



Man Group plc
Annual Report 2021

Talent+ Technology



Man Group is a technology- empowered active investment management firm

with

1,450+
employees

from

55+
countries

We trade in

800+
markets around the world

and offer

75+
alternative and long-only
investment strategies

to help our

650+
institutional clients
meet their investment goals

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

At a glance

Our proposition is strong

Our purpose

We are an active investment management firm focused on delivering outperformance for our clients and the millions of savers they represent.

Our culture

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

Our principles

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

Performance

We focus on achieving superior risk-adjusted performance.

Clients

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

Responsibility

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

Excellence

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

Differentiation

We seek to be differentiated and original in our thinking.

Meritocracy

We succeed through talent, commitment, diligence and teamwork.

We actively manage investments of \$148.6 billion in alternative and long-only strategies, run on a quantitative and discretionary basis across liquid and private markets for our global client base and the millions of individuals they represent.

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

Talent +

A deep and diverse pool of talent is vital to our continued success. Our priority is to hire, develop and retain world-class talent across the firm, and to foster a diverse and inclusive environment to support our collaborative culture.

+ go to [page 20](#)

Technology +

Technology is part of our DNA. With 35 years of quant investing experience, we harness the power of technology to improve performance and efficiency across alpha generation, trading and execution, and our operating platform.

+ go to [page 08](#)

Sustainability +

Making a positive impact on our stakeholders, as an investor and as a firm, is a key priority for us. We conduct our business with the highest level of integrity and continuously challenge ourselves to be better.

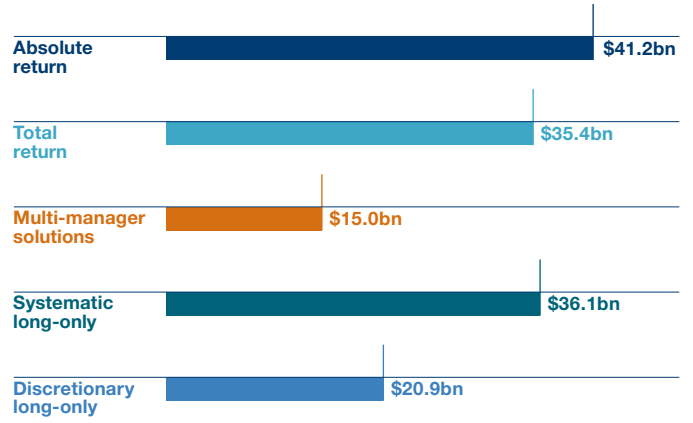
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AUM by strategy type

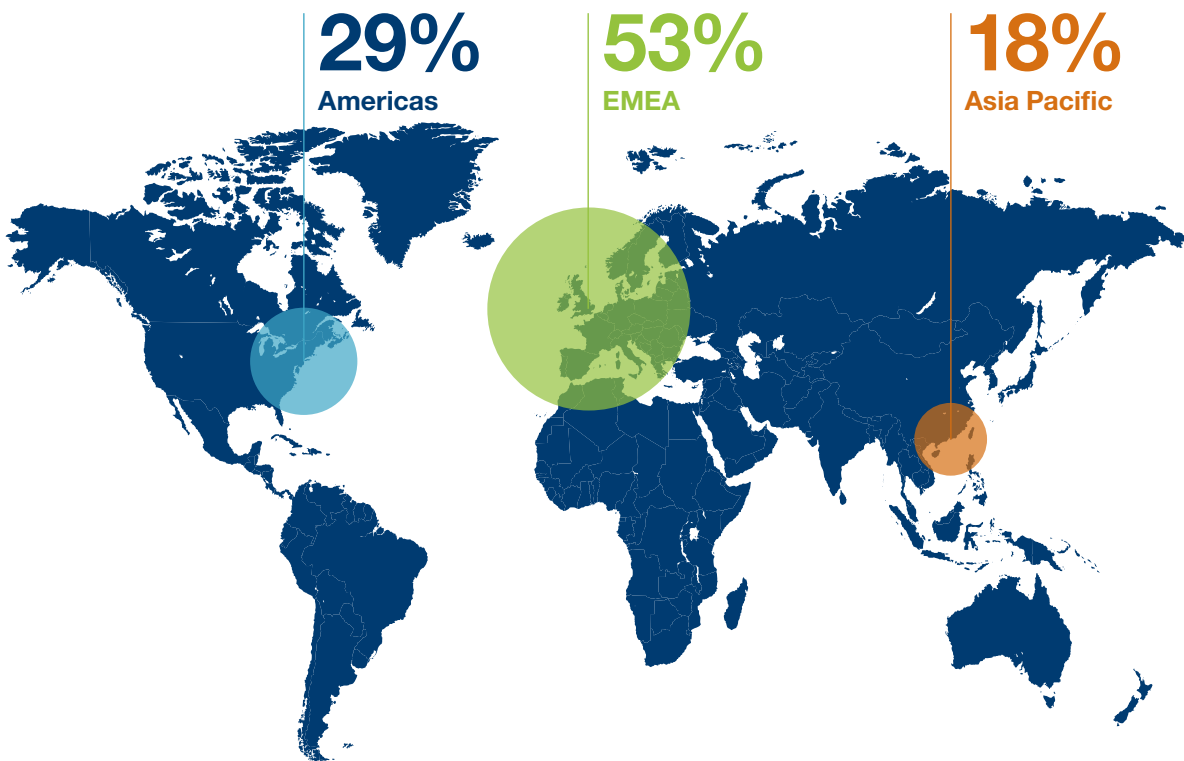


Alternative	\$91.6bn
Long-only	\$57.0bn

AUM by product category



AUM by client domicile



Chair's statement



We delivered 10.4% of absolute investment performance during the year, which means our investors earned \$12.5 billion by investing with Man Group.



John Cryan | Chair



Overview of the year

To all intents and purposes, 2021 felt like an extension of 2020. The world remained gripped by the COVID-19 pandemic, though gradually science and human ingenuity have created opportunities for respite. Governments and central banks were still inclined to be accommodating to the markets, and stimulus packages remained in place in most Western economies.

Against this backdrop, Man Group has had a highly successful year. The markets have been by and large active and strong, and both our algorithmic investing engines and discretionary portfolio managers have been able to create considerable value for our clients. We delivered 10.4% of absolute investment performance during the year, which means our clients earned \$12.5 billion by investing with Man Group. On occasion, the markets have reacted abruptly to surprise news flow: the identification of the Omicron variant of the coronavirus perturbed almost all markets at the time of the US Thanksgiving holiday. However, as a general picture, equity, commodity and credit markets remained strong, despite severe economic challenges in the real economy. The S&P 500 gained 27% for the year, MSCI World was up 20%, and WTI Oil gained 55% while the Barclays Global Aggregate lost 5%.

When investing our clients' assets, we strive to achieve outperformance against the benchmarks mutually agreed with clients. When we succeed for our clients, we succeed for our shareholders and our staff. In 2021, the tremendous value we created for clients translates directly into our core performance fees¹. These were \$569 million in the year, compared with \$179 million in 2020. Performance fees are the main driver of the year-on-year improvement in our profits, whether measured on a profit before tax or earnings per share basis.

As a direct consequence of the overall strong performance of the assets we manage, combined with net inflows of new money in the year, all adjusted for currency fluctuations, our assets under management ended the year at \$148.6 billion, a record figure. This is also a driver of our profits, as we charge fees for management of clients' funds based on the value of those funds from time to time. Our core net management fee revenue¹ for 2021 was also strong at \$877 million, an increase of 20% over the commensurate amount for 2020. The increase is driven by higher assets under management, with some marginal negative impact from the underlying asset mix and the ongoing, market-wide fee pressure to which we have to respond to remain competitive.

Overall profitability for the year under review was significantly impacted by the strong increase in performance fee profits year on year. Core profit before tax¹ for the firm as a whole for 2021 rose by 132% compared to the prior year, growing from a healthy \$284 million to \$658 million this year.

In 2021, we made an adjustment to our dividend and capital return policy, which reflected feedback from institutional shareholders. We have moved to a progressive dividend policy, which is more typical of the companies listed on the London Stock Exchange and demonstrates our confidence in the future growth prospects of our business. Our target is to be able to recommend annual dividends that grow year on year. This comes with the obvious proviso that we would only recommend increasing dividends if our performance and the capital position of the Company warranted increases. Clearly the strong performance in 2021 provides us with the opportunity to meet our dividend target. In line with our new policy, the Board has

recommended a final dividend of 8.4¢ per share, which, when taken together with the interim dividend already distributed, amounts to a full-year dividend of 14.0¢ per share. This compares with the aggregate dividend for 2020 of 10.6¢ per share, a 32% increase. The final dividend recommendation is, as usual, subject to approval by shareholders at the AGM to be held in May 2022.

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

Recently we have done this by way of share buyback programmes. In July and November of 2021, we completed buybacks of approximately \$100 million that we announced in September 2020 and with the 2021 interim results respectively. In early December 2021, your Board approved a further buyback operation of up to \$250 million, to be implemented in tranches, with the first one of \$125 million under way. Together with the earlier \$100 million buyback announced in 2021 and the proposed final dividend, \$544 million of total shareholder returns have been announced in relation to 2021. The timing of share buybacks is, of course, subject to future prevailing market conditions, and cannot be predicted with great accuracy. In 2021, we repurchased an aggregate \$180 million worth of shares under our former and current buyback programmes.

Assets under management

\$148.6bn

+20%

2020: \$123.6bn

Statutory EPS (diluted)

33.8¢

+263%

2020: 9.3¢

Core EPS¹

38.7¢

+139%

2020: 16.2¢

Proposed dividend per share

14.0¢

+32%

2020: 10.6¢

Female representation on our Board

50%

at 31 December 2021

¹ Man Group's alternative performance measures are outlined on pages 183 to 187.

