment based on the terms of the transaction. • Assessed whether the group's disclosures were complete and appropriate, and read the group's Alternative Performance Measures to ensure they were presented consistently with our understanding of the transaction. **Classification of the Rollover Sellers' retained economic interest as a liability, or as a non-controlling interest within equity:** • Based on the accounting analysis above, we have assessed whether the units represent NCI or whether the put/call option over them results in liability classification. **Treatment of payments to Rollover Sellers as remuneration:** • Reviewed the group's calculation of the employment-related expense associated with the Rollover Sellers' post-acquisition service, for consistency with the applicable accounting requirements. • Challenged management's assumptions for fair valuing the estimated future payments to the Rollover Sellers, including the underlying revenue and profit forecasts, related risk adjustments and discount rates used. • Recalculated the portion of this fair value recognised as employment-related expense for the year. **Incentive payments to Institutional Sellers:** • Assessed whether the payments represent an IMA extension transaction on arm's length terms and not deferred transaction consideration, by reference to internal pricing information for Varagon's services and analogous services across the group. **Valuation of acquired intangible assets:** • Assessed the competence, capability and objectivity of the group's valuations expert and engaged Deloitte valuation specialists to assist in evaluating the methodology and key assumptions used in the valuation of acquired intangible assets. • Challenged management's revenue and profit forecasts and considered whether there was any contradictory evidence. • Performed overall cross checks based on earnings multiples and weighted average return on assets. • Agreed data and material factual information, such as contract duration and consideration payments back to the relevant documentation, such as the transaction documents and bank statements. • Benchmarked discount rates against external market sources, and considered with risk adjustments included within discount rates and expected value calculation were appropriate.
Key observations	We concluded that the acquisition has been accounted for in accordance with applicable IFRS requirements, the material valuation and other assumptions used were reasonable, and that the related disclosures including those in Note 3, Note 5, Note 11 and Note 17 are appropriate.

6. Our application of materiality

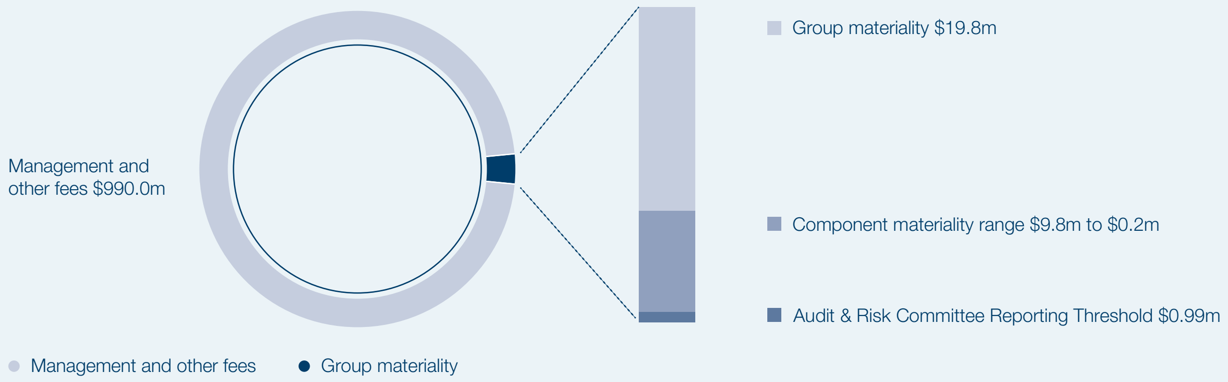
6.1. Materiality

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	$19.8m (2022: $19.0m)
Basis for determining materiality	2% of management and other fees (2022: 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 reflects current year performance whilst being relatively stable compared with other benchmarks. We excluded performance fees from our materiality benchmark to avoid the undue fluctuations in materiality that would arise from year-on-year variations 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 2023 audit (2022: 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 low number 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 $990k (2022: $950k), 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

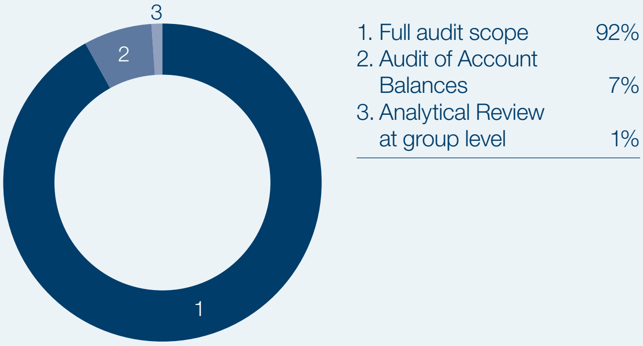
Man Group operates across ten geographical locations with operations in Europe, North America, Asia and Australia. In determining the scope of work to be performed on specific components of the group, which are generally the group's subsidiaries, we considered both quantitative and qualitative factors. 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 16 (2022: 20) components across the UK, the US, Switzerland, Channel Islands, Ireland, Hong Kong, Jersey and the Cayman Islands. A further 15 (2022: 10) 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 Man 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 (New York) 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. For Varagon, we engaged our local audit team based in the US (Texas) to assist with the audit of specified account balances, however, the audit work related to the Varagon key audit matter as described above was performed directly by the group audit team.

The scope of the work we performed represents all principal business units and accounts for 99% (2022: 98%) of the group's total assets, 99% (2022: 99%) of the group's revenue and 98% (2022: 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 31 (2022: 30) components was executed at levels of materiality applicable to each individual component which were lower than group materiality and ranged from $0.2m to $9.8m (2022: $0.3m to $9.3m).

Revenue

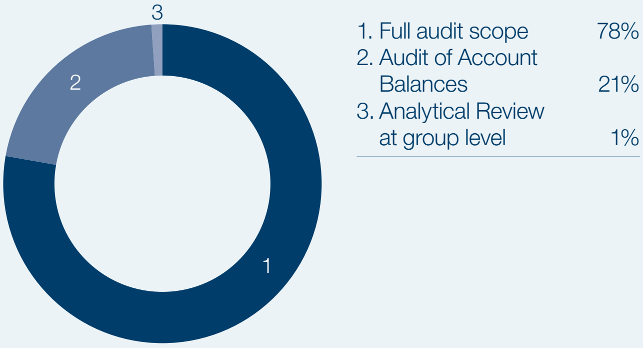


1. Full audit scope	92%
2. Audit of Account Balances	7%
3. Analytical Review at group level	1%

Profit before tax

1. Full audit scope	95%
2. Audit of Account Balances	3%
3. Analytical Review at group level	2%

Total assets



1. Full audit scope	78%
2. Audit of Account Balances	21%
3. Analytical Review at group level	1%

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 private markets. 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 tested general IT controls with involvement of IT specialists over the group's financial reporting processes and the key IT systems for management fees, performance fees, distribution costs and compensation. In addition, we tested the 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 page 34, 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 staff in Switzerland, US and Ireland in certain areas. Local staff were directed and supervised by the group audit team, with regular calls to provide direction, discuss progress and provide updates relevant to the group audit. For the US Varagon component team and Ireland, the local work scope was established by the group team in outbound audit referral instructions, with inbound reporting on the outcome of the work supplemented with regular calls throughout the audit and review of local workpapers as considered appropriate.

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.

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 including those that are specific to the group's sector;
- 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 123.

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 143;
- 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 126;
- 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 88 to 95.

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 10 years, covering the years ending 31 December 2014 to 31 December 2023.

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) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Bevan Whitehead, FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Recognised Auditor
London, United Kingdom

28 February 2024

Group income statement

For the year to 31 December

	Note	**2023 $m**	2022 $m
Management and other fees	4	**990**	954
Performance fees	4	**178**	778
Revenue		**1,168**	1,732
Net income or gains on investments and other financial instruments	12.1	**76**	7
Third-party share of (gains)/losses relating to interests in consolidated funds	12.2	**(24)**	14
Rental income	12.1,16.2	**6**	5
Distribution costs	5	**(32)**	(31)
Net revenue		**1,194**	1,727
Asset servicing costs	5	**(58)**	(58)
Compensation costs	5.1	**(595)**	(678)
Other employment-related expenses	5.1	**(23)**	–
Other costs	5.2	**(198)**	(179)
Finance expense	6	**(34)**	(16)
Finance income	6	**13**	5
Gain on disposal of investment property – right-of-use lease assets	16.2	**12**	–
Amortisation and impairment of acquired intangibles	18	**(28)**	(51)
Share of post-tax loss of associates	22	**(3)**	(5)
Third-party share of post-tax profits	17	**(1)**	–
Statutory profit before tax		**279**	745
Tax expense	7	**(45)**	(137)
Statutory profit attributable to owners of the Company		**234**	608
Statutory earnings per share	25		
Basic		**19.9¢**	47.2¢
Diluted		**19.4¢**	45.8¢

Group statement of comprehensive income

For the year to 31 December

	Note	**2023 $m**	2022 $m
Statutory profit attributable to owners of the Company		**234**	608
Other comprehensive (loss)/income:			
Remeasurements of defined benefit pension plans	23	**(10)**	(2)
Deferred tax on pension plans		**2**	(1)
Items that will not be reclassified to profit or loss		**(8)**	(3)
Cash flow hedges:			
Valuation gains taken to equity		**14**	6
Realised gains transferred to Group income statement		**(12)**	(7)
Net investment hedges		**1**	4
Foreign currency translation		**3**	(4)
Items that may be reclassified to profit or loss		**6**	(1)
Other comprehensive loss		**(2)**	(4)
Total comprehensive income attributable to owners of the Company		**232**	604

Group balance sheet

At 31 December

	Note	**2023** **$m**	2022 $m
Assets			
Cash and cash equivalents	8	**276**	457
Fee and other receivables	10	**551**	570
Investments in fund products and other investments	12	**2,279**	1,209
Investments in associates	22	**11**	14
Current tax assets	7	**15**	–
Finance lease receivable	16.2	**67**	–
Leasehold improvements and equipment	15	**53**	53
Leasehold property – right-of-use lease assets	16.1	**112**	92
Investment property – right-of-use lease assets	16.1	**17**	71
Investment property – consolidated fund entities	12.2	**30**	34
Other intangibles	19	**54**	50
Deferred tax assets	20	**128**	105
Pension asset	23	**12**	22
Goodwill and acquired intangibles	18	**776**	627
Total assets		**4,381**	3,304
Liabilities			
Borrowings	8	**140**	–
Trade and other payables	11	**736**	942
Provisions	21	**16**	14
Current tax liabilities	7	**3**	37
CLO liabilities – consolidated funds	12.2	**1,036**	–
Third-party interest in consolidated funds	12.2	**554**	359
Third-party interest in other subsidiaries	17	**1**	–
Lease liability	16.1	**283**	253
Total liabilities		**2,769**	1,605
Net assets		**1,612**	1,699
Equity			
Capital and reserves attributable to owners of the Company		**1,612**	1,699

The financial statements were approved by the Board of Directors on 28 February 2024 and signed on its behalf by:

Robyn Grew
Chief Executive Officer

Antoine Forterre
Chief Financial Officer

Group cash flow statement

For the year to 31 December

	Note	2023 $m	2022 $m
Operating activities			
Cash generated from operations	9	**470**	878
Interest paid		**(23)**	(6)
Payment of lease interest	16.1	**(10)**	(10)
Tax paid	7	**(100)**	(125)
Cash flows from operating activities		**337**	737
Investing activities			
Interest received		**12**	5
Purchase of leasehold improvements and equipment	15	**(12)**	(21)
Purchase of investment property – right-of-use lease assets		**–**	(2)
Purchase of other intangibles		**(21)**	(22)
Acquisition of subsidiaries, net of cash acquired		**(170)**	–
Cash flows used in investing activities		**(191)**	(40)
Financing activities			
Repayments of lease liability principal	16.1	**(10)**	(13)
Purchase of Man Group plc shares by the Employee Trust		**(56)**	(47)
Proceeds from sale of Treasury shares in respect of Sharesave		**4**	2
Share repurchase programmes (including costs)	25	**(223)**	(386)
Ordinary dividends paid to Company shareholders	26	**(181)**	(179)
Payment of upfront costs of revolving credit facility		**(3)**	–
Drawdown of borrowings	8	**140**	–
Cash flows used in financing activities		**(329)**	(623)
Net (decrease)/increase in cash and cash equivalents		**(183)**	74
Cash and cash equivalents at beginning of the year		**457**	387
Effect of foreign exchange movements		**2**	(4)
Cash and cash equivalents at end of the year	8	**276**	457
Less: restricted cash held by consolidated fund entities	8	**(96)**	(108)
Available cash and cash equivalents at end of the year	8	**180**	349

Group statement of changes in equity

$m	Note	**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 2022		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	5.1	–	–	45	–	–	–	–	45
Current tax on share-based payments	7	–	–	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	25	(5)	–	(315)	–	315	–	5	–
Dividends paid	26	–	–	(179)	–	–	–	–	(179)
At 31 December 2022		46	(1,688)	3,590	(80)	(225)	41	15	1,699
Statutory profit		**–**	**–**	**234**	**–**	**–**	**–**	**–**	**234**
Other comprehensive (loss)/income		**–**	**–**	**(8)**	**–**	**–**	**4**	**2**	**(2)**
Total comprehensive income		**–**	**–**	**226**	**–**	**–**	**4**	**2**	**232**
Share-based payment charge	5.1	**–**	**–**	**40**	**–**	**–**	**–**	**–**	**40**
Current tax on share-based payments	7	**–**	**–**	**5**	**–**	**–**	**–**	**–**	**5**
Deferred tax on share-based payments		**–**	**–**	**1**	**–**	**–**	**–**	**–**	**1**
Purchase of Man Group plc shares by the Employee Trust		**–**	**–**	**–**	**(56)**	**–**	**–**	**–**	**(56)**
Disposal of Man Group plc shares by the Employee Trust		**–**	**–**	**(30)**	**30**	**–**	**–**	**–**	**–**
Share repurchases	25	**–**	**–**	**(125)**	**–**	**–**	**–**	**–**	**(125)**
Transfer to Treasury shares		**–**	**–**	**223**	**–**	**(223)**	**–**	**–**	**–**
Transfer from Treasury shares		**–**	**–**	**(18)**	**–**	**15**	**–**	**3**	**–**
Disposal of Treasury shares for Sharesave		**–**	**–**	**–**	**–**	**4**	**–**	**–**	**4**
Cancellation of Treasury shares	25	**(1)**	**–**	**(103)**	**–**	**103**	**–**	**1**	**–**
Dividends paid	26	**–**	**–**	**(181)**	**–**	**–**	**–**	**–**	**(181)**
Put option over non-controlling interests in subsidiaries		**–**	**–**	**(7)**	**–**	**–**	**–**	**–**	**(7)**
At 31 December 2023		**45**	**(1,688)**	**3,621**	**(106)**	**(326)**	**45**	**21**	**1,612**

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, included within other reserves. The Company has reserves available for distribution of $2.9 billion as at 31 December 2023 (2022: $1.8 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 2023 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

Man Group uses the acquisition method to recognise acquired businesses from the date on which we obtain control of the acquiree. The consideration transferred in an acquisition is measured at the fair value of the assets transferred, including any contingent consideration, the liabilities incurred, and any equity instruments issued. The fair value of the business acquired is measured at the fair value of the acquiree's identifiable assets and liabilities at that date. Goodwill is measured as the excess of the sum of the consideration transferred and the amount of any non-controlling interests in the acquiree over the net of the amounts of the identifiable assets acquired and liabilities assumed at the acquisition date. Acquisition-related costs are recognised in the Group income statement as incurred. Any contingent consideration is recognised at fair value at the acquisition date, with subsequent changes in fair value recognised in the Group income statement. Non-controlling interests in subsidiaries are measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets on a case-by-case basis. Put options over non-controlling interests are classified as a financial liability as there is no unavoidable right to defer settlement of the obligation.

Operating segments

As a result of the change in Chief Executive Officer and subsequent reorganisation of the Senior Executive Committee and Executive Committee in the year, we have revisited the definition of the Chief Operating Decision Maker (CODM) which has been identified as the Man Group Board (the Board) as Man Group's key decision-making body.

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. 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 its constituent parts. As a result, performance is assessed, resources are allocated, and other strategic and financial management decisions are determined by the Board, considering 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 management fee 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 2023 that have had a significant impact on these Group financial statements.

We have applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12 'Income Taxes'. Accordingly, Man Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar 2 income taxes.

In November 2023, the IASB issued an exposure draft (ED) on Financial Instruments with Characteristics of Equity, which impacts the accounting for non-controlling interests over which there is a put option. The ED requires non-controlling interests to be recognised and measured based on current rights associated with an instrument, as well as the recognition of a put option over an entity's own shares at the present value of the gross settlement value. While the proposals have not had a material impact on the Group financial statements in the year, the impact could become more material in the future as the value of the non-controlling interests in the businesses acquired in the year increase.

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

Consolidation of fund entities

Man Group acts as the investment manager or adviser to fund entities. A 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. Further details of the control assessment are set out in Note 12.

Acquisition of Varagon

Significant judgement was applied in determining the appropriate accounting treatment of the acquisition of Varagon Capital Partners, L.P. (Varagon). In determining the classification of amounts payable to certain sellers as post-acquisition remuneration rather than consideration for the acquisition, we considered the rights and obligations of those sellers under the terms of the transaction, balancing the economic substance of the transaction against the potential forfeiture of future profit distributions and the right to sell their economic interest to Man Group in the future, and changes to the price at which the economic interest may be sold. We have determined that payments to sellers who are also employees should be accounted for as employment-related costs.

Further judgement was applied when determining the appropriate accounting policies to apply to these arrangements, since the terms differ significantly from more common forms of compensation. In particular, we have applied judgement when selecting the appropriate vesting period for the put options accounted for as cash-settled share-based payments. Since the maximum settlement value of the options varies over time, different vesting periods have been selected for the period over which each alternate value can be earned. Changes in the fair value of these cash-settled share-based payments will be recognised in the Group income statement up until the final settlement date.

The determination of the treatment of future amounts payable to the selling shareholders who are also key customers also involved significant judgement when determining whether to treat them as payments in their capacity as customers or as sellers. We have determined that these payments should be treated as part of the customer relationship as they are outlined in the investment management agreements and are in substance reductions in future fees charged for services rendered by Man Group.

Acquisition of Asteria

Judgement was applied in determining the appropriate accounting treatment of the acquisition of Asteria Investment Managers SA (Asteria), in particular the accounting for the non-controlling interest and the associated put option, including the decision to not separately disclose the immaterial non-controlling interest. As the transaction is not material, this is not considered a significant judgement.

Further information in relation to the acquisitions of Varagon and Asteria is set out in Note 17.

Critical accounting estimates

Acquisition of Varagon

Man Group's acquisition of Varagon in the year has introduced new sources of estimation uncertainty. The measurement of provisional values of the identifiable assets acquired, liabilities assumed and goodwill arising on the acquisition required the use of multiple uncertain inputs (Note 17). An increase or decrease in the fair value of the assets acquired and liabilities assumed would result in an equal and offsetting decrease or increase in goodwill. The value of employment-related expenses arising from business combinations is a further source of significant estimation uncertainty as the expenses are determined with reference to the expected future value and performance of the Varagon business (Note 5).

Pension

The estimation uncertainty arising on the valuation of the pension asset remains a critical accounting estimate (Note 23).

Other considerations

The Board has also considered the assumptions used in the assessments for impairment of goodwill and right-of-use lease assets, the recoverability of deferred tax assets and the valuation of contingent consideration and the put option over non-controlling interests relating to the acquisition of Asteria. 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.

Notes to the Group financial statements continued

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 the 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. As rebates constitute a reduction in the fees charged for services provided, they are presented net within management and other fees and performance fees in the Group income statement.

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.

Other employment-related expenses
Other employment-related expenses relate to amounts payable to sellers of businesses acquired in exchange for post-acquisition services and are recognised in profit and loss over the sellers' relevant service periods.

5.1. Compensation costs and other employment-related expenses

	2023 $m	2022 $m
Salaries	**201**	174
Variable cash compensation	**205**	321
Deferred compensation: share-based payment charge	**40**	45
Deferred compensation: fund product-based payment charge	**83**	72
Social security costs	**50**	52
Pension costs (Note 23)	**16**	14
Compensation costs	**595**	678
Other employment-related expenses (Note 24)	**23**	–
Total employment-related expenses recognised in the Group income statement	**618**	678
Comprising:		
Fixed compensation: salaries and associated social security costs, and pension costs	**239**	209
Variable compensation: variable cash compensation, deferred compensation and associated social security costs	**356**	469
Other employment-related expenses	**23**	–

5. Costs continued

5.1. Compensation costs and other employment-related expenses continued

The unamortised deferred compensation at 31 December 2023 is $120 million (2022: $76 million) and has a weighted average remaining vesting period of 2.2 years (2022: 1.5 years). $2 million of the $23 million other employment-related expenses relates to the portion of profits earned in the year ended 31 December 2023 which are payable to Varagon selling shareholders.

Sensitivity analysis

The value recognised for other employment-related expenses is an area of significant estimation uncertainty as the fair value has been determined with reference to the expected future value and performance of the Varagon business. The estimates will be updated in each reporting period until the associated liabilities are settled. The table below illustrates the impact of changing the most significant assumptions used in the expected future value calculation on the expense recognised in the Group income statement.

$m	Increase/(decrease) in 2023 employment-related expense	
Discount rate decreased/(increased) by 5% p.a.	**8**	**(6)**
Forecast future cash flows increased/(decreased) by 50% p.a.	**3**	**(20)**

5.2. Other costs

	2023 $m	2022 $m
Audit, tax, legal and other professional fees	**24**	24
Technology and communications	**24**	22
Occupancy	**20**	18
Temporary staff, recruitment, consultancy and managed services	**13**	17
Staff benefits	**19**	14
Insurance	**5**	7
Travel and entertainment	**11**	7
Marketing and sponsorship	**5**	5
Claims	**1**	–
Other costs, including irrecoverable VAT	**10**	9
Other costs – consolidated fund entities	**9**	9
Acquisition-related costs (Note 17)	**9**	–
Other costs before depreciation and amortisation	**150**	132
Depreciation of leasehold improvements and equipment (Note 15)	**12**	12
Depreciation of right-of-use lease assets (Note 16.1)	**14**	17
Amortisation of other intangibles (Note 19)	**22**	18
Total other costs	**198**	179

Auditor's remuneration, including professional services, is disclosed in the Audit and Risk Committee report on page 94.

Average headcount

The table below details average headcount by function, including directors, employees, partners and contractors.

	2023	2022
Investment management	**469**	427
Sales and marketing	**251**	238
Technology and infrastructure[1]	**996**	930
Average headcount	**1,716**	1,595
Headcount at 31 December	**1,790**	1,655

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

	2023 $m	2022 $m
Finance expense		
Unwind of lease liability discount (Note 16.1)	**(10)**	(10)
Interest expense on total return swaps and sale and repurchase agreements	**(12)**	(3)
Other finance expense	**(12)**	(3)
Total finance expense	**(34)**	(16)
Finance income		
Interest on cash deposits	**12**	5
Unwind of finance lease discount (Note 16.2)	**1**	–
Total finance income	**13**	5
Net finance expense	**(21)**	(11)

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 net current tax assets/liabilities are as follows:

	2023 $m	2022 $m
Net current tax liability at beginning of the year	**37**	15
Charge to the Group income statement	**65**	159
Credit to equity	**(5)**	(4)
Tax paid	**(100)**	(125)
Other balance sheet movements	**(6)**	(5)
Foreign currency translation	**(3)**	(3)
Net current tax (asset)/liability at end of the year	**(12)**	37

	2023 $m	2022 $m
Current tax		
UK corporation tax on profits	**56**	140
Foreign tax	**14**	19
Adjustments to tax charge in respect of previous years	**(5)**	–
Current tax expense	**65**	159
Deferred tax		
Origination and reversal of temporary differences	**(23)**	(13)
Adjustments to tax charge in respect of previous years	**3**	(9)
Deferred tax credit (Note 20)	**(20)**	(22)
Total tax expense	**45**	137

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. On 1 April 2023, the UK corporation tax rate increased to 25% from 19%. Our tax expense is lower (2022: lower) than the amount that would arise using the theoretical tax rate applicable to our profits as follows:

	2023 $m	2022 $m
Profit before tax	**279**	745
Theoretical tax expense at UK rate: 23.5% (2022: 19%)	**66**	142
Effect of:		
Overseas tax rates different to UK	**(4)**	(2)
Adjustments to tax charge in respect of previous years	**(2)**	(9)
(Recognition)/derecognition of US deferred tax assets (Note 20)	**(19)**	7
Other	**4**	(1)
Tax expense	**45**	137

The effective tax rate in the year was 16% (2022: 18%).

Factors affecting our future tax charges

The principal factors which may influence our future tax rate are changes in tax legislation 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.

The OECD has published an Inclusive 'Pillar 2' Framework (the Framework) to support the introduction of a global minimum tax rate of 15%. The UK has enacted its legislation in Finance (No. 2) Act 2023, effective from 2024. We anticipate being subject to the global minimum top-up tax in certain jurisdictions in which we operate, notably Ireland and Switzerland. However, based on historical and anticipated profit profiles, the impact on our effective tax rate is not expected to be greater than 1%. We are continuing to assess the impact of Pillar 2 legislation on our future financial results.

8. Cash, liquidity and borrowings

Accounting policy

Cash and cash equivalents

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 are 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.

Borrowings

Borrowings comprise amounts drawn under committed revolving credit facilities. Borrowings are initially recorded at fair value and subsequently measured at amortised cost. Drawdowns under revolving credit facilities are typically for maturities of one month or less and are therefore presented net of repayments in the Group cash flow statement.

	2023 $m	2022 $m
Cash held with banks	**92**	124
Short-term deposits	**46**	95
Money market funds	**42**	130
Cash held by consolidated fund entities (Note 12.2)	**96**	108
Cash and cash equivalents	**276**	457
Less: cash held by consolidated fund entities (Note 12.2)	**(96)**	(108)
Available cash and cash equivalents	**180**	349
Undrawn committed revolving credit facility[1]	**660**	500
Total liquidity	**840**	849

Note:
[1] Excludes the $300 million facility acquired with Varagon in the year. This facility was undrawn at 31 December 2023 and subsequently cancelled in January 2024.

Cash and cash equivalents

At 31 December 2023, the $180 million available cash and cash equivalents balance was held with 19 banks (2022: $349 million with 14 banks).

Credit ratings of banks	**2023 $m**	2022 $m
AAA	**31**	103
AA	**67**	103
A	**82**	143
Total	**180**	349

The single largest counterparty bank exposure of $50 million is held with an A- rated bank (2022: $101 million held with an A- 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.

Our maximum exposure to loss associated with interests in our consolidated CLOs is limited to the net investment in these CLOs (Note 12.2). Therefore, the CLO liabilities on the Group balance sheet of $1,036 million (2022: nil) do not present a liquidity risk to Man Group as we have no obligation to repay the noteholders at maturity should the CLO assets be insufficient to meet the obligations.

Further information relating to Man Group's exposure to liquidity risk is set out on page 31.

Borrowings

Our $800 million committed revolving credit facility (RCF) is immediately accessible. It does not include financial covenants to maintain maximum flexibility. The RCF was put in place in December 2023, replacing the previous $500 million facility, as a five-year facility with two one-year extension options and is currently scheduled to mature in December 2028. $140 million was drawn down at 31 December 2023 (2022: undrawn).

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	2023 $m	2022 $m
Cash flows from operating activities			
Statutory profit		**234**	608
Adjustments for:			
Share-based payment charge	5.1	**40**	45
Fund product-based payment charge	5.1	**83**	72
Other employment-related expenses	5.1	**23**	–
Net finance expense	6	**21**	11
Tax expense	7	**45**	137
Depreciation of leasehold improvements and equipment	15	**12**	12
Depreciation of right-of-use lease assets	16.1	**14**	17
Gain on disposal of investment property – right-of-use lease assets	16.2	**(12)**	–
Amortisation and impairment of acquired intangibles	18	**28**	51
Amortisation of other intangibles	19	**22**	18
Share of post-tax loss of associates	22	**3**	5
Realised gains on cash flow hedges		**(12)**	(7)
Foreign exchange movements		**3**	(13)
Other non-cash movements		**(9)**	(5)
		495	951
Changes in working capital[1]:			
Decrease/(increase) in fee and other receivables		**104**	(68)
Decrease/(increase) in other financial assets including consolidated fund entities[2]		**71**	(45)
(Decrease)/increase in trade and other payables		**(200)**	40
Cash generated from operations		**470**	878

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 and other employment-related expenses (within operating activities) and the share repurchase liability (within financing activities).

2 Includes $12 million of restricted net cash outflows (2022: $44 million 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.

	2023 **$m**	2022 $m
Fee receivables	**25**	35
Accrued income	**274**	359
Collateral posted with derivative counterparties	**48**	39
Receivables from Open Ended Investment Company (OEIC) funds	**39**	20
Other fund receivables	**29**	36
Prepayments	**23**	17
Derivatives	**5**	9
Other receivables	**20**	26
Receivables relating to consolidated fund entities (Note 12.2)	**88**	29
Fee and other receivables	**551**	570
Comprising:		
Financial assets at amortised cost	**523**	544
Financial assets at fair value through profit or loss	**5**	9
Non-financial assets	**23**	17

Credit risk management

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. No balances are overdue and, under the expected credit loss model of IFRS 9 'Financial Instruments', no impairment has been recognised at 31 December 2023 (2022: nil). Included in fee and other receivables at 31 December 2023 are balances of $2 million (2022: $1 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, contingent consideration payable and put options over non-controlling interests in subsidiaries, which are measured at fair value through profit and loss.

	2023 **$m**	2022 $m
Trade payables	**7**	4
Compensation accruals	**365**	453
Other accruals	**79**	86
Share repurchase liability	**–**	98
Payables under repo arrangements	**45**	54
Payables to OEIC funds	**39**	18
Tax and social security	**31**	30
Derivatives	**12**	6
Contingent consideration (Note 17)	**3**	–
Put option over non-controlling interests in subsidiaries (Note 24)	**9**	–
Employment-related payables to sellers of businesses acquired (Note 5)	**23**	–
Other payables	**7**	13
Payables relating to consolidated fund entities (Note 12.2)	**116**	180
Trade and other payables	**736**	942
Comprising:		
Financial liabilities at amortised cost	**712**	936
Financial liabilities at fair value through profit or loss	**24**	6

Trade and other payables can be analysed according to their contractual maturity dates as follows:

	2023 **$m**	2022 $m
Within one year	**658**	871
Between one and three years	**49**	71
After three years	**29**	–
	736	942

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 net income or gains on investments and other financial instruments.

The fair values of investments in fund products other than CLOs 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 unconsolidated 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.

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.

Other than our holdings in CLOs and co-investments, our seed investments are generally liquid in nature and may be liquidated at short notice. It is not practicable to allocate our seeding investments portfolio between amounts expected to be recovered or settled within or after 12 months after the end of the reporting period as the sale or liquidation of seed investments is subject to client asset raising and the ongoing requirements of the business. The majority of our CLO holdings are likely to be settled more than 12 months after the end of the reporting period.

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. In the control assessment, we consider our exposure to variable returns and the existence of substantive kick-out rights. Other factors considered include the nature of relevant fee arrangements, the decision-making powers we hold as investment manager or adviser and whether the shares we hold include voting rights. 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.

The assets held by the CLOs we consolidate are priced using independent pricing sources. Other than subordinated notes, the debt liabilities of consolidated CLOs are valued at par plus accrued interest, which is considered equivalent to fair value. The subordinated notes of these CLOs are priced using an intrinsic valuation approach, excluding any potential future value.

Investment property held by consolidated fund entities comprises land and buildings held to earn rent or for capital appreciation, or both, 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).

Third-party interests in consolidated fund entities are measured at amortised cost.

Fund product 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.

The seeding investments portfolio reflects our exposure to holdings in investments in fund products, as follows:

	2023 $m	2022 $m
Investments in fund products	**289**	304
Investments in consolidated funds: transferable securities (Note 12.2)	**1,987**	905
Other investments	**3**	–
Investments in fund products and other investments	**2,279**	1,209
Less:		
Fund investments held for deferred compensation arrangements	**(189)**	(153)
Investments in consolidated funds: exclude consolidation gross-up of net investment	**(1,492)**	(368)
Other investments	**(3)**	–
Seeding investments portfolio	**595**	688

Included in fund investments held for deferred compensation arrangements at 31 December 2023 are balances of $101 million (2022: $80 million) which are expected to be settled after more than 12 months.

12. Investments in fund products and other investments continued

12.1. Investments in fund products

At 31 December 2023, 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 $45 million (2022: $54 million). Additional exposure via TRS was $230 million (2022: $138 million). The largest single investment in fund products at 31 December 2023 was $88 million (2022: $61 million).

Income or gains on investments and other financial instruments comprises the following:

	2023 $m	2022 $m
Net gains/(losses) on seeding investments portfolio	**47**	(12)
Consolidated fund entities: gross-up of net gains on investments	**39**	–
Foreign exchange movements	**(11)**	22
Net gains/(losses) on fund investments held for deferred compensation arrangements and other investments	**1**	(3)
Net income or gains on investments and other financial instruments	**76**	7

12.2. Consolidation of investments in funds

At 31 December 2023, our interests in 35 (2022: 43) funds met the definition of control and have therefore been consolidated on a line-by-line basis. Certain of our CLOs have been consolidated for the first time in the year following the purchase of majority holdings in the subordinated tranches.