Chair's statement continued

Our role as an asset manager

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

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

We at Man Group recognise that part of our fiduciary duty to our clients is the responsible investment of the funds we manage on their and their own clients' behalf. In ensuring the sound stewardship of our investors' capital we seek not only to align with the values of our clients but also balance the expectations of our shareholders and all the other stakeholders of Man Group. We view Environmental, Social and Governance (ESG) as a natural complement to traditional financial analysis, resulting in a more comprehensive assessment of a company's long-term prospects. Man Group takes a diversified approach to Responsible Investment (RI) across its business and recognises the importance of responsible investing across all asset classes and investment styles where applicable. Each of our strategies aims to apply the best practices of RI in the way that is most relevant to their fields of research through a variety of different methods. We offer our investment managers proprietary tools to monitor and manage ESG factors as well as maintaining a list of companies whose securities are ineligible for inclusion in our portfolios. A significant proportion of our assets under management fall under the category of ESG-integrated funds, as determined by the Global Sustainable Investment Alliance. As of the end of 2021, ESG-integrated assets under management totalled \$55.2 billion, representing 37% of our total assets under management at the time. Further details are contained in the responsible business section on page 46.

Finally, as a reflection of the growing importance of ESG considerations for all stakeholders, we are proposing to introduce explicit ESG targets in the remuneration of executive directors from 2022.



Working from home

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

At times during the year, all but a handful of essential support staff dedicated to maintenance of our premises have been forced by government directives to connect remotely to the Company's systems. We continue to operate remote working seamlessly, with no noticeable impact on the effectiveness of our operations or on the strength of our controls. The Board remains justifiably proud of the resilience, dedication and commitment shown by all our staff throughout the year. In addition to responding to government directives and guidance, we believe that an element of remote working will remain in operation long after the pandemic is over, as it affords our people the opportunity to rebalance their work, family and social time. To that end, we have been operating both work-from-home and hybrid home and office working models. Under the tagline 'Hub, Club, Home and Roam', we offer staff an agile working environment, with a range of options designed to ensure all our staff feel safe and comfortable in our employment.

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

People and culture

Our success in attracting, retaining, developing and motivating staff is of vital importance to our future and remains a key area of focus for the Board and senior management. An element of this effort involves us ensuring that Man Group remains a highly attractive place to work. Increasingly too, it means ensuring that we espouse and act with corporate social responsibility. Firms that are well run get their Corporate Social Responsibility (CSR) engagement right. Good governance, a social conscience, respect for the environment: these should be the very least that we expect from a 21st century company. As your Board, it is our duty to foster a culture of responsibility and decency in everything Man Group does.

The Board also oversees management's alignment of our culture with the ethical values we embrace, for example, becoming a signatory to the United Nations Global Compact¹. We also encourage management in its promotion of diversity, equity and inclusion of staff at all levels of the organisation in order to better reflect the diverse perspectives of our stakeholders. To ensure that feedback and ideas from our people are captured, we conducted another employee survey during the year. We were particularly keen to understand the views of staff in the context of remote working. I am pleased to report that the results of the survey, while indicating ideas for improvement, were highly encouraging.

¹ Further details on the United Nations Global Compact and our signatory status can be found in the [CSR Brochure](#).

Community

We are conscious of the impact our organisation has on the broader community, and we aim to give back and contribute positively to those around us. We achieve this primarily through our work with the Man Charitable Trust in the UK and our US-based Man Charitable Foundation, to which Man Group donated a total of \$4 million in 2021.

Our employees are actively involved in charitable initiatives and volunteering opportunities through our ManKind Programme. ManKind gives employees the opportunity to take two days' paid leave each year to volunteer with a charity of their choice. In addition, this year all staff were offered £400 each to donate to a food bank or a charity focused on homelessness or poverty in their community.

The firm continues to develop its work to promote diversity and social mobility in education, particularly in STEM subjects (science, technology, engineering and mathematics). As part of this, Man Group continues to support the King's College London Mathematics School and we are now in our third year of working with the students and teachers there. In 2021, we also extended our focus on STEM to include 'responsibility' and sponsored Green Skills Week, run by Speakers4Schools. Luke Ellis, Robyn Grew and several of our staff spoke about responsible investing and corporate social responsibility at a number of schools.

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 page 68.



Our success in attracting, retaining, developing and motivating staff is of vital importance to our future and remains a key area of focus for the Board and senior management.



John Cryan | Chair

Shareholders

The Board gives high priority to shareholder and investor communications. It receives regular investor reports which detail the feedback from investor meetings and from engagement with the various shareholders' representative organisations. The Board has also been focused on ensuring proactive engagement with shareholders in specific relation to remuneration matters.

In 2021, we held our Annual General Meeting using a webcasting facility. The system allowed for shareholders to pose questions in real-time to the Board using an in-built chat function. It remains to be seen whether we will be able to hold our 2022 meeting in person.

Board changes

Mark Jones was appointed as Deputy CEO of Man Group on 1 October 2021 and stepped down from the Board on that date. I would like to thank Mark for the significant contribution he made to the firm as CFO and wish him the very best for his new role. Antoine Forterre, previously co-CEO of Man AHL, took over the CFO role on 1 October 2021. Antoine brings a wealth of knowledge and experience from his previous roles at Man Group and he has quickly settled into his new responsibilities. I am very much looking forward to our continued work together.

In early December, we announced that Dev Sanyal will be stepping down from our Board after a full term of service upon the completion of our AGM in 2022. Dev has been an outstanding director since he joined our Board in 2013. His sage advice and strategic insights have been invaluable sources of guidance to Board and management alike. I would like to thank him for his tremendous contribution and wish him well. Zoe Cruz will also be

stepping down from our Board following the 2022 AGM. I would like to thank Zoe for her excellent contribution to the Board over the past four years, particularly her insight on global financial markets and strong US perspective, and wish her all the best for the future. Finally, I am pleased to report that Jackie Hunt has been appointed to the Board with effect from 28 February 2022. Jackie brings substantial asset management, financial and executive management experience and will be a valuable addition to the Board. We are very much looking forward to working with her.

Workforce engagement

When the Board takes important decisions, it always gives specific consideration to how those decisions might impact staff. We also monitor feedback from staff on the choices made. As part of this process, we engage formally and directly with our employees across the globe in specific fora. Dame Kate Barker and Zoe Cruz are the Board's designated representatives, and have lead this engagement. Ceci Kurzman will assume these responsibilities from Zoe from March 2022. More generally, we encourage all Board members to engage with staff in formal or informal settings. Given pandemic-related restrictions on face-to-face gatherings, direct engagement by the Board with the workforce in 2021 has continued to be somewhat restricted and tailored to remote working. The Board as a whole has discussed and considered the feedback received to date, and we continue to assess what may be the most effective means of incorporating the interests of staff more explicitly into Board decision-making.

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

John Cryan

Chair

Technology+ Innovation



Overview

Technology is part of our DNA. For us, it isn't just about making better investment decisions; it permeates our culture and powers everything we do. We have invested in and built a single robust technology platform that supports all parts of our business, from alpha generation, portfolio management, trade execution, risk management and operations all the way through to compliance and fund accounting. Our unique collaboration with Oxford University (Oxford-Man Institute) provides us with a direct connection to cutting-edge machine learning research and allows for the cross-pollination of ideas between the investment and academic communities.

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

570+

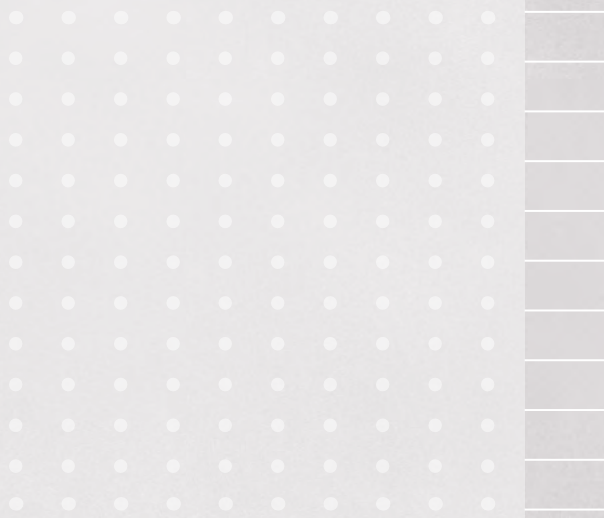
quantitative researchers and technologists

75%

of trades automated and routed using machine learning techniques

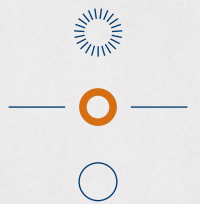
150bn+

data points captured weekly



Strategy spotlight AHL TargetRisk

- Launched: 2014
- Multi-asset, long-only strategy
- Systematic techniques to manage risk actively
- AUM at December 2021: \$18.7bn, 67% growth in 12 months



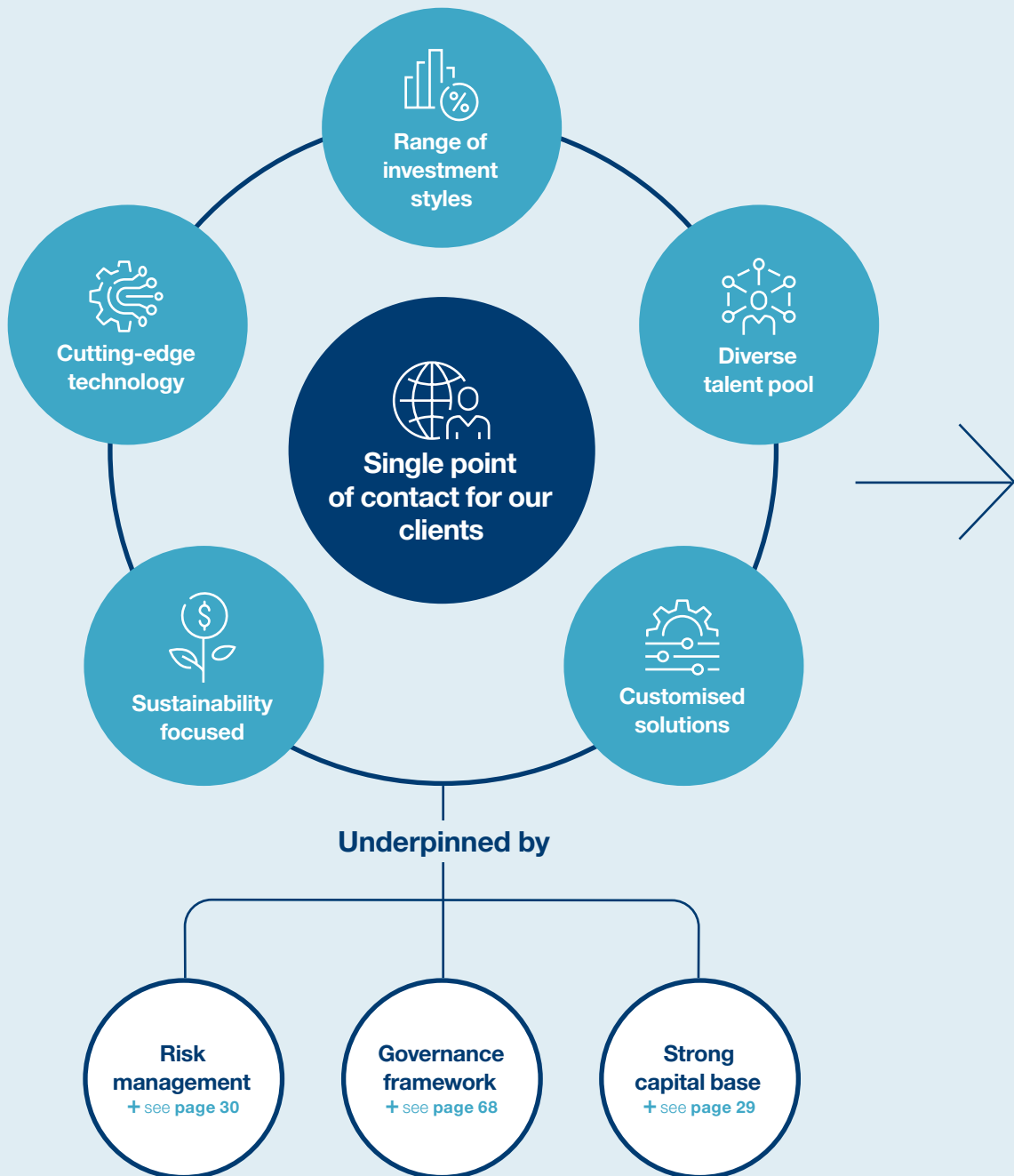
```
def write(self, symbol):
    pandas = False
    # Check for overlap
    if isinstance(data, I
        start = data[0][*in
        end = data[-1][*ind
    elif isinstance(data
        start = data.index[
        end = data.index[-1
    pandas = True
```

Our business model

Agile and responsible

Our clients are at the heart of everything we do and our strengths allow us to help them meet their investment goals through value-added active asset management.

Our competitive advantage...



Creating value

We believe the combination of profit growth, capital generation and dividend yield provides a highly attractive total return to our shareholders over time. Capital growth from performance in our investment strategies together with net inflows from our clients drive organic revenue growth. The operating leverage inherent in our business and reinforced by our technology means profits can grow faster than revenues if we maintain cost discipline, and this in turn supports shareholder returns.

● Single point of contact for our clients

We serve millions of underlying savers through longstanding relationships with the largest institutions and intermediaries in the world, and put our clients' needs at the centre of everything we do.

● Range of investment styles

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

● Diverse talent pool

We are fundamentally a people business. Our talent and collaborative culture are vital components to ensure we deliver the best possible outcomes for all our stakeholders. See page 38 for further details.

● Customised solutions

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

● Sustainability focused

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

● Cutting-edge technology

We harness the power of technology to improve performance and efficiency across everything from alpha generation and risk management to trade execution and our operating infrastructure.

Delivering for all our stakeholders



Clients

Absolute investment performance

\$12.5bn

of gains for clients in 2021
+ see page 26



Employees

Employee engagement score

81%

+ see page 39

Servicing clients' needs

62%

AUM customised for individual client needs

Internal transfers

226



Shareholders

Shareholder returns

\$1.7bn

of dividends and buybacks in the last five years
+ see page 25



Communities

Employees volunteered

1,200+

hours both remotely and in-person during 2021
+ see page 43

Dividends and share buybacks

\$544m

in relation to 2021

Donations

£400

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

Our market

Market environment and industry trends

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

Market

Macro environment

Description

- After the volatility of 2020, global equity markets continued to rally through 2021 with the S&P 500 and the MSCI World index ending the year near all-time highs.
- By the end of 2021, the Shiller cyclically adjusted price-to-earnings ratio reached its highest levels since the height of the dot-com bubble in 2000.
- The US ten-year yield increased consistently from the 0.5% low in March 2020 to reach 1.5% by December 2021. Longer-term bond yields also increased but typically remained below pre-pandemic averages.

Inflation

- The US consumer price index rose 7.0%² in the year to December 2021, the highest increase since 1982.
- The equivalent 4.8% rise in the UK was the largest in a decade.
- Inflation, likely to be particularly challenging for fixed income securities, is expected to drive demand for bond replacement strategies and alternatives more broadly.

New markets

- Cryptocurrencies were among the best-performing asset classes in 2021 and continued to draw institutional interest with the combined market value of the most frequently traded coins passing \$2 trillion by December 2021.
- China confirmed the gradual opening of its capital markets to foreign institutional investors, notably via relaxing some of the constraints around QFII quotas.
- The electronification of the credit market structure remained a key trend in fixed income markets. In October 2021, 37% of high-grade US corporate bond trading happened electronically, up from 21% in early 2019, according to Coalition Greenwich.

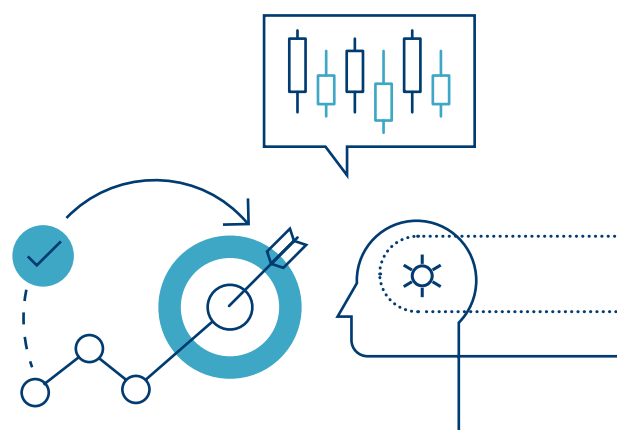
What this means for Man Group

- Elevated equity and bond valuations make a compelling case for investing in alternatives. We are a market leader in alternatives¹, with over 35 years of experience in liquid alternative investment strategies.
- Many of our strategies have the potential to generate alpha irrespective of the direction of prevailing market trends, positioning us well to protect client capital through turbulent periods.
- By trading a wide range of macro investments, as well as traditional asset classes, our strategies are able to generate diversifying alpha in varied macro regimes.
- We continue to maintain the highest standards of risk management across our suite of product offerings.
- We do not focus on market timing, instead offering a breadth of capabilities that are able to profit through upward or downward trends in the market.
- We believe some of our alternative strategies can mimic bond returns while adding favourable characteristics, including targeting inflation protection.
- We believe our diversified trend-following strategies are particularly well placed to perform through periods of high inflation³.
- Interest rate increases and tapering of quantitative easing have led to a rotation away from growth stocks, which could support our more value-oriented long-only strategies.
- We have a long track record of trading new asset classes and frontier markets.
- Man Group first started trading Bitcoin futures in January 2018, adding Ether futures in February 2021.
- We are investigating utilising cryptocurrencies in some of our macro strategies.
- We continue to be early investors in a range of China strategies, and see opportunity for further growth in both discretionary and systematic investment styles.
- Our fixed income quantitative investment strategies are using the growing amount of data available on the fixed income and credit markets to develop new strategies.

¹ Source: P&I, largest hedge fund managers in 2021.

² Before seasonal adjustment.

³ See [‘The Best Strategies for Inflationary Times’](#), available via the Man Institute.



Industry

Allocations to alternatives

Description

- Assets across the hedge fund industry exceeded \$4 trillion for the first time in 2021.
- Having navigated equity and commodity market volatility, rising rates and inflationary pressure, global institutional investors are beginning to increase their allocations to liquid alternatives.

ESG

- 2021 brought a number of significant changes for ESG within the investment management industry.
- March 2021 marked the beginning of European ESG regulatory oversight, highlighted by the EU's Sustainable Finance Disclosure Regulation (SFDR) imposing mandatory ESG disclosure requirements for asset managers and other financial market participants.
- Net zero carbon emissions became a widely held target across the public and private sectors.
- Effective stewardship continued to gain momentum as an important competitive differentiator.

Technology

- 95% of the asset managers surveyed in 'The Future of Asset Management' report by Accenture believed that technology, data and digital capabilities will be key differentiators in the future of asset management.

What this means for Man Group

- Our strong performance in 2021 and deep client relationships position us well to benefit from industry-wide tailwinds.
- Alternative strategies made up 62% of our AUM as at December 2021. These relatively higher-fee and alpha-oriented products are in high demand and are supported by solid investment performance in the year.
- We also offer multi-manager solutions which leverage our operational expertise, breadth of investment styles and internal infrastructure to service large sophisticated clients in order to meet their individual requirements.
- We aim to be a leader in responsible investment across our investment strategies.
- We have committed to the Net Zero Asset Manager Initiative, targeting net zero carbon emissions across our investment portfolios by 2050.
- We are investing significantly in our climate resources and capabilities.
- We have established the Man Responsible Investment Oversight Committee and have developed frameworks and control functions in alignment with the European Sustainable Finance Disclosure Regulation.
- We have invested heavily in developing our proprietary technology infrastructure to ensure we remain cutting edge.
- Our trading and asset management operating platform is supported by over 570 quants, engineers and technologists.
- We employ machine learning and proprietary algorithms for trading across our asset management teams, creating significant economies of scale for our business and value for our clients.
- In January 2021, we announced the HUB joint venture, in partnership with PIMCO, IHS Markit, State Street, Microsoft and McKinsey. HUB aims for the first time to make our technology available to third parties over the cloud.