Consolidated fund entities are included within the Group balance sheet and income statement as follows:

	2023 $m	2022 $m
Balance sheet		
Cash and cash equivalents (Note 8)	**96**	108
Transferable securities[1]	**1,987**	905
Fees and other receivables	**88**	29
Investment property	**30**	34
Trade and other payables	**(116)**	(180)
CLO liabilities	**(1,036)**	–
Net assets of consolidated fund entities	**1,049**	896
Third-party interest in consolidated funds	**(554)**	(359)
Net investment held by Man Group	**495**	537
Income statement		
Net gains/(losses) on investments[2]	**90**	(31)
Rental income[3]	**1**	–
Management fee expenses[4]	**(5)**	(4)
Performance fee expenses[4]	**(2)**	(1)
Other costs[5]	**(9)**	(9)
Net gains/(losses) of consolidated fund entities	**75**	(45)
Third-party share of (gains)/losses relating to interests in consolidated funds	**(24)**	14
Net gains/(losses) attributable to net investment held by Man Group	**51**	(31)

Notes:
1 Included within investments in fund products and other investments. Includes assets held by consolidated CLOs of $1,103 million.
2 Included within net income or gains on investments and other financial instruments.
3 Relates to rental income generated from investment property held by consolidated fund entities.
4 Relates 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.
5 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:

	2023 $m	2022 $m
Cost at beginning of the year	**38**	–
Additions	**–**	38
Disposals	**(4)**	–
Cost at end of the year	**34**	38
Accumulated depreciation and impairment at beginning of the year	**(4)**	–
Depreciation	**(1)**	(1)
Reversal of impairment/(impairment)	**1**	(3)
Accumulated depreciation and impairment at end of the year	**(4)**	(4)
Net book value at beginning of the year	**34**	–
Net book value at end of the year	**30**	34

The fair value of investment property held by consolidated fund entities of $30 million at 31 December 2023 (2022: $34 million) is based on valuations provided by independent property experts.

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.

The assets held by our consolidated CLOs comprise a portfolio of bonds and loan securities. Loans are valued using broker quotes sourced from an independent pricing service, with bonds priced using latest prices executed for similar assets. We do not make any adjustments to the quotes obtained. Where the quotes are obtained from multiple pricing sources within a narrow range, the assets are classified as Level 2 in the fair value hierarchy. Where prices are derived from a small number of quotes, or where there is a wide bid-ask spread between quotes, we classify these assets as Level 3.

Transferable securities held by our other consolidated funds which are classified as Level 3 have significant unobservable inputs, as they trade infrequently or not at all. When observable prices are not available for these securities, we use valuation techniques for which sufficient and reliable data is available. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability.

The fair values of our financial assets and liabilities held at fair value through profit and loss can be analysed as follows:

	2023				2022			
$m	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1[1]	Level 2[1]	Level 3	Total
Financial assets held at fair value:								
Investments in fund products and other investments (Note 12)	**–**	**280**	**12**	**292**	–	284	20	304
Investments in consolidated funds: transferable securities (Note 12.2)	**274**	**1,567**	**146**	**1,987**	401	504	–	905
Derivatives (Note 10)	**–**	**5**	**–**	**5**	–	9	–	9
	274	**1,852**	**158**	**2,284**	401	797	20	1,218
Financial liabilities held at fair value:								
Derivatives (Note 11)	**–**	**(12)**	**–**	**(12)**	–	(6)	–	(6)
Contingent consideration (Note 17)	**–**	**–**	**(3)**	**(3)**	–	–	–	–
Put option over non-controlling interests in subsidiaries (Note 17)	**–**	**–**	**(9)**	**(9)**	–	–	–	–
CLO liabilities – consolidated fund entities (Note 12.2)	**–**	**(1,036)**	**–**	**(1,036)**	–	–	–	–
	–	**(1,048)**	**(12)**	**(1,060)**	–	(6)	–	(6)

Note:

[1] $401 million of investments in consolidated funds: transferable securities previously reported as Level 2 are now reported as Level 1 to reflect the nature of the underlying securities within the consolidated funds. Previously, the inputs to the overall pricing of the investments in consolidated funds were considered when determining the appropriate classification in the fair value hierarchy.

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

	2023		2022	
$m	**Assets**	**Liabilities**	Assets	Liabilities
At beginning of the year	**20**	**–**	190	–
Transfers out of Level 3	**(11)**	**–**	(154)	–
Purchases	**2**	**(12)**	1	–
Credit/(charge) to Group income statement[1,2]	**1**	**–**	(5)	–
Sales or settlements	**–**	**–**	(1)	–
Change in consolidated fund entities held	**146**	**–**	(11)	–
At end of the year	**158**	**(12)**	20	–

Notes:

[1] Included within net income or gains on investments and other financial instruments.

[2] Includes net unrealised gains of $1 million (2022: losses of $5 million).

Purchases of Level 3 financial liabilities relate to the fair value of contingent consideration and the put option over the non-controlling interest arising on the acquisition of Asteria (Note 17).

The Level 3 financial assets in the portfolios of our consolidated fund entities other than CLOs primarily comprise bonds, equities and credit-linked notes. The techniques used the valuations of those assets primarily include discounted cash flows, estimated recovery and single broker quotes. The unobservable inputs in those valuations comprise future cash flows, discount rates and yields.

Sensitivity analysis

A 5% increase/decrease in the valuations of Level 3 financial assets would result in a $8 million increase/decrease in their fair value.

Changes in the unobservable inputs to the valuation of Level 3 financial liabilities would not be expected to result in a significant change in the carrying value of these assets and liabilities, and hence a sensitivity analysis has not been presented.

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 apply cash flow hedge accounting to fund investments related to deferred fund product awards, 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 2022, 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 $61 million at 31 December 2023 (2022: $43 million).

We generally hold an investment in the associated fund products to hedge the mark-to-market movement in fund product-based compensation over the vesting period.

Our maximum exposure to loss associated with interests in our consolidated CLOs is limited to the net investment in these CLOs (Note 12.2). Therefore, the CLO liabilities on the Group balance sheet of $1,036 million (2022: nil) do not present a market risk to Man Group as we have no obligation to repay the noteholders at maturity should the CLO assets be insufficient to meet the obligations.

Further information relating to Man Group's exposure to market risk is set out on pages 31 and 32.

Market risk hedges	**2023 $m**	2022 $m
Notional value of derivatives at 31 December		
Assets	**–**	149
Liabilities	**(175)**	(71)
Net (liabilities)/assets	**(175)**	78
For the year ended 31 December		
(Loss)/gain recognised in the Group income statement	**(17)**	39

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 with a one-month duration, to hedge the risk associated with foreign exchange movements.

During the year, there were $11 million of net realised and unrealised foreign exchange losses (2022: $22 million gains) recognised in the Group income statement through net income or gains on investments and other financial instruments, including the effects of hedging. This primarily comprises a $10 million unrealised loss (2022: $25 million gain) relating to the revaluation of our $209 million (2022: $200 million) unhedged sterling lease liability.

Foreign exchange hedges	**2023 $m**	2022 $m
Notional value of derivatives at 31 December		
Assets	**124**	82
Liabilities	**(343)**	(235)
Net liabilities	**(219)**	(153)
For the year ended 31 December		
(Loss)/gain before the impact of hedging	**(4)**	5
(Loss)/gain on hedging instruments	**(7)**	17
(Loss)/gain recognised in the Group income statement after the impact of hedging	**(11)**	22

14. Market risks and derivatives continued

The table below reflects the currency profile of our net foreign currency (non-USD) monetary assets and liabilities after the impact of hedging:

	2023 $m	2022 $m
Sterling	**(138)**	(155)
Australian dollar	**14**	41
Japanese yen	**7**	19
Other	**10**	10
Total	**(107)**	(85)

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 $11 million (2022: $9 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.

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 2023 a 100 basis point increase/decrease in these rates, with all other variables held constant, would have resulted in a $1 million (2022: $1 million) increase/decrease in net interest expense.

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.

	2023			2022		
$m	Leasehold improvements	Equipment	Total	Leasehold improvements	Equipment	Total
Cost at beginning of the year	**70**	**61**	**131**	70	64	134
Acquired through business combinations (Note 17)	**–**	**1**	**1**	–	–	–
Additions	**4**	**8**	**12**	11	10	21
Disposals	**(1)**	**(3)**	**(4)**	(13)	(13)	(26)
Transfer to leasehold improvements from investment property (Note 16.1)	**–**	**–**	**–**	2	–	2
Cost at end of the year	**73**	**67**	**140**	70	61	131
Accumulated depreciation and impairment at beginning of the year	**(36)**	**(42)**	**(78)**	(45)	(46)	(91)
Disposals	**–**	**3**	**3**	13	13	26
Transfer to leasehold improvements from investment property (Note 16.1)	**–**	**–**	**–**	(1)	–	(1)
Depreciation	**(3)**	**(9)**	**(12)**	(3)	(9)	(12)
Accumulated depreciation and impairment at end of the year	**(39)**	**(48)**	**(87)**	(36)	(42)	(78)
Net book value at beginning of the year	**34**	**19**	**53**	25	18	43
Net book value at end of the year	**34**	**19**	**53**	34	19	53

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

	2023			2022		
$m	**Leasehold property**	**Investment property**	**Total**	Leasehold property	Investment property	Total
Cost at beginning of the year	**169**	**242**	**411**	146	256	402
Acquired through business combinations (Note 17)	**22**	**–**	**22**	–	–	–
Additions	**3**	**–**	**3**	41	2	43
Disposals	**–**	**(141)**	**(141)**	(22)	(10)	(32)
Remeasurement of lease liability	**5**	**–**	**5**	–	–	–
Transfer between leasehold property and investment property	**–**	**–**	**–**	4	(4)	–
Transfer from investment property to leasehold improvements (Note 15)	**–**	**–**	**–**	–	(2)	(2)
Cost at end of the year	**199**	**101**	**300**	169	242	411
Accumulated depreciation and impairment at beginning of the year	**(77)**	**(171)**	**(248)**	(85)	(179)	(264)
Disposals	**–**	**91**	**91**	22	10	32
Transfer between leasehold property and investment property	**–**	**–**	**–**	(4)	4	–
Transfer from investment property to leasehold improvements (Note 15)	**–**	**–**	**–**	–	1	1
Depreciation (Note 5.2)	**(10)**	**(4)**	**(14)**	(10)	(7)	(17)
Accumulated depreciation and impairment at end of the year	**(87)**	**(84)**	**(171)**	(77)	(171)	(248)
Net book value at beginning of the year	**92**	**71**	**163**	61	77	138
Net book value at end of the year	**112**	**17**	**129**	92	71	163

Notes to the Group financial statements continued

16. Leases continued

16.1. Man Group as lessee continued

Lease liability

The maturity of our contractual undiscounted cash flows for the lease liability is as follows:

	2023 $m	2022 $m
Within one year	**32**	25
Between one and five years	**114**	97
Between five and ten years	**142**	125
Between ten and 15 years	**54**	74
Undiscounted lease liability at end of the year	**342**	321
Discounted lease liability at end of the year	**283**	253

Of the total discounted lease liability at 31 December 2023 of $283 million (2022: $253 million), $21 million (2022: $20 million) is expected to be settled within 12 months.