Our strategy

Driving sustainable growth

We leverage our 35 years of experience investing in liquid alternatives to deliver alpha and customised solutions for our clients. Four main strategic pillars drive value for Man Group.

Innovative investment strategies	Strong client relationships	Efficient and effective operations
<p>Combining our exceptional talent and market-leading technology to generate superior investment returns for our clients.</p> <p>16 new investment strategies seeded across our business in 2021</p>	<p>Building long-term partnerships with clients, through one point of contact, to understand their needs and offer solutions to meet their risk and return requirements.</p> <p>\$13.7bn of net inflows in 2021, a new record for our firm</p>	<p>Harnessing technology to power investment performance and infrastructure, provide scalable options for growth and create operating efficiencies throughout the firm.</p> <p>60% of our discretionary strategies use alternative data in their investment processes</p>

How we performed in 2021

- Absolute investment performance of 10.4%, or \$12.5 billion, for our clients.
- Strong performance across alternative and long-only strategies, which resulted in overall asset weighted relative investment outperformance of 1.9%.
- Exceptionally strong outperformance from systematic long-only strategies, which delivered 5.6% alpha relative to benchmarks.
- Core performance fees¹ of \$569 million, the strongest recorded in over ten years.
- Built on the success of Man AHL TargetRisk by launching new related strategies, scaling total assets to \$18.7 billion.
- Announced the first close of our Man GPM RI Community Housing strategy earlier in the year, which is focused on addressing the affordable housing shortage in the UK.
- Record net inflows in 2021 of \$13.7 billion, outperforming the industry by 9.8%.
- Continued to engage with clients regularly, attending 10,500 virtual client meetings in 2021.
- Reinforced longstanding client relationships: 48% of AUM from clients invested in four or more products.
- Continued to see clients investing across our platform: our top 50 clients invest in an average of four products.
- Focused on building new relationships: 28 new clients invested \$50 million or more with us.
- Awarded a large, climate-focused institutional mandate, which is a strong endorsement of our ability to innovate and deliver a bespoke product to meet clients' ESG goals.
- Hosted our annual Man Alternative Investing Symposium and 41 other client webinars attended by over 1,200 clients.
- Invested over \$100 million into our investment management and technology capabilities which will further support our ability to serve our clients globally.
- Seamlessly transitioned to an agile working model as a result of our single operating platform, which underpins our business processes in a flexible and scalable way.
- Successfully completed the refurbishment of our London office, Riverbank House, a space designed to support our new agile working model.
- Increased the number of high-performance computing users by 16% to over 400 employees.
- Trained 115 employees in Python and data science skills through four internally developed courses in order to technically upskill our people across the business.
- Continued to actively foster a diverse and inclusive culture across the business through the Drive programme.

Objectives for 2022

- Generate value through expansion of our alternative and solutions offerings.
- Continue to develop ESG strategies that meet client demand and add value to their portfolios.
- Attract and develop talent in sales, providing relevant training and development across all levels.
- Broaden and deepen existing client relationships and continue to develop relationships with key target clients and institutions.
- Continue investment in technology and talent across both our investment and infrastructure teams to support future growth.
- Maintain focus on cost base and carbon footprint to ensure that we run the business effectively.

For more information on how KPIs relate to our strategy go to [page 22](#).

For more information on how Risks relate to our strategy go to [page 30](#).

Returns to shareholders

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

\$544m

total shareholder returns announced in relation to 2021

- Completed two \$100 million share buyback programmes announced in September 2020 and July 2021.
- Announced a further \$250 million share buyback programme in December 2021, to be implemented in tranches.
- Full year 2021 dividend of 14.0¢, 32% higher than full year 2020, under our progressive dividend policy.
- Strong, liquid balance sheet with \$907 million of net financial assets¹.
- Identified and reviewed over 100 potential acquisition opportunities during the year.

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

¹ Man Group's alternative performance measures are outlined on pages 183 to 187.

² ESG-oriented funds made up of 16 Article 8 funds and 1 Article 9 fund under SFDR.

Our climate strategy

At Man Group, we believe in the absolute necessity of addressing the climate crisis. As stewards of capital and long-term investors, we acknowledge our responsibility to address climate change-related risks and opportunities through our own investment decisions, as well as through our influence on investee companies.

In July 2021, we became a signatory of the Net Zero Asset Managers initiative, committing to the attainment of net zero emissions within our investment portfolios by 2050.

We view the climate transition not only as a risk, but also as an important driver of growth for our business. We recognise the critical importance of adapting our strategies to stay relevant to our clients and cater to their long-term investment objectives as we transition to a low-carbon economy.

We have also committed to achieve net zero carbon in our workplaces by 2030 and were recognised as an FT Europe Climate Leader in 2021 for our work towards reducing emissions. We are on track to meet our targets.

\$55.2bn

ESG-integrated assets under management

17

ESG-oriented funds² launched or converted this year

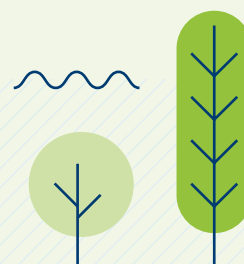
How we address climate-related risks and opportunities

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

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

+ For our Responsible Business section see **page 46**

+ For our TCFD references see **pages 61 and 62**



Chief Executive Officer's review



I am delighted by the exceptionally strong set of results we delivered for 2021. During the year we made significant progress on our key strategic objectives, which has laid firm foundations for the longer-term growth of the business.



Luke Ellis | Chief Executive Officer



Overview¹

2021 was another unprecedented year shaped by the COVID-19 pandemic. It was a year of anticipation as many around the world looked ahead optimistically at a return to a degree of normality. Markets rose relatively steadily, driven by the distribution of vaccines, continued fiscal and monetary stimulus, strong corporate earnings and increased consumer demand as lockdowns eased. Most major equity indices ended the year at or near record highs, delivering double-digit returns despite periods of uncertainty and volatility at various times owing to issues ranging from surging inflation, new virus variants, supply chain disruptions and the emergence of speculative retail investors.

I am delighted by the exceptionally strong set of results we delivered for 2021. During the year we made significant progress on our key strategic objectives, which has laid firm foundations for the longer-term growth of the business.

Our technology-empowered active investment processes delivered strong overall investment performance for our clients of \$12.5 billion, and 1.9% in asset weighted relative investment outperformance across our strategies. Our clients have recognised this performance with \$13.7 billion of net inflows, including our strongest quarters ever in Q3 and Q4. More importantly, we continue to develop better and deeper relationships with the world's largest and most sophisticated asset owners. In addition, we continued to add to our range of investment strategies, with new strategies such as Man GPM RI Community Housing, and invest in our research and innovation, whether that be execution technology, machine learning, data science or our responsible investing capabilities.

The strong outperformance together with positive momentum in markets and net inflows resulted in our AUM increasing to \$148.6 billion, a new high for Man Group. The growth was broad based, with both our alternative and long-only strategies growing their AUM during the year.

Core profit before tax² increased to \$658 million, compared to \$284 million in 2020, due to growth in management fee earnings and an exceptionally strong performance fee outcome. Our results highlight the benefit of the diversified set of performance fee earning strategies we offer. Core management fee profit before tax² was up 48%, reflecting the strong growth of AUM during the year. Statutory profit before tax was \$590 million, compared to \$179 million in 2020.

These results are a reflection of our performance, our growth, the demand for our products and the value of active investment management. Our ability to continue to deliver positive client outcomes during uncertain economic periods reinforces my belief that our range of strategies, dedicated talent, technological edge, collaborative culture and the depth of our client relationships, mean we are well positioned for the future.

Performance¹

Absolute investment performance across our product categories was up 10.4%. Our alternative strategies were up 8.1%, driven by positive performance from AHL Evolution (+17.0%) and Alternative Risk Premia (+12.8%). On average, our long-only strategies were up 13.4%, having benefited from rallying equity markets and the rotation into value. Performance in Numeric Europe (+29.4%) and GLG Japan CoreAlpha (+28.2%) was particularly strong as a result of this.

Asset weighted relative outperformance of 0.5% in alternatives was driven by our quantitative strategies, with AHL TargetRisk continuing its relative outperformance since launch. Relative outperformance of 3.8% across our long-only strategies was exceptionally strong, largely due to their valuation focus. Our systematic long-only strategies at Man Numeric, as well as GLG Japan CoreAlpha, outperformed in the year.

Progress against strategic priorities

Strong client relationships

2021 saw excellent engagement with existing and new clients across the globe, reflected by record net inflows for the year of \$13.7 billion. This is notably strong relative to the industry, which saw average inflows of 1.3% across comparable strategies in 2021. It is one of the best signs of the strength of our business today.

We continued to make good progress in building long-term relationships with clients and during the year we added a significant number of new relationships with strategically important asset allocators and distributors. One of the most notable wins was a large mandate into our Numeric Global Sustainable Climate strategy. This marks a very exciting milestone for us and is a strong endorsement of our ability to innovate and deliver a bespoke product that incorporates proprietary climate research to meet our clients' ESG goals.

The trend of clients investing across the firm continues, with a number of existing clients investing in new products in 2021. At the end of December, 78% of our AUM is from clients investing in two products or more and 48% 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 and breadth of our offering, and the value of providing clients with a single point of contact who understands them and their unique requirements.

Absolute investment performance

\$12.5bn

2020: \$3.3bn

Relative investment performance

+1.9%

2020: -1.0%

Statutory profit before tax

\$590m

+230%

2020: \$179m

Core profit before tax²

\$658m

+132%

2020: \$284m

Absolute and relative investment performance in 2021

	Relative	Absolute
Absolute return	-0.7%	8.1%
Total return	2.8%	9.4%
Multi-manager solutions	-0.7%	4.6%
Systematic long-only	5.6%	14.8%
Discretionary long-only	1.4%	11.0%
Group	1.9%	10.4%

¹ Past performance is not indicative of future results. Returns may increase or decrease as a result of currency fluctuations. Performance figures are shown net of representative management and performance fees.

² Man Group's alternative performance measures are outlined on pages 183 to 187.

Chief Executive Officer's review continued

In September, we hosted the Man Alternative Investing Symposium in partnership with the Oxford Man Institute, a world-leading academic research institute at the University of Oxford that Man Group has worked in collaboration with since 2007. The Symposium included clients from the UK, Europe and the US, as well as a number of internal and guest speakers. The sessions covered a range of topics from modern monetary theory to climate change models under the overarching theme of 'forecasting'. The feedback we received from clients was overwhelmingly positive, and it was fantastic for us to host clients in person again.

Innovative investment strategies

Innovation strengthens our business by further diversifying our revenue streams, providing interesting development opportunities for our people and, most importantly, maintaining our performance edge and relevance with clients. We recognise that we need to keep innovating to meet their unique requirements, and we invest a huge amount of time and energy in research.

During 2021, we continued to see growth from strategies we have seeded and developed organically in the past. Once again, AHL TargetRisk saw material client demand during the year and was a significant contributor to the firm as a whole. We launched additional products within the AHL TargetRisk range, including TargetGrowth and TargetRisk Core, and now have a total of \$18.7 billion of AUM in the strategy range.

We were also pleased to announce the first close of our Man GPM RI Community Housing Fund earlier in the year, which is focused on addressing the shortage of new, high-quality housing in the UK that is affordable to those earning the median income and below. The first residents moved in before Christmas and included young families and key workers whom we all relied upon during the pandemic.

We see an opportunity for further growth in credit and fixed income, whether systematic or discretionary, and strategies focused on Asia. Our fixed income quantitative investment strategies are using the growing amount of data available on the fixed income and credit markets to develop new strategies operating in those markets. We launched a new systematic fixed income strategy during the year and continue to see inflows into our discretionary and quantitative high yield strategies. We have also seen good traction with strategies focused on Asia ex-Japan and both onshore and offshore in China.

We see our pipeline of new ideas and products as very strong and have seeded 16 new strategies this year, increasing our seeding book to \$648 million at the end of 2021.

Using the Global Sustainable Investment Alliance's definitions and classification, \$55.2 billion of Man Group's assets under management across all our investment engines integrate ESG factors into their decision-making process. As ESG becomes better understood as something that can be quantitative as well as qualitative, we believe our 570+ quants and technologists and 35 years of experience in understanding data and quant investing puts us in a unique position to provide meaningful RI solutions for our clients across the range of strategies we offer.

We continue to build our firmwide centre of execution excellence in trading, trading technology and trading research. Efficient execution is key to our business's success and the delivery of performance for clients. It enables them to capture more of the alpha that our portfolio managers generate. It is also a fast-evolving area that is ripe for innovation, for example, via the expanded use of machine learning or the development of systematic ways to trade single name credit.

Efficient and effective operations

Our technology and central infrastructure are the foundations on which the firm operates. This enables us to evolve and adapt as markets and clients' needs do. With the firm's knowledge, experience and talent, our single platform facilitates alpha generation, portfolio management, trade execution, operations, compliance, risk management and financial reporting.

During the year, we invested over \$100 million in our technology capabilities, which will further support our ability to serve our clients globally. Continuous investment in our people, data and platform technology in order to enhance our capabilities is what maintains and increases our technological lead and our competitive edge. In January 2021, we also announced the HUB joint venture, in partnership with PIMCO, IHS Markit, State Street, Microsoft and McKinsey. HUB aims to, for the first time, make our intellectual property in technology available to third parties via the cloud.

This year we completed an extensive refurbishment of our offices and moved all our London teams to the same building in the City of London, a space designed to support our new agile working model. We already see the significant advantages this generates for employees, the firm and our clients.

We also continue to review a large number of acquisition opportunities, and while we haven't seen any that meet our criteria in 2021, we think this capability will prove valuable to shareholders in the longer term, as it has in the past.

Climate change

The need for rapid action on climate change is beyond debate, and the world of climate science is moving at a commensurate pace. 2021 has marked an important milestone in our commitment to combat climate change as we signed up to the Net Zero Asset Managers initiative and committed to climate neutrality in line with the Paris Agreement. We are also pleased to report that Man Group has been listed in the top 300 of the FT's Climate Leaders list for Europe for reducing our core greenhouse gas emission intensity.

While climate change is undoubtedly a threat to society, it also presents an opportunity for our firm. We are building and launching climate-oriented strategies across the business and established climate research capabilities in-house. Developing and researching innovative investment solutions compatible with supporting a transition to a low-carbon economy is a key area of strategic focus for us, both to stay relevant to our clients and achieve more sustainable growth over time.

People and culture

Our focus on attracting, supporting and retaining the best talent has remained a top priority throughout this unusual year. We are fundamentally a people business, and attracting the brightest at all levels is vital to our ability to deliver better outcomes for all our stakeholders. We place great importance on being an employer of choice and an organisation where all our employees can bring their authentic selves to work to learn, develop and achieve excellence. We are pleased to report that our 2021 staff survey recorded an engagement score of 81% with a response rate of 78%.

At Man Group, we believe in diversity. It is the right thing to do because it makes us a better place to work, and a stronger business. Our culture is based on mutual respect for others, and we believe that by celebrating diversity at all levels, we encourage original and collaborative thinking with multiple and differing perspectives.



We remain confident in our growth trajectory, with the combination of our talented team and our lead in technology driving our strong competitive position.



Luke Ellis | Chief Executive Officer

Our initiatives to support diversity and inclusion are led by Drive, Man Group's close-knit and collaborative group of networks run by our employees and sponsored by members of the Senior Executive Committee. It seeks to inform, support and inspire our people, and we have run a number of successful events during the year to mark Global Inclusion Week, Mental Health Awareness Week and Earth Day, to name a few.

In recent years, we have been pleased to see a positive trajectory in relation to gender diversity. We have seen the proportion of women in senior management roles rising from 20% in 2017 to 27% in 2021.

I am also pleased to reconfirm Man Group's support for the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption. As an active signatory, we are committed to making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of our firm, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals.

I am proud of what we've achieved so far, but I know that fostering a truly diverse and inclusive business takes time. It is a team effort that requires commitment and collaboration, and there is still work to be done. However, I'm convinced that this firm and our industry will be better in the long term because of the steps we are taking today.

Growth

2021 was another strong year of growth for Man Group. Our intensely client-centric approach has proved key to improving flows, and our technology leadership has extended our competitive advantage and delivered strong returns for clients and shareholders. Since the beginning of 2017, we have seen \$37.8 billion of net inflows from clients and the number of clients for whom we manage more than \$1 billion has grown from 10 to 26. We have increased our core management fee profitability¹ by 102% to \$266 million and have grown our core management fee EPS¹ by 134%, while returning on average 10% of our market cap in dividends and share buybacks every year during that period.

Outlook

2021 was an excellent period of growth and demonstrates the potential of the firm we have built over the past few years. We are confident in our growth trajectory, entering the year with good momentum and remain focused on investing in our talent and technology, which are the foundations of the firm and cement our sustainable competitive advantage.

Luke Ellis
Chief Executive Officer

Women in senior management

27%

at 31 December 2021

AHL TargetRisk AUM

\$18.7bn

at 31 December 2021

Net inflows

\$37.8bn

over five years (2017 to 2021)

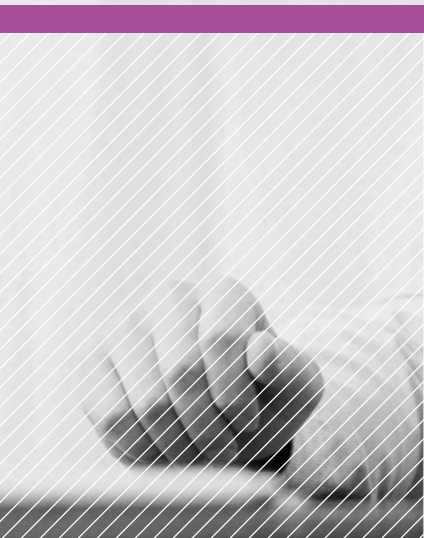
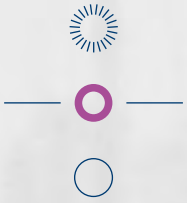
Quants and technologists

570+

at 31 December 2021

¹ Man Group's alternative performance measures are outlined on pages 183 to 187.

Talent+ Excellence



Overview

A deep and diverse pool of talent is vital to our continued success. Our priority is to hire and develop world-class talent across the firm, from quants and technologists to portfolio managers and analysts, and to foster a diverse workforce to support innovation and collaboration. We are committed to developing an inclusive culture, where people at every level of the firm can develop their skills, make an impact, and build their careers.

+ For more information on diversity, equity and inclusion, please visit:
<https://www.man.com/diversity>

27%

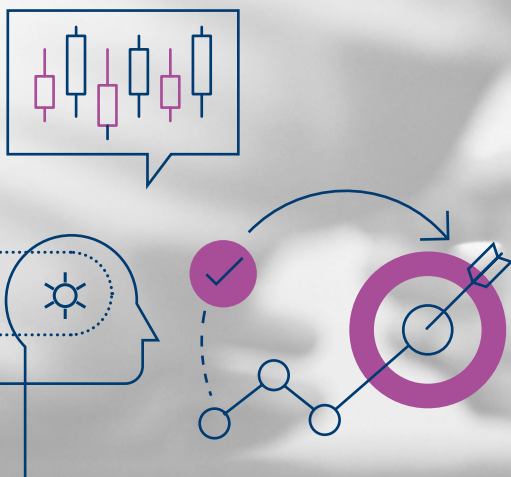
of our senior managers are women

226

internal transfers during 2021

+1.9%

relative investment performance¹
in 2021



Strategy spotlight GLG High Yield

- Launched: 2019
- Unconstrained global high yield bond strategy
- Focus on bottom-up credit analysis
- AUM at December 2021: \$2.8 billion, with \$1.9 billion of net inflows in the year

¹ For definition see glossary.

```
def write(self, symbol,
pandas = False
# Check for overlappi
if isinstance(data, l
start = data[0][‘in
end = data[-1][‘inc
elif isinstance(data,
start = data.index[
end = data.index[-1
pandas = True
```

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.