Movements in the lease liability are as follows:

	2023 $m	2022 $m
At beginning of the year	**253**	250
Acquired through business combinations (Note 17)	**22**	–
Additions	**3**	41
Cash payments	**(20)**	(23)
Unwind of lease liability discount (Note 6)	**10**	10
Remeasurement	**5**	–
Foreign exchange movements	**10**	(25)
At end of the year	**283**	253

16.2. Man Group as lessor

Accounting policy

Finance leases

Whenever the terms of the sub-lease transfer substantially all risks and rewards of ownership of the underlying ROU lease asset to the lessee, we classify the contract as a finance lease. This is typically when the end of the sub-lease term aligns with the end of our head lease, with no break option. 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 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-leases which do not meet the definition of a finance lease are classified as operating leases. 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.

Sub-lease rental income from operating leases was $5 million in 2023 (2022: $5 million).

Operating expenses of $5 million (2022: $5 million) arising from investment property that did not generate rental income during the period are included within other costs.

Fair value of investment property

	2023 $m	2022 $m
Value in use	**23**	82
Less:		
Carrying value	**(17)**	(71)
Headroom	**6**	11

16. Leases continued

16.2. Man Group as lessor continued

In 2023, we signed new sub-leases for a substantial portion of the vacant space in our main premises in London. As the sub-leases extend to close to the end of the head lease with no break option, they are classified as finance leases. On lease commencement, we recognised finance lease receivables of $65 million. The derecognition of the associated ROU lease assets with a total carrying value of $53 million resulted in a gain on disposal of $12 million, recognised in the Group income statement.

At 31 December 2023, the contractual undiscounted lease payments receivable under operating and finance leases were as follows:

	2023		2022	
$m	**Operating leases**	**Finance leases**	Operating leases	Finance leases
Within one year	**2**	**–**	5	–
Between one and two years	**1**	**3**	5	–
Between two and three years	**–**	**5**	5	–
Between three and four years	**–**	**9**	–	–
Between four and five years	**–**	**10**	–	–
Between five and ten years	**–**	**47**	–	–
Between ten and 15 years	**–**	**17**	–	–
	3	**91**	15	–

At 31 December 2023, the contractual undiscounted minimum finance lease payments receivable can be reconciled to the net investment in finance lease as follows:

	2023 $m	2022 $m
Undiscounted lease payments	**91**	–
Less: unearned finance income	**(24)**	–
Net investment in finance lease	**67**	–

Movements in the net investment in finance lease are as follows:

	2023 $m	2022 $m
At beginning of the year	**–**	–
Additions	**65**	–
Unwind of finance lease discount (Note 6)	**1**	–
Foreign exchange movements	**1**	–
At end of the year	**67**	–

17. Business combinations

Accounting policy

Business combinations are accounted for using the acquisition method. The consideration for the acquisition of a subsidiary is the acquisition-date fair values of the assets transferred, the liabilities incurred, and any equity interests issued in exchange for control of the acquiree. Amounts payable to the sellers of a business, including those contingent on the exercise of a put option, that can be forfeited in the absence of post-acquisition services provided by those sellers are accounted for as post-acquisition remuneration and excluded from the consideration for the acquisition of the business. The associated employment-related expenses are spread over the relevant service periods.

When the consideration transferred in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Contingent consideration classified as a liability is remeasured to fair value at each reporting date with changes in fair value recognised in profit or loss.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at fair value. Acquisition-related costs are recognised in profit or loss as incurred.

Put options held by non-controlling shareholders, which are not linked to post-acquisition employment, give rise to a financial liability, recorded within trade and other payables at the present value of the expected redemption amount. The corresponding debit is recorded in retained earnings. The liability is remeasured at each reporting date based on the latest assessment of the expected redemption amount, with remeasurements recognised in profit or loss.

17.1. Acquisition of Varagon

Varagon Capital Partners, L.P. (Varagon) is a leading US middle-market private credit manager with a strong and experienced management team and high-quality, sophisticated client base, with a particular emphasis on the insurance channel. Varagon brings significant institutional credibility to support Man Group's growth in US private credit.

On 6 September 2023, Man Group acquired 100% of the voting rights in Varagon, the entirety of the interest classified as equity for accounting purposes, for upfront cash consideration of $179 million. This represents a 73% economic interest. The remaining 27% economic interest in Varagon is held by those sellers who remain in employment for a specified period post-acquisition. The acquisition agreement includes options which, if exercised, provide the opportunity for the rollover sellers to sell, and Man Group to buy, this remaining interest in years eight, nine or ten post-acquisition at up to fair market value.

17. Business combinations continued

17.1. Acquisition of Varagon continued

Payments to the rollover sellers holding the residual 27% economic interest in Varagon may be forfeited should those sellers become 'bad leavers' during specified periods subsequent to the completion of the transaction. Payments in relation to the acquisition of the sellers' interest on exercise of the put options, and the distributions of their proportionate share of Varagon's post-acquisition profits, are therefore recorded as employment-related expenses. These expenses are spread, and a corresponding liability accreted, over the relevant service periods (Note 5 and Note 24).

Third-party interests in a subsidiary of Varagon, which are classified as a liability in the Group balance sheet, generated profits of $1 million for the period post-acquisition to 31 December 2023 and are presented as third-party share of post-tax profits in the Group income statement.

The provisional values recognised at the date of acquisition were as follows:

$m	Book value	Fair value adjustments	Fair value
Cash and cash equivalents	**12**	**–**	**12**
Fee and other receivables	**20**	**–**	**20**
Investments in fund products and other investments	**6**	**–**	**6**
Leasehold improvements and equipment (Note 15)	**1**	**–**	**1**
Leasehold property – right-of-use lease assets (Note 16.1)	**22**	**–**	**22**
Other intangibles (Note 19)	**1**	**–**	**1**
Acquired intangibles (Note 18)	**–**	**147**	**147**
Trade and other payables	**(29)**	**–**	**(29)**
Lease liability (Note 16.1)	**(22)**	**–**	**(22)**
Third-party share of post-tax profits payable	**(1)**	**–**	**(1)**
Net assets acquired	**10**	**147**	**157**
Goodwill on acquisition (Note 18)			**22**
Total consideration			**179**
Comprising:			
Cash consideration			**179**

The acquisition-date values presented have been determined on a provisional basis due to the proximity of the acquisition date to the reporting date.

Fair value adjustments relate to the recognition of intangible assets comprising investment management agreements and related client relationships ($140 million) and the Varagon brand ($7 million). These intangible assets are recognised at the present value of the future cash flows expected to be generated and are amortised on a straight-line basis over their expected useful lives of between seven and 15 years. No deferred tax liability has been recognised on acquisition as the amortisation of intangible assets is tax-deductible in the US.

The goodwill arising from the acquisition represents the enhancement of our investment capabilities and the ability to deploy these capabilities at scale in a customisable format to the world's largest institutional investors. The goodwill is expected to be fully tax-deductible.

Acquisition costs of $8 million, primarily relating to professional fees, are included within other costs and do not form part of goodwill.

Revenues and pre-tax profit for the Varagon business from acquisition to 31 December 2023 were $31 million and $9 million respectively. If Varagon had been acquired at the beginning of the year, Man Group's total revenue and pre-tax profit for the year would have been $1,231 million and $307 million respectively, before the deduction of employment-related expenses payable to the sellers who remain in employment post-acquisition.

17.2. Acquisition of Asteria

On 31 October 2023, Man Group acquired a controlling 51% interest in Asteria Investment Managers SA (Asteria), an ESG-oriented Swiss asset management company, for consideration of $11 million comprising cash and contingent consideration of $8 million and $3 million respectively. The acquisition of Asteria is part of a new strategic partnership with Fideuram-Intesa Sanpaolo Private Banking, which increases our presence in the European intermediated retail channel. The agreement also includes options which, if exercised, provide the opportunity for Asteria's non-controlling shareholder to sell, and Man Group to buy, the remaining 49% interest in Asteria. The present value of the expected redemption amount of the options, which can be exercised four years post-acquisition at fair market value, is $9 million at 31 December 2023, included within trade and other payables in the Group balance sheet.

The contingent consideration payable for the acquisition of Asteria is based on future levels of management fees. The maximum amount payable by Man Group is capped at $53 million.

The non-controlling interest in Asteria is measured at the proportionate share of Asteria's identifiable net assets. As the non-controlling interest is immaterial, the proportionate share of Asteria's profits has been deducted from statutory profit before tax within other costs. Similarly, the non-controlling shareholder's share of equity has not been separately presented within the Group statement of changes in equity at 31 December 2023 and has instead been offset against the profit and loss reserve. The non-controlling interest will be separately presented in the Group financial statements should it become material in the future.

Goodwill arising on acquisition of $8 million (Note 18) represents synergies from combining Man Group's expertise in bespoke portfolio solutions with access to a broader financial adviser network and client base. Acquisition costs of $1 million, primarily relating to professional fees, are included within other costs.

18. Goodwill and acquired intangibles

Accounting policy

Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred and the amount of any non-controlling interest over the fair value of the 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 amount of our group of cash-generating units (CGUs) is 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 group of CGUs for the purposes of impairment testing. Our CGUs are aggregated into a single group for impairment testing purposes, reflecting the lowest level at which goodwill is monitored by management and which now incorporates our private market asset managers alongside our liquid asset managers.

The value in use calculation at 31 December 2023 uses cash flow projections based on the Board-approved financial plan for the three-year period ending on 31 December 2026, 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 2026 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

Intangible assets acquired in a business combination and recognised separately from goodwill are initially measured at their fair value at the acquisition date. 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 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 seven and 15 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.

	2023					2022				
$m	**Goodwill**	**IMAs**	**Distribution channels**	**Brand names**	**Total**	Goodwill	IMAs	Distribution channels	Brand names	Total
Cost at beginning of the year	**2,425**	**834**	**56**	**40**	**3,355**	2,425	838	56	40	3,359
Acquired through business combinations (Note 17)	**30**	**140**	**–**	**7**	**177**	–	–	–	–	–
Disposals	**–**	**–**	**–**	**–**	**–**	–	(4)	–	–	(4)
Cost at end of the year	**2,455**	**974**	**56**	**47**	**3,532**	2,425	834	56	40	3,355
Accumulated amortisation and impairment at beginning of the year	**(1,836)**	**(801)**	**(52)**	**(39)**	**(2,728)**	(1,836)	(758)	(49)	(38)	(2,681)
Amortisation	**–**	**(22)**	**(2)**	**(1)**	**(25)**	–	(47)	(3)	(1)	(51)
Impairment	**–**	**(1)**	**(2)**	**–**	**(3)**	–	–	–	–	–
Disposals	**–**	**–**	**–**	**–**	**–**	–	4	–	–	4
Accumulated amortisation and impairment at end of the year	**(1,836)**	**(824)**	**(56)**	**(40)**	**(2,756)**	(1,836)	(801)	(52)	(39)	(2,728)
Net book value at beginning of the year	**589**	**33**	**4**	**1**	**627**	589	80	7	2	678
Net book value at end of the year	**619**	**150**	**–**	**7**	**776**	589	33	4	1	627

18. Goodwill and acquired intangibles continued

Goodwill impairment assumptions

Key assumptions at 31 December 2023 and 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		**3%**

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.