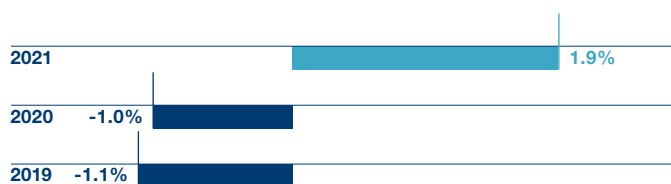
Link to strategy

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

Link to governance

- Ⓜ Executive Director Remuneration

Relative investment performance ① ④ Ⓜ



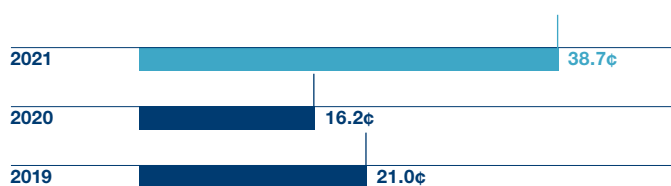
What we measure

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

How we performed

We had asset weighted relative investment outperformance of 1.9% in 2021, across both alternative and systematic long-only strategies, an improvement on 2019 and 2020. For further discussion on investment performance see page 17.

Core EPS ① ② ③ ④ Ⓜ



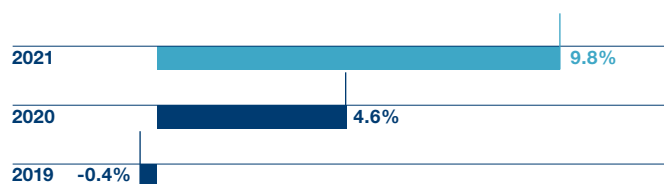
What we measure

Core EPS¹ is a measure of core profitability and capital management. From 2021 we changed to this KPI from core profit before tax¹ in order to provide better comparability across our peers and to align management incentives and shareholder interests further.

How we performed

Core EPS of 38.7¢ for 2021 is an increase of 139% compared to 2020, reflecting exceptionally strong performance fee generation in the year and the operating leverage inherent in our business.

Relative net flows ① ② ④ Ⓜ



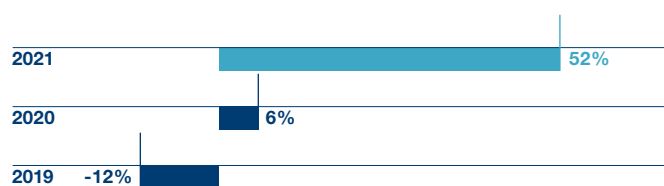
What we measure

Relative net flows are a measure of our ability to attract and retain investor capital in comparison to our industry peers. AUM drives our financial performance in terms of our ability to earn management and performance fees.

How we performed

At 9.8%, relative net flows in 2021 have been particularly strong, indicating the strength of our diversified product offering and depth of our global client relationships.

Core management fee EPS growth ① ② ③ ④



What we measure

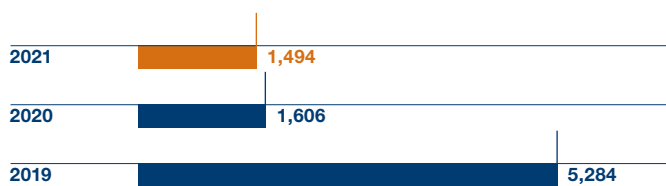
Core management fee EPS¹ growth in the year measures the overall effectiveness of our business model and reflects the value generation for shareholders from our more stable earnings stream. In 2021 we changed this KPI from adjusted to core management fee EPS growth, as these two measures became aligned in 2020.

How we performed

Core management fee EPS increased by 52% to 15.7¢. Investment performance and net inflows drove increased management fee profitability in the year, supplemented by \$180 million of capital returned through our share buyback programmes which reduce total share count.

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

Carbon footprint (tCO₂e)



What we measure

In order to monitor and decrease our direct carbon footprint, we measure total greenhouse gas emissions (tCO₂e), using the market-based approach².

How we performed

In 2021, total carbon emissions decreased by 7% compared to 2020, despite our offices reopening as lockdowns eased. We continued to reduce emissions by improving the energy efficiency of our offices. Further information on how we seek to minimise any negative impact on the environment can be found on pages 49 to 53.

Women in senior management roles [®]



What we measure

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

How we performed

We made some progress in the number of women in senior management roles during the year, increasing the percentage to 27% in 2021. However, we recognise there remains a long way to go. Further information on our initiatives to develop a diversified pool of talent at Man Group can be found on pages 41 and 42.

Employee engagement



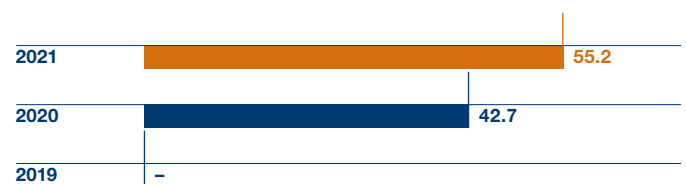
What we measure

Each year we conduct a staff survey to help us monitor and understand employee engagement and identify any areas for action.

How we performed

Our 2021 staff survey recorded an engagement score of 81%, with a slight decrease in the response rate in 2021 to 78% from 85% in 2020. The well-being of our employees remained a top priority as we transitioned from remote working to our new agile working model. More information on how we supported staff throughout the year can be found on page 38.

ESG-integrated AUM (\$bn) [®]



What we measure

The amount of our AUM invested responsibly is crucial to our business and our clients. We calculate ESG-integrated AUM in line with the Global Sustainable Investment Alliance definitions, which have emerged as the global standard of classification.

This is a new non-financial KPI from 2021. Further details on how we calculate this metric can be found on page 55.

How we performed

We first reported this metric in 2020. Since then, we have made significant progress and now manage \$55.2 billion of ESG-integrated AUM for our clients.

¹ Details of the calculation of our alternative performance measures are provided on pages 183 to 187.

² Indirect emissions from non-renewable electricity sources (Scope 2) and upstream leased assets (Scope 3). We have refined our methodology in 2021 and have restated 2020 numbers to reflect this change. 2019 carbon footprint measures have not been updated.

Chief Financial Officer's review



Man Group delivered excellent results in 2021, with the continued strong growth in both core net management fee revenue and core performance fees leading to core profit exceeding the previous ten-year peak achieved in 2019. As a result, statutory profit increased to \$487 million from \$138 million in 2020.

Antoine Forterre | Chief Financial Officer



Core management fee EPS¹

15.7¢

+52%

2020: 10.3¢

Core EPS¹

38.7¢

+139%

2020: 16.2¢

Statutory EPS (diluted)

33.8¢

+263%

2020: 9.3¢

Capital returns to shareholders in 2021²

\$0.5bn

Overview

Man Group delivered excellent results in 2021, with the continued strong growth in both core net management fee revenue¹ and core performance fees¹ leading to core profit¹ exceeding the previous ten-year peak achieved in 2021. As a result, statutory profit increased to \$487 million, from \$138 million in 2020. Record net inflows and strong investment performance increased our AUM to a new high of \$148.6 billion, leading to a 57% increase in core net revenue¹ to \$1,486 million. Coupled with a cost discipline that combines prudence with investment in selected growth areas, this resulted in core EPS¹ growing by 139% to reach new record levels of 38.7¢ in 2021, thanks to particularly strong performance fee earnings. Core management fee EPS¹ increased from 10.3¢ to 15.7¢ and core performance fee EPS¹ increased from 5.9¢ to 23.0¢. Statutory EPS increased from 9.3¢ to 33.8¢. We continue to deliver strong cash conversion of our profits and, driven by the growth in earnings, have increased our returns to shareholders significantly in 2021. Our total proposed dividend for 2021 of 14.0¢ per share represents an increase of 32% from 10.6¢ in 2020, reflecting the growth in the business and the implementation of our new

progressive dividend policy. After completing the \$100 million share buyback announced in September 2020, we announced a further \$350 million in share buybacks over 2021, of which \$116 million had been completed at 31 December 2021. Together with an estimated \$194 million of dividend payments in relation to 2021, this brings the total announced returns to shareholders for 2021 alone to over \$0.5 billion², and \$1.7 billion³ over the last five years.

Our assets under management increased by \$25.0 billion to a new record of \$148.6 billion at the end of 2021, due to positive investment performance of \$12.5 billion across both alternative and long-only strategies and net inflows of \$13.7 billion, partially offset by adverse FX and other movements of \$1.2 billion. Our five AUM product categories all recorded positive net flows for the year, with 11.1% net flows overall compared with 1.3% for our peers. At 66 basis points, the average net management fee margin for the year remained largely in line with 2020. The run rate net management fee margin as of 31 December 2021 stood at 63 basis points, predominantly due to the large long-only systematic mandate in Q4 which attracts a lower margin due to both its investment style and the low tracking error of the mandate. As a result, run rate core net management fee revenue, which applies the run rate net management fee margin to closing AUM at the end of the year, has increased to \$939 million at the end of 2021, up by 15% from \$815 million at the end of 2020.

Management and other fees increased by 20% to \$914 million for the year due to higher average AUM, which also drove the 20% increase in core net management fee revenue¹ to \$877 million. Core performance fee¹ generation was strong, with \$569 million earned in the year, a significant increase from \$179 million in 2020 and our best in over ten years. Our asset weighted relative investment outperformance was 1.9% above our peers, largely due to particularly strong performance from our alternative and systematic long-only strategies. Although the majority of performance fees were earned from systematic macro strategies, all our investment engines contributed positively. We also made core gains on investments¹ of \$27 million which predominantly relate to our seed book, a slight increase on the \$20 million gain in 2020, reflecting continued effective risk management and strong performance from various strategies.

Core costs¹, which exclude the gross-up of costs relating to consolidated fund entities, were \$815 million, up from \$651 million in 2020, largely driven by higher performance fee related variable compensation. Other

Core and statutory profits

\$m	Year ended 31 December 2021	Year ended 31 December 2020
Core net management fee revenue ¹	877	730
Core performance fees ¹	569	179
Core gains on investments ¹	27	20
Core sub-lease rental and lease surrender income ¹	13	18
Core net revenue ¹	1,486	947
Asset servicing costs	(58)	(55)
Fixed compensation	(208)	(194)
Variable compensation	(388)	(257)
Core other costs ¹	(161)	(145)
Core costs ¹	(815)	(651)
Core net finance expense ¹	(13)	(12)
Core profit before tax ¹	658	284
Core management fee profit before tax ¹	266	180
Core performance fee profit before tax ¹	392	104
Core profit ¹	557	240
Non-core items ¹	(68)	(105)
Statutory profit	487	138
Statutory EPS (diluted)	33.8c	9.3c
Core EPS ¹	38.7c	16.2c
Core management fee EPS ¹	15.7c	10.3c
Dividend per share ⁴	14.0c	10.6c

increases in core costs¹ primarily relate to higher fixed compensation and recruitment costs, reflecting a step up in hiring due to recent and expected future growth. The less favourable sterling to US dollar rates in 2021 also contributed to an increase in core costs¹ of around \$14 million compared to 2020. We continued to benefit from savings related to travel and entertainment as a result of the ongoing pandemic, although we expect these will ultimately return to more normalised levels. Whilst climate change has not adversely impacted our financial performance and position to date, our financial planning and reporting process now incorporates the potential future impacts of climate change on our business. It is compiled with an emphasis on sustainability, looking to minimise the carbon emissions of our office premises in the near term, reduce inter-office travel, and plan for the future. This is an area of focus of the Audit and Risk Committee (see page 90). As part of our ongoing commitment to reduce our carbon footprint we are introducing carbon emissions targets into our directors' long-term incentive plans from 2022, as set out in the Directors' Remuneration report on page 122. We have set targets to reduce our Scope 1, 2 and 3 carbon emissions as part of our commitment to reach net zero by 2030 and have also recently purchased carbon offsets which support a net zero emissions position through to this point.

Following the lease surrender by the principal sub-tenant of our London office in 2020 and the coinciding commercial property market uncertainty due to COVID-19, we recognised in 2020 a \$25 million impairment of the associated right-of-use lease asset to reflect an expected period of future vacancy (a non-core¹ item). Following our exit from the remaining portion of the space available for sub-let during 2021 we recognised a further associated \$3 million impairment. In late 2021, we began marketing the remaining vacant space in our London office for sub-let and, until such time as the sub-let space is fully occupied, we will incur increased occupancy costs as well as earn less sub-lease rental income. Finally, we completed a full future-of-work focused refit of our London office in 2021, and initiated one for our New York office.

1 Man Group's alternative performance measures, including reconciliations between statutory measures and their core equivalents, are outlined on pages 183 to 187.

2 Comprises the 2021 interim and final dividends plus the share buybacks announced during 2021.

3 Comprises the total dividends relating to the last five financial years and share buybacks announced in those years.

4 Dividend per share includes the interim and final dividend relating to each financial year, which for 2021 includes the proposed final dividend.

Chief Financial Officer's review continued

In June, we acquired a 23% stake in Hub Platform Technology Partners Limited (HUB), a start-up company whose objective is to deliver a cloud-based operating platform aimed at transforming the operations technology for asset managers. HUB will be loss-making in the early years due to investment in developing the platform, with our share of these losses of \$2 million recognised as a non-core¹ item in 2021.

Statutory profit increased by \$349 million in 2021 to \$487 million. When analysing statutory profit we consider it most meaningful to split this into core profit¹ and non-core¹ items. Core profit¹ of \$557 million easily surpassed the ten-year peak achieved in 2019 of \$325 million, largely driven by the strong performance fee generation. Non-core¹ items (excluding tax) decreased from \$105 million in 2020 to \$68 million in 2021, reflecting the impact of the 2020 \$55 million GPM goodwill impairment charge which was partially offset by a related \$22 million decrease in the fair value of the contingent consideration creditor.

Our balance sheet remains strong and liquid and allows us successfully to navigate stressed periods whilst continuing to invest in the business and support our long-term growth prospects. This is evidenced by our continued return of capital to shareholders through dividends and share repurchases throughout the course of the pandemic, as well as increased seed capital allocations and capital expenditure to ensure we remain leaders in technology and provide the most attractive office environment for our employees.

We have net tangible assets of \$928 million or 63¢ per share at 31 December 2021, and net financial assets¹ of \$907 million. We have cash of \$323 million (2020: \$289 million), excluding amounts held by consolidated fund entities, and continue to be strongly cash generative, with core cash flows from operations excluding working capital movements¹ of \$700 million (2020: \$341 million).

Assets under management (AUM)

\$bn		31 December 2020	Net inflows/ (outflows)	Investment performance	FX and other	31 December 2021	Change	
							\$bn	%
Alternative	Absolute return	34.0	4.8	2.5	(0.1)	41.2	7.2	21%
	Total return	29.0	4.4	2.3	(0.3)	35.4	6.4	22%
	Multi-manager solutions	14.2	0.2	0.6	0.0	15.0	0.8	6%
	Total	77.2	9.4	5.4	(0.4)	91.6	14.4	19%
Long-only	Systematic	27.8	3.3	5.3	(0.3)	36.1	8.3	30%
	Discretionary	18.6	1.0	1.8	(0.5)	20.9	2.3	12%
	Total	46.4	4.3	7.1	(0.8)	57.0	10.6	23%
Total		123.6	13.7	12.5	(1.2)	148.6	25.0	20%

Core net management fee revenue¹

\$m	Year ended 31 December 2021	Year ended 31 December 2020
Absolute return	451	355
Total return	198	171
Multi-manager solutions	30	32
Systematic long-only	82	73
Discretionary long-only	116	99
Core net management fee revenue ¹	877	730

Absolute return

The increase in absolute return AUM was driven by net inflows of \$4.8 billion, primarily into Man Institutional Solutions, GLG Event Driven and AHL Alpha, partially offset by outflows from GLG European Long-Short. Performance of \$2.5 billion was driven by a number of strategies in the product category.

Total return

Net inflows of \$4.4 billion, primarily into AHL TargetRisk and Man Global Private Markets, partially offset by outflows from Alternative Risk Premia, drove the increase in total return AUM. Performance of \$2.3 billion was driven by gains in AHL TargetRisk and Alternative Risk Premia.

Multi-manager solutions

The increase in multi-manager solutions AUM was primarily driven by performance of \$0.6 billion across a number of strategies.

Systematic long-only

Net inflows of \$3.3 billion were primarily into Numeric Global strategies. Performance of \$5.3 billion was driven by a number of strategies in the product category.

Discretionary long-only

Net inflows of \$1.0 billion and positive investment performance \$1.8 billion were partially offset by negative FX and other movements of \$0.5 billion. Net inflows were primarily into GLG High Yield and GLG Asia ex Japan, partially offset by outflows from GLG Continental Europe. Performance was driven by gains in GLG Japan CoreAlpha and GLG UK Undervalued Assets.

Revenue

Core net revenue¹ increased by \$539 million from \$947 million in 2020 to \$1,486 million in 2021 as a result of net inflows and strong investment performance, which grew our AUM to a new peak and generated significant performance fees. Statutory net revenue increased from \$953 million to \$1,486 million.

Net management fee revenue and margins

Run rate net management fee revenue was \$939 million at 31 December 2021 (2020: \$815 million), largely as a result of the increase in absolute return AUM during the year. Although our total net management fee margin increased slightly by one basis point during the year to 66 basis points, the run rate net management fee margin at 31 December 2021 stood at 63 basis points as a result of the large systematic long-only mandate which funded in December 2021.

The absolute return net management fee margin increased by one basis point to 119 basis points as a result of higher closing AUM in Man Institutional Solutions and AHL Evolution in particular, which attract higher margins. The total return net management fee margin is broadly in line with 2020. The multi-manager net management fee margin decreased to 22 basis points in 2021, from 24 basis points in 2020, as a result of Man FRM's continued shift towards solutions from traditional fund of funds. The net management fee margin of long-only strategies continued its gradual decline due to margin pressure and mix effects in recent years, with systematic long-only margins decreasing from 30 basis points to 27 basis points and discretionary long-only margins decreasing from 62 basis points in 2020 to 58 basis points in 2021.

Core net management fee revenue¹, which excludes amounts relating to consolidated fund entities which are reclassified to core gains on investments¹ to better reflect these with other seed book activity, increased by 20% to \$877 million in 2021, driven by higher average AUM.

Performance fees

Core performance fees¹ for the year were \$569 million (2020: \$179 million), which included \$533 million from alternative strategies (2020: \$175 million) and \$36 million from long-only strategies (2020: \$4 million). We have strong performance fee optionality and diversity, with \$60.2 billion of performance-fee-eligible AUM at year end, the majority being at high-water mark, and a broad range of strategies having contributed to our performance fee earnings over recent years.

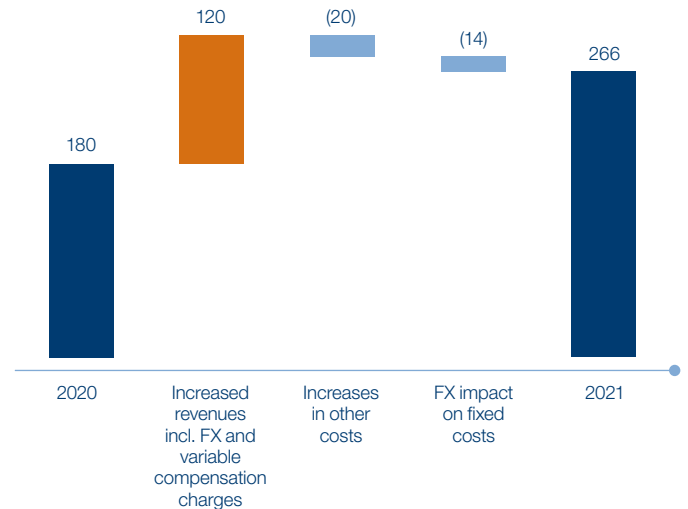
Investment gains and losses

Core gains on investments¹ of \$27 million (2020: \$20 million) primarily relate to gains on seed investments. The seed book (see Note 14 to the Group financial statements) was \$648 million at year-end, up from \$485 million in 2020 as we deploy our capital to support new strategies, grow the business, and increase returns to shareholders. We had \$108 million of additional seed investment exposure via total return swaps at year-end (2020: \$50 million).