	2023 $m	2022 $m
Value in use	**5,560**	4,950
Less:		
Carrying value of CGUs	**(880)**	(720)
Headroom	**4,680**	4,230

				Discount rates (post-tax)		**Multiples (post-tax)**	
Sensitivity analysis at 31 December 2023	**Compound average annualised growth in AUM**			**Management fee/ performance fee**		**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 ($m)	**4,680**	**4,150**	**2,190**	**4,810**	**4,550**	**5,140**	**4,220**
Increase/(reduction) in value in use ($m)		**(530)**	**(2,490)**	**130**	**(130)**	**460**	**(460)**

				Discount rates (post-tax)		Multiples (post-tax)	
Sensitivity analysis at 31 December 2022	Compound average annualised growth in AUM			Management fee/ performance fee		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)		(440)	(2,090)	120	(120)	400	(400)

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.

Impairment of acquired intangibles

During the year, acquired intangibles with a carrying value of $3 million were fully impaired following the termination of the IMAs to which they relate.

19. Other intangibles

Accounting policy

Other intangibles relate to capitalised computer software. Following initial recognition, other intangibles are held at cost less accumulated amortisation and impairment. Cost 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. 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.

	2023 $m	2022 $m
Cost at beginning of the year	**148**	130
Acquired through business combinations (Note 17)	**1**	–
Additions	**25**	27
Disposals	**(2)**	(9)
Cost at end of the year	**172**	148
Accumulated amortisation at beginning of the year	**(98)**	(85)
Amortisation	**(22)**	(18)
Disposals	**2**	5
Accumulated amortisation at end of the year	**(118)**	(98)
Net book value at beginning of the year	**50**	45
Net book value at end of the year	**54**	50

20. 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 we intend 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
At 1 January 2022	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
Credit/(charge) to Group income statement (Note 7)	**3**	**(8)**	**1**	**23**	**–**	**1**	**20**
Credit to other comprehensive income and equity	**3**	**–**	**–**	**–**	**–**	**–**	**3**
At 31 December 2023	**57**	**2**	**13**	**46**	**–**	**10**	**128**

The gross amounts for which deferred tax assets have not been recognised are as follows:

	2023 $m	2022 $m
United States	**43**	258
Switzerland	**64**	12
United Kingdom	**12**	25
Hong Kong	**4**	4
China	**1**	1
Total	**124**	300

Of the total $124 million unrecognised available gross deferred tax assets, $45 million will expire in 2024, $19 million will expire between 2027 and 2029, $43 million will expire in 2035 and $17 million have no expiry.

US deferred tax assets

We have recognised accumulated deferred tax assets in the US of $86 million (2022: $64 million) that will be available to offset future taxable profits. As a result of an increase in forecast future taxable profits in the US following the acquisition of Varagon, we recognised an additional $19 million of the available deferred tax assets in relation to state and city tax losses in 2023 (2022: derecognised $7 million). At 31 December 2023, $3 million of the available US deferred tax assets (2022: $18 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 remainder expire in 2034. We do not currently expect to pay federal tax on any profits we may earn in the US until 2026.

US net deferred tax assets	**2023 $m**	2022 $m
Recognised		
At beginning of the year	**64**	74
Credit/(charge) to Group income statement:		
Recognition/(derecognition) of available tax assets (Note 7)	**19**	(7)
Other movements	**3**	–
Charge to equity	**–**	(3)
At end of the year	**86**	64
Unrecognised		
At beginning of the year	**18**	11
(Recognition)/derecognition of available tax assets (Note 7)	**(19)**	7
Other movements	**4**	–
At end of the year	**3**	18

21. 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.

	2023 $m	2022 $m
At beginning of the year	**14**	14
Charge to Group income statement	**–**	1
Additions	**1**	–
Foreign currency translation	**1**	(1)
At end of the year	**16**	14

Provisions relate to ongoing claims and leasehold property dilapidations.

22. 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.

	2023 $m	**2022 $m**
At beginning of the year	**14**	18
Acquisitions/contributions	**–**	1
Share of post-tax loss	**(3)**	(5)
At end of the year	**11**	14

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 and is broadly progressing in accordance with its original business plan.

23. Pension

Accounting policy

We operate 12 (2022: 13) defined contribution plans and two (2022: two) material 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 material 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, to future accrual in May 2011 and has no active members.

– 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 $14 million for the year to 31 December 2023 (2022: $13 million).

Defined benefit plans

At 31 December 2023, the UK Plan comprised 89% (31 December 2022: 90%) of our total defined benefit pension obligations.

	2023 $m	2022 $m
Present value of funded obligations	**(292)**	(272)
Fair value of plan assets	**304**	294
Net pension asset	**12**	22

23. 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:

	2023			2022			
$m	Assets	Liabilities	Net pension asset/(liability)	Assets	Liabilities	Asset ceiling adjustment	Net pension asset/(liability)
At beginning of the year	294	(272)	22	473	(444)	(2)	27
Amounts recognised in profit and loss:							
Current service cost to employer	–	(1)	(1)	–	(1)	–	(1)
Interest income/(cost)	13	(12)	1	8	(8)	–	–
Past service cost	–	(1)	(1)	–	–	–	–
Running costs	(1)	–	(1)	–	–	–	–
Foreign exchange movements	–	–	–	(49)	46	–	(3)
Amounts recognised in other comprehensive income:							
Remeasurements due to:							
– changes in financial assumptions	–	(9)	(9)	–	124	–	124
– changes in demographic assumptions	–	4	4	–	3	–	3
– experience adjustments	–	(2)	(2)	–	(3)	–	(3)
– actual return on plan assets less interest on plan assets	(3)	–	(3)	(128)	–	–	(128)
– adjustment due to change in asset ceiling	–	–	–	–	–	2	2
Employer contributions (including plan funding)	1	–	1	1	–	–	1
Employee contributions	1	(1)	–	1	(1)	–	–
Foreign currency translation	17	(16)	1	–	–	–	–
Benefit payments	(18)	18	–	(12)	12	–	–
At end of the year	**304**	**(292)**	**12**	294	(272)	–	22

The allowance for the estimated cost of removing Guaranteed Minimum Pension inequalities in the UK Plan of $1 million at 31 December 2023 is unchanged from 31 December 2022.

No contributions were paid to the UK Plan in 2023 (2022: none).

Actuarial assumptions used

The most significant actuarial assumptions used in the valuations of the two plans are as follows:

	UK Plan		Swiss Plan	
	2023 % p.a.	2022 % p.a.	2023 % p.a.	2022 % p.a.
Discount rate	4.5	4.8	1.5	2.2
Price inflation	3.1	3.3	1.2	1.2
Future salary increases	–	–	1.2	1.2
Pension payment increases	3.7	3.7	–	–
Deferred pensions increases	5.0	5.0	–	–
Interest crediting rate	–	–	1.5	2.2
Social security increases	–	–	1.0	1.0

Illustrative life expectancy assumptions are set out in the table below.

	UK Plan		Swiss Plan	
Years	2023	2022	2023	2022
Life expectancy of male aged 60 at year-end	26.5	26.9	27.8	27.7
Life expectancy of male aged 60 in 20 years	28.0	28.4	30.2	30.1
Life expectancy of female aged 60 at year-end	29.3	29.7	29.7	29.6
Life expectancy of female aged 60 in 20 years	30.7	31.1	31.7	31.6

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 Plan is approximately 12 years, and the duration of the Swiss Plan is approximately 15 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 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.

	Increase in obligation at 31 December 2023	
$m	UK Plan	Swiss Plan
Discount rate decreased by 0.5% p.a.	16	3
Inflation rate increased by 0.5% p.a.	5	–
One-year increase in assumed life expectancy	10	–

23. Pension continued

Pension asset investments

The assets held by the two plans at 31 December 2023 are as follows:

	UK Plan		Swiss Plan	
$m	**2023**	2022	**2023**	2022
Fund investments	**82**	90	**3**	2
Liability-driven investments (LDI)	**83**	77	**–**	–
Bonds	**52**	66	**13**	12
Index-linked government bonds	**33**	21	**–**	–
Equities	**–**	–	**11**	9
Property	**–**	–	**2**	2
Cash	**23**	12	**1**	2
Other	**–**	–	**1**	1
Total assets	**273**	266	**31**	28

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 accounting measure under IAS 19 'Employee Benefits') 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.

A relatively volatile backdrop for interest rates and inflation over the year to December 2023 saw some significant movements of the UK Plan's hedging assets during the year. There was a limited impact on the UK Plan other than a fall in fund values due to the high level of hedging in early 2023. 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 2023, the UK Plan's hedging assets continued 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. The UK Plan maintains a collateral waterfall and has additional sources of short-term cash from the 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 2023, around 28% of the UK Plan assets relate to those with quoted prices and 72% with unquoted prices (2022: around 33% quoted and 67% unquoted). The UK Plan does not invest directly in property occupied by Man Group or our shares.

24. 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.

Put options on the interests in subsidiaries held by employees which can be forfeited should they become 'bad leavers' are accounted for as cash-settled share-based payments. Cash-settled share-based payments are measured at fair value on grant date and recognised as an employment-related expense in the Group income statement over the relevant service period. They are remeasured to fair value at each reporting date, with the change in fair value recognised as other employment-related expenses in the Group income statement. The credit entry is recognised as a liability in the Group balance sheet within trade and other payables.

Share awards

The fair values of equity-settled 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	**28/02/2023 – 02/08/2023**	11/03/2022 – 02/08/2022	**10/03/2023 – 04/09/2023**	11/03/2022
Share awards granted in the year	**19,200,689**	21,255,153	**2,784,001**	2,028,460
Weighted average fair value per share award granted ($)	**3.4**	2.6	**3.1**	2.6

Movements in the number of equity-settled share awards outstanding are as follows:

	2023	2022
Share awards outstanding at beginning of the year	**41,252,837**	42,602,119
Granted	**21,984,690**	23,283,613
Forfeited	**(2,214,057)**	(2,363,058)
Exercised	**(18,705,570)**	(22,269,837)
Share awards outstanding at end of the year	**42,317,900**	41,252,837
Share awards exercisable at end of the year	**137,769**	25,518

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:

	2023	2022
Grant date	**11/09/2023**	06/09/2022
Weighted average share price at grant date ($)[1]	**2.6**	2.9
Weighted average exercise price at grant date ($)[2]	**2.1**	2.3
Share options granted in the period	**2,843,261**	1,440,991
Vesting period (years)	**3–5**	3–5
Expected share price volatility (%)	**30**	30
Dividend yield (%)	**5**	5
Risk-free rate (%)	**4.7**	0.2
Expected option life (years)	**3.4**	3.5
Number of options assumed to vest	**2,172,378**	1,095,521
Average fair value per option granted ($)	**0.6**	0.7

Notes:
1 Sterling share price at grant date each year of £2.06 and £2.48 respectively.
2 Sterling exercise price each year of £1.69 and £2.01 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.

24. Share-based payment schemes continued

Movements in the number of share options outstanding are as follows:

	2023		2022	
	Number	**Weighted average exercise price[1] ($ per share)**	Number	Weighted average exercise price[1] ($ per share)
Share options outstanding at beginning of the year	**5,976,777**	**1.7**	6,221,056	1.6
Granted	**2,843,261**	**2.2**	1,440,991	2.4
Forfeited	**(691,948)**	**2.3**	(682,302)	1.6
Exercised[2]	**(2,988,952)**	**1.4**	(1,002,968)	1.5
Share options outstanding at end of the year	**5,139,138**	**2.1**	5,976,777	1.7
Share options exercisable at end of the year	**361,340**	**1.5**	251,882	1.6

Notes:
1 Calculated at 31 December exchange rates each year.
2 The sterling weighted average share price of options exercised was £2.24 (2022: £2.23) (USD-equivalent $2.73 and $2.59 respectively).

The share options outstanding at year-end had expected remaining lives as follows:

	2023		2022	
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	**5,139,138**	**2.7**	5,976,777	2.0

Cash-settled share-based payments

The carrying value of the cash-settled share-based payment liability at 31 December 2023 was $23 million (2022: nil). Details of the charge in the year and a sensitivity analysis to key assumptions is set out in Note 5.

25. 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 $100 million 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 are therefore deducted from equity and included within the Treasury share reserve. 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.

	2023			2022		
	Total number	**Weighted average**	**Nominal value $m**	Total number	Weighted average	Nominal value $m
Number of shares at beginning of year	**1,350,556,782**	**1,350,556,782**	**46**	1,473,107,813	1,473,107,813	51
Cancellation of own shares held in Treasury	**(37,206,823)**	**(30,339,448)**	**(1)**	(122,551,031)	(52,130,209)	(5)
Number of shares at end of the year	**1,313,349,959**	**1,320,217,334**	**45**	1,350,556,782	1,420,977,604	46
Shares held in Treasury share reserve	**(110,774,081)**	**(107,401,080)**		(80,604,707)	(99,038,830)	
Man Group plc shares held by Employee Trust	**(35,289,202)**	**(35,073,864)**		(33,745,908)	(33,453,409)	
Basic number of shares	**1,167,286,676**	**1,177,742,390**		1,236,206,167	1,288,485,365	
Dilutive impact of:						
Employee share awards		**27,671,674**			36,356,550	
Employee share options		**1,641,378**			2,467,128	
Dilutive number of shares		**1,207,055,442**			1,327,309,043	

	2023	2022
Statutory profit ($m)	**234**	608
Basic EPS	**19.9¢**	47.2¢
Diluted EPS	**19.4¢**	45.8¢

Share buybacks	**2023**	2022
Shares repurchased during the year (including costs) ($m)	**223**	386
Average purchase price (pence)	**241.2**	227.7
Shares repurchased (million)	**76**	135
Accretive impact on diluted earnings per share (%)	**5.2**	6.0

Man Group actively manages its 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 repurchases.

The $223 million of shares repurchased in the year comprise the completion of the remaining $98 million of the share repurchase programme announced in December 2022, and the completion of the $125 million programme announced in March 2023. 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 6.3% of issued share capital (excluding Treasury shares) as at 31 December 2023 and shares held in Treasury which were cancelled during the year represent 3.1% of issued share capital (excluding Treasury shares). At 28 February 2024, we had an unexpired authority to repurchase up to 116,279,809 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 120,265,662 ordinary shares, representing 10% of the issued share capital (excluding Treasury shares) at 28 February 2024.

In 2023, we funded $99 million via contribution or loan (2022: $91 million) to enable the Employee Trust to meet its current period obligations. At 31 December 2023, the net assets of the Employee Trust amounted to $196 million (2022: $146 million). These assets include 35,289,202 (2022: 33,745,908) ordinary shares in the Company, and $88 million of fund product investments (2022: $65 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

26. 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. Dividends are payable on the Company's ordinary shares.

	¢/share	**2023 $m**	¢/share	2022 $m
Final dividend paid for the previous financial year to 31 December	**10.1**	**118**	8.4	110
Interim dividend paid for the six months to 30 June	**5.6**	**63**	5.6	69
Dividends paid		**181**		179
Proposed final dividend for the current financial year to 31 December	**10.7**	**125**	10.1	125

27. 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 intangibles, other intangibles, leasehold improvements and equipment, and right-of-use lease assets. For goodwill and other acquired intangibles, we consider that the location of the intangibles is best reflected by the location of the individuals managing those assets.

	2023		2022	
$m	**Revenue**	**Non-current assets**	Revenue	Non-current assets
Cayman Islands	**555**	**–**	956	–
Ireland	**198**	**–**	197	–
United Kingdom and the Channel Islands	**108**	**606**	217	657
United States of America	**193**	**391**	235	228
Other countries	**114**	**15**	127	8
	1,168	**1,012**	1,732	893

Revenue from no single fund exceeded 10% of total annual revenue in 2023. In 2022, revenue from one fund of $213 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 in 2022.

28. 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	**2023 $m**	2022 $m
Salaries and other short-term employee benefits[1]	**31**	80
Share-based payment charge	**19**	24
Fund product-based payment charge	**22**	21
Pension costs (defined contribution)	**1**	1
Total	**73**	126

Note:
1 Includes salary, benefits and cash bonus.

29. 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.

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:

2023	**Total AUM ($bn)**	**Less infrastructure mandates and consolidated fund entities[1] ($bn)**	**Total AUM unconsolidated structured entities ($bn)**	**Number of funds**	**Net management fee margin[2] (bps)**	**Fair value of investment held ($m)**	**Fee receivables and accrued income ($m)**	**Maximum exposure to loss ($m)**
Alternative								
Absolute return	**47.7**	**(0.3)**	**47.4**	**123**	**112**	**130**	**158**	**288**
Total return	**42.5**	**(1.3)**	**41.2**	**88**	**64**	**137**	**60**	**197**
Multi-manager solutions	**19.4**	**(12.8)**	**6.6**	**51**	**17**	**3**	**14**	**17**
Long-only								
Systematic	**36.5**	**–**	**36.5**	**84**	**24**	**4**	**36**	**40**
Discretionary	**21.4**	**(0.2)**	**21.2**	**56**	**59**	**15**	**22**	**37**
Total	**167.5**	**(14.6)**	**152.9**	**402**		**289**	**290**	**579**

2022	Total AUM ($bn)	Less infrastructure mandates and consolidated fund entities[1] ($bn)	Total AUM unconsolidated structured entities ($bn)	Number of funds	Net management fee margin[2] (bps)	Fair value of investment held ($m)	Fee receivables and accrued income ($m)	Maximum exposure to loss ($m)
Alternative								
Absolute return	46.0	(0.3)	45.7	107	112	108	284	392
Total return	28.8	(0.2)	28.6	80	63	168	40	208
Multi-manager solutions	20.2	(12.5)	7.7	54	20	3	14	17
Long-only								
Systematic	31.6	(0.2)	31.4	73	25	5	31	36
Discretionary	16.7	(0.2)	16.5	61	57	19	21	40
Total	143.3	(13.4)	129.9	375		303	390	693

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.

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
AHL Partners LLP[1,2]	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Asteria Investment Managers SA	Rue de Lausanne 15, 1201 Geneva, Switzerland	Indirect	Switzerland	51
FA Sub 3 Limited	Ritter House, Wickhams Cay II, Road Town, Tortola, VG1110	Indirect	BVI	100
GLG Capital Management LLC[3]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
GLG LLC[3]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	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
GPM Summit Point GP LLC[3]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	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 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
Man Investments Holdings (Netherlands) B.V.	Beurs – World Trade Center, Beursplein 37, 3011 AA, Rotterdam	Indirect	Netherlands	100
Man Investments Holdings Inc.	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	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	Room 1817 Bund Centre, No. 222 Yan An East Road, Shanghai, 200002	Indirect	China	100
Man Investments (Shanghai) Limited	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 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 LLC[3] (formerly FRM Investment Management (USA) LLC)	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 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 Times Square GP LLC[3,5]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	73.11
Man Times Square Holdings LLC[3,5]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	73.11
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
MVH Lending, LLC[3,5]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	73.11
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
Silvermine Capital Management LLC[3]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
Varagon Capital Access SPV I, LLC[3,5]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	73.11
Varagon Capital Partners Agent, LLC[3,5]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	73.11
Varagon Capital Partners, L.P. [2,5]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	73.11
Varagon Professionals Fund GP, LLC[3,5]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	73.11
VCAP Onshore GP, LLC[3,5]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	73.11
VCAP Offshore GP, S.à.r.l[5]	10, Rue des Capucins, L-1313 Luxembourg	Indirect	Luxembourg	73.11
VCC Advisors, LLC[5]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	50.46
VCDLF SLP, LLC[3,5]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	73.11
VCN GP, LLC[3,5]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	73.11
VCN, L.P.[2,5]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	73.11
VCP Holding I GP, LLC[3,5]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	73.11
VCP Holding II GP, LLC[3,5]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	73.11
VIVA Onshore GP, LLC[3,5]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	73.11
VSN Parallel Fund GP, LLC[3,5]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	73.11
VSN Parallel Fund, L.P.[2,5]	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	73.11

Subsidiaries in liquidation/dissolution

Company name	Registered address	Direct or indirect	Country of incorporation	Effective Group interest %
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
FA Sub 2 Limited	Ritter House, Wickhams Cay II, Road Town, Tortola, VG1110	Indirect	BVI	100
GLG Holdings Limited	Wickhams Cay, PO Box 662, Road Town, Tortola	Indirect	BVI	100
Man Investments Holdings (Jersey) Limited	15 Esplanade, St Helier, JE1 1RB	Indirect	Jersey	100
Financial Risk Management 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 Investments Holdings Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	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, WC2H 9JQ	UK	22.86
PR-Man Summit Point Holdings LP[2]	1209 Orange Street, Wilmington DE 19801	US	5

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.
5 100% of the voting rights (see Note 17).

Five-year record

	2023	2022	2021	2020	2019
Income statement ($m)					
Core net management fee revenue	**963**	927	877	730	751
Core performance fees	**180**	779	569	179	325
Core profit before tax	**340**	779	658	284	384
Core management fee profit before tax	**280**	290	266	180	170
Core performance fee profit before tax	**60**	489	392	104	214
Core profit	**271**	647	557	240	325
Statutory profit before tax	**279**	745	590	179	307
Statutory profit	**234**	608	487	138	285
Statutory EPS (diluted)	**19.4¢**	45.8¢	33.8¢	9.3¢	18.4¢
Core EPS (diluted)	**22.4¢**	48.7¢	38.7¢	16.2¢	21.0¢
Core management fee EPS (diluted)	**18.4¢**	18.4¢	15.7¢	10.3¢	9.7¢
Balance sheet ($m)					
Net cash and cash equivalents	**136**	457	387	351	281
Net assets	**1,612**	1,699	1,651	1,497	1,624
Net financial assets	**555**	983	907	716	674
Other metrics					
Core cash flows from operating activities before working capital movements ($m)	**362**	810	700	341	385
Ordinary dividends per share (¢)	**16.3**	15.7¢	14.0¢	10.6¢	9.8¢
AUM ($bn)	**167.5**	143.3	148.6	123.6	117.7
Average headcount	**1,716**	1,595	1,453	1,456	1,413
USD/sterling exchange rates:					
Average	**0.8042**	0.8081	0.7267	0.7789	0.7830
Year-end	**0.7855**	0.8276	0.7390	0.7315	0.7544

‘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, accounting for the acquisition of Varagon in accordance with the requirements of IFRS has resulted in the recognition of all future payments to selling shareholders who remain in employment post-acquisition as employment-related expenses. This arises because each of these payments can be forfeited should those employees become 'bad leavers' during specified periods following the acquisition. Economically, the payments are transactions with the individuals in their capacity as owners. Recognising that these owners also hold significant roles in the organisation, the 'bad leaver' clauses were protective in nature and not intended to compensate the individuals for employment services.

As these transactions are related to an acquisition, we consider it appropriate to adjust the expense recognised in the year to reflect the proportion of the profits which have been generated in the same period and are attributable to these employees through an adjustment to core profit. This more closely aligns the charges with the associated cash flows.

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 in profit before tax comprise the following:

	Note to the Group financial statements	**2023 $m**	2022 $m
Acquisition and disposal related:			
Amortisation and impairment of acquired intangibles	18	**(28)**	(51)
Acquisition-related costs	17	**(9)**	–
Other employment-related expenses[1]	5.1	**(21)**	–
Share of post-tax loss of associates	22	**(3)**	(5)
Gain on disposal of investment property – right-of-use lease assets	16.2	**12**	–
Other costs – claims	5.2	**(1)**	–
Foreign exchange movements	12.1	**(11)**	22
Non-core items		**(61)**	(34)

Note:

[1] Adjustment to align acquisition-related employment-related expenses with proportionate share of earnings in the year.

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:

2023 **$m**	**Core measure**	**Reclassification of amounts relating to consolidated fund entities**	**Non-core items**	**Per Group income statement**
Management and other fees[APM]	**995**	**(5)**	**–**	**990**
Performance fees[APM]	**180**	**(2)**	**–**	**178**
Revenue[APM]	**1,175**	**(7)**	**–**	**1,168**
Net income or gains on investments and other financial instruments[APM]	**48**	**39**	**(11)**	**76**
Third-party share of gains relating to interests in consolidated funds	**–**	**(24)**	**–**	**(24)**
Rental income	**5**	**1**	**–**	**6**
Distribution costs	**(32)**	**–**	**–**	**(32)**
Net revenue[APM]	**1,196**	**9**	**(11)**	**1,194**
Asset servicing costs	**(58)**	**–**	**–**	**(58)**
Compensation costs	**(595)**	**–**	**–**	**(595)**
Other employment-related expenses[APM]	**(2)**	**–**	**(21)**	**(23)**
Other costs[APM]	**(179)**	**(9)**	**(10)**	**(198)**
Net finance expense	**(21)**	**–**	**–**	**(21)**
Gain on disposal of investment property – right-of-use lease assets	**–**	**–**	**12**	**12**
Amortisation and impairment of acquired intangibles	**–**	**–**	**(28)**	**(28)**
Share of post-tax loss of associate	**–**	**–**	**(3)**	**(3)**
Third-party share of post-tax profits	**(1)**	**–**	**–**	**(1)**
Profit before tax[APM]	**340**	**–**	**(61)**	**279**
Tax expense[APM]	**(69)**	**–**	**24**	**(45)**
Profit[APM]	**271**	**–**	**(37)**	**234**
Core basic EPS	**23.0¢**			
Core diluted EPS	**22.4¢**			

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
Performance fees[APM]	779	(1)	–	778
Revenue[APM]	1,737	(5)	–	1,732
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
Rental income	5	–	–	5
Distribution costs	(31)	–	–	(31)
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 intangibles	–	–	(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¢			

[APM] The core equivalents of these statutory measures are defined as alternative performance measures.

Core costs comprise asset servicing, compensation costs, core other employment-related expenses, core other costs and third-party share of post-tax profits.

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:

2023 **$m**	**Core measure**	**Reclassification of amounts relating to consolidated fund entities**	**Per Group balance sheet**
Assets			
Cash and cash equivalents[APM]	**180**	**96**	**276**
Fee and other receivables[APM]	**463**	**88**	**551**
Investments in fund products and other investments[APM]	**787**	**1,492**	**2,279**
Investments in associates	**11**	**–**	**11**
Current tax asset	**15**	**–**	**15**
Finance lease receivable	**67**	**–**	**67**
Leasehold improvements and equipment	**53**	**–**	**53**
Leasehold property – right-of-use lease assets	**112**	**–**	**112**
Investment property – right-of-use lease assets	**17**	**–**	**17**
Investment property – consolidated fund entities	**–**	**30**	**30**
Other intangibles	**54**	**–**	**54**
Deferred tax assets	**128**	**–**	**128**
Pension asset	**12**	**–**	**12**
Goodwill and acquired intangibles	**776**	**–**	**776**
Total assets	**2,675**	**1,706**	**4,381**
Liabilities			
Borrowings	**140**	**–**	**140**
Trade and other payables[APM]	**620**	**116**	**736**
Provisions	**16**	**–**	**16**
Current tax liabilities	**3**	**–**	**3**
CLO liabilities – consolidated fund entities	**–**	**1,036**	**1,036**
Third-party interest in consolidated funds	**–**	**554**	**554**
Third-party interest in other subsidiaries	**1**	**–**	**1**
Lease liability	**283**	**–**	**283**
Total liabilities	**1,063**	**1,706**	**2,769**
Net assets	**1,612**	**–**	**1,612**

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
Other intangibles	50	–	50
Deferred tax assets	105	–	105
Pension asset	22	–	22
Goodwill and acquired intangibles	627	–	627
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

[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.

2023 $m	Core measure	Reclassification of amounts relating to consolidated fund entities	Non-core items	Per Group income statement
Management and other fees	995	(5)	–	990
Distribution costs	(32)	–	–	(32)
Net management fee revenue	963	(5)	–	958
Rental income	5	1	–	6
Asset servicing costs	(58)	–	–	(58)
Compensation costs (management fee)	(439)	–	–	(439)
Other employment-related expenses	(2)	–	(21)	(23)
Other costs	(179)	(9)	(10)	(198)
Net finance expense (management fee)	(9)	–	–	(9)
Third-party share of post-tax profits	(1)	–	–	(1)
Management fee profit before tax	280	(13)	(31)	236
Tax expense	(58)			
Management fee profit	222			
Core basic management fee EPS	18.8¢			
Core diluted management fee EPS	18.4¢			
Performance fees	180	(2)	–	178
Net income or gains on investments and other financial instruments	48	39	(11)	76
Compensation costs (performance fee)	(156)	–	–	(156)
Net finance expense (performance fee)	(12)	–	–	(12)
Performance fee profit before tax	60	37	(11)	86
Tax expense	(11)			
Performance fee profit	49			
Core basic performance fee EPS	4.2¢			
Core diluted performance fee EPS	4.0¢			

2022 $m	Core measure	Reclassification of amounts relating to consolidated fund entities	Non-core items	Per Group income statement
Management and other fees	958	(4)	–	954
Distribution costs	(31)	–	–	(31)
Net management fee revenue	927	(4)	–	923
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¢			

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:

	Note to the Group financial statements	**2023 $m**	2022 $m
Net gains/(losses) on seeding investments portfolio	12.1	**47**	(12)
Net gains/(losses) on fund investments held for deferred compensation arrangements and other investments	12.1	**1**	(3)
Core gains/(losses) on investments		**48**	(15)
Non-core items:			
Consolidated fund entities: gross-up of net gains on investments	12.1	**39**	–
Foreign exchange movements	12.1	**(11)**	22
Net income or gains on investments and other financial instruments		**76**	7

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:

	2023 $m	2022 $m
Statutory tax expense	**45**	137
Tax on non-core items:		
Amortisation and impairment of acquired intangibles	**2**	6
Gain on disposal of investment property – right-of-use lease assets	**(3)**	–
Foreign exchange movements	**3**	(4)
Non-core tax item on US deferred tax assets	**22**	(7)
Core tax expense	**69**	132
Comprising:		
Tax expense on core management fee profit before tax	**58**	46
Tax expense on core performance fee profit before tax	**11**	86

The core tax rate is 20% for 2023 (2022: 17%). The increase in the rate is largely due to the increase in the UK corporation tax rate on 1 April 2023 to 25% from 19%.

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:

	Note to the Group financial statements	**2023 $m**	2022 $m
Cash flows from operating activities		**337**	737
Plus changes in working capital:	9		
(Decrease)/increase in fee and other receivables		**(104)**	68
(Decrease)/increase in other financial assets		**(71)**	45
Decrease/(increase) in trade and other payables		**200**	(40)
Core cash flows from operations excluding working capital movements		**362**	810

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, liabilities for put options over non-controlling and employee interests and payables under repo arrangements, as follows:

	Note to the Group financial statements	**2023 $m**	2022 $m
Seeding investments portfolio	12	**595**	688
Available cash and cash equivalents	8	**180**	349
Borrowings	8	**(140)**	–
Contingent consideration payable	11	**(3)**	–
Put option over non-controlling interests in subsidiaries	11	**(9)**	–
Put option over employee interests in subsidiaries	24	**(23)**	–
Payables under repo arrangements	11	**(45)**	(54)
Net financial assets		**555**	983

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 2023

10.7¢ per share

The directors have recommended a final dividend of 10.7 cents per share in respect of the year ended 31 December 2023. Payment of this dividend is subject to approval at the 2024 Annual General Meeting (AGM). Key dates relating to this dividend are given below:

Ex-dividend date	11 April 2024
Record date	12 April 2024
DRIP election date	30 April 2024
AGM (to approve final dividend)	9 May 2024
Sterling conversion date	9 May 2024
Payment date	22 May 2024
CREST accounts credited with DRIP shares	28 May 2024
DRIP share certificates received	29 May 2024

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 will fix the dividend currency conversion rate on 9 May 2024. 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 0371 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 0371 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 0371 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 2023, EQ must have received your instruction by 5.00pm on 30 April 2024. Instructions received after this date will be applied to the next dividend payment.

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[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 2023/24 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 2023/24 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 2023	0/33	22/09/23	4.42	10/8/23	11/08/23	216.45	22/09/23
Final dividend for the year ended 31 Dec 2022	0/32	19/05/23	8.07	06/4/23	11/04/23	220.8133	22/05/23

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 0371 384 2112[1] quoting Ref No 874. 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, liabilities for put options on non-controlling interests 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 (CO2e)
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 (CO2) as reference. We calculate total emissions using tonnes per CO2e or tCO2e

Cash costs
Costs excluding depreciation and amortisation

Collateralised loan obligation (CLO)
CLOs 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 (ExCo)
The executives responsible for delivering the firm's strategy

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

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

Mid-frequency quant equity
A systematic equity long/short strategy trading a diversified set of models across timeframes of hours to weeks

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 (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

Safecall
An independent employee helpline www.safecall.co.uk

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 includes CLO risk retention positions and fund products to which Man Group obtains exposure via sale and repurchase arrangements or TRSs

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 emerging markets fixed income, US direct lending, real estate, risk premia, risk parity and CLO strategies

Total return swap (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^{2}e per million dollars of revenue

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