Sub-lease rental and lease surrender income

In 2020, the principal sub-tenant of our main London office paid us \$26 million in order to terminate their lease early, which was offset by an associated non-cash deferred rent write-off of \$8 million and resulted in a net accounting gain on lease surrender of \$18 million. The surrender gain represented payment for sub-lease rental risk and other costs taken on by Man Group as a result of this agreement and accordingly the amount relating to future lost sub-lease rental income and additional costs (\$7 million) was deferred through non-core¹ items and subsequently fully utilised in 2021. We recognised a \$25 million impairment of the related right-of-use lease asset in 2020 and, following our exit from occupying the remaining portion of the space available for sub-let during 2021, we recognised a further associated \$3 million impairment.

Core management fee profit before tax¹ (\$m)



Costs

Asset servicing

Asset servicing costs vary depending on transaction volumes, the number and mix of funds, and fund NAVs. Asset servicing costs were \$58 million (2020: \$55 million), which equates to around 6 (2020: 7) basis points of average AUM excluding systematic long-only and Man GPM strategies.

Compensation costs

Total compensation costs were \$596 million for the year, up by 32% from \$451 million in 2020 primarily as a result of higher management and performance fee revenues increasing the associated variable compensation, as well as the less favourable sterling to US dollar exchange rates in 2021. Our compensation ratio is generally between 40% and 50% of core net revenue¹, depending on the mix and level of revenue. We expect to be at the higher end of the range in years when absolute investment performance fees are low or driven predominantly by discretionary strategies, and conversely we expect to be at the lower end of the range when absolute investment performance fees are high or driven by systematic strategies. The overall compensation ratio therefore decreased to 40% in 2021 from 48% in 2020, which reflects the overall increase in performance fee revenue generated in 2021 and illustrates the inherent operating leverage in our business.

Other costs

Core other costs¹, which exclude the gross-up of costs relating to consolidated fund entities, were \$161 million for the year (2020: \$145 million). Our recruitment and temporary staff costs increased due to hiring, as attrition levels normalised during the year compared to 2020 and as we increase headcount to support business growth which we expect to continue in 2022. The less favourable sterling to US dollar exchange rates also increased other costs compared with 2020.

¹ Man Group's alternative performance measures are outlined on pages 183 to 187.

Chief Financial Officer's review continued

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 tax assets, and in Switzerland, which has a lower rate than the UK.

The core tax rate¹ in 2021 was 15% (2020: 16%), a decrease largely due to the reduced weighting of profits in the UK where the applicable statutory tax rate is 19%.

Tax on statutory profit for the year was \$103 million (2020: \$41 million), which equates to a statutory effective tax rate of 17% (2020: 23%). The decrease in the tax rate is largely due to non-recurring items arising in 2020, including the impairment of the GPM goodwill which was partially offset by the revaluation of the associated contingent consideration creditor, as well as the derecognition of a portion of our US deferred tax assets.

In the US we have accumulated tax losses as well as tax deductible goodwill and intangibles of \$85 million (2020: \$95 million), which can be offset against future US profits and will therefore reduce taxable profits. We have recognised \$74 million of these US deferred tax assets on the balance sheet at 31 December 2021 (2020: \$81 million) as certain state and city tax losses are expected to expire before consumption. The US core tax rate¹ will remain at nil until cash taxes are payable in the US, with movements in the deferred tax asset classified as a non-core¹ item to reflect this. We currently expect these to be fully consumed by 2024.

The principal factors influencing our future underlying tax rate are the mix of profits by tax jurisdiction, the consumption of US deferred tax assets and changes to applicable statutory tax rates, in particular a rate increase in the UK and the potential introduction of a global minimum tax rate, both of which are expected to apply from April 2023. The underlying tax rate in 2022 is currently expected to remain consistent with 2021, dependent on the factors outlined above, and is expected to increase from 2023.

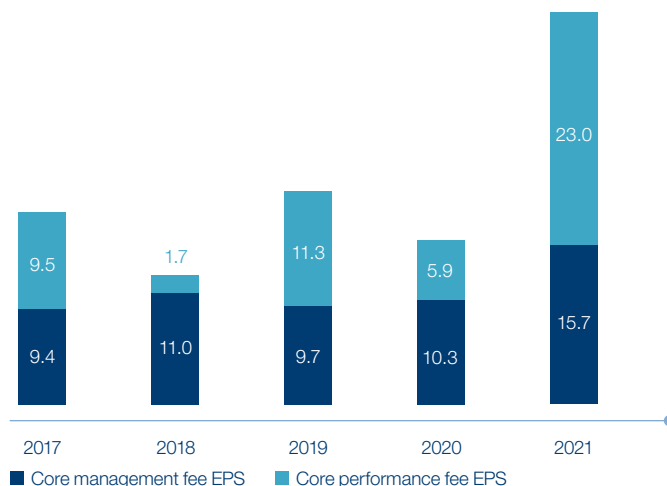
Core profit¹

The directors consider that Man Group's profit is most meaningful when considered together with an alternative 'core' basis which reflects the revenues and costs that drive our cash flows during the year. Core metrics, which represent our main alternative performance measures (APMs) and as such should be read in conjunction with IFRS or statutory metrics, are detailed on pages 183 to 187.

Core profit¹ was \$557 million compared to \$240 million in 2020. Our core profitability exceeded the ten-year peak reached in 2019, driven by our strong performance fee generation and continued growth in AUM.

The increase in core profit¹ and the \$180 million of shares repurchased during the year drove the increase in core EPS¹ from 16.2¢ in 2020 to 38.7¢ in 2021.

Core earnings per share (¢)



Cash earnings

Given the strong cash conversion of our business, we believe our core profit¹ 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 through the year and the size of our seed book over time. Core cash flows from operations excluding working capital movements¹ were \$700 million during the year.

\$m	Year ended 31 December 2021	Year ended 31 December 2020
Opening core cash and cash equivalents ¹	289	220
Core cash flows from operations excluding working capital movements ¹	700	341
Working capital movements (excluding seeding)	(45)	9
Working capital movements – seeding ²	(173)	41
Dividends paid	(160)	(147)
Share repurchases (including costs)	(180)	(107)
Payment of acquisition-related contingent consideration	–	(2)
Investment in associate (HUB)	(19)	–
Other movements	(89)	(66)
Core cash and cash equivalents at year end ¹	323	289

Working capital movements in 2021 largely relate to the year-on-year increase in our seed book.

Balance sheet

As at 31 December 2021, our cash balance was \$323 million, excluding amounts held by consolidated fund entities, and the undrawn committed revolving credit facility, which matures in 2026, was \$500 million.

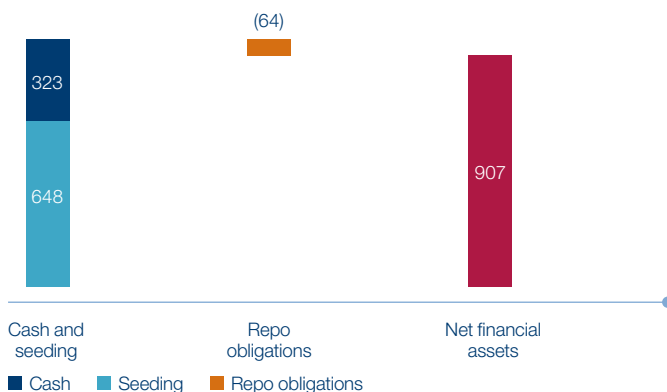
We have a strong and liquid balance sheet. Fees and other receivables have increased as a result of the higher level of performance fees earned in December compared to the prior year. Payables have similarly increased due to an increase in related compensation accruals. The increase in investments in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

\$m	31 December 2021	31 December 2020
Core cash and cash equivalents ¹	323	289
Core fee and other receivables ¹	480	382
Core payables ¹	(712)	(568)
Core investments in fund products and other investments ¹	770	607
Pension asset	27	2
Investment in associate (HUB)	18	–
Right-of-use lease assets – investment property	77	78
Right-of-use lease assets – leasehold property	61	74
Leasehold improvements and equipment	43	30
Lease liability	(250)	(272)
Net deferred tax asset	91	94
Net tangible assets ³	928	716
Goodwill and other intangibles	723	781
Shareholders' equity	1,651	1,497
Net financial assets ¹	907	716

Seed investments

We use our balance sheet to invest in new products and both assist in the growth of the business and generate returns to shareholders, aiming to redeem as client AUM grows in the funds. At 31 December 2021 our seed investments were \$648 million, which have increased from \$485 million at 31 December 2020 due to targeted deployment of capital to invest in new strategies and grow the business. In addition, we held \$108 million of total return swap exposure at 31 December 2021 (2020: \$50 million), allowing us to increase seed investments without utilising large cash balances.

Net financial assets¹ (\$m)



Capital management and shareholder returns

Our robust balance sheet and liquidity position allows us to weather crises whilst continuing to invest in the business to support our long-term growth prospects and maximising shareholder value, returning capital to shareholders that we consider to be in excess of our medium-term requirements. In 2021, we completed both the end of the \$100 million share repurchase announced in September 2020, and the subsequent \$100 million repurchase announced in July 2021. In December 2021, we announced our intention to repurchase a further \$250 million of shares (\$16 million of the first tranche of \$125 million had been repurchased at 31 December 2021).

In 2020 we moved to a progressive dividend policy, and our 2021 total dividend of 14.0¢ per share represents an increase of 32% on 2020. Our business is highly cash-generative, and these cash flows support a growing dividend over time. We actively manage our capital to seek to maximise value to shareholders and support our strategy by either investing that capital to improve shareholder returns in the future or returning it to shareholders through higher dividends or share buybacks, after taking into account required capital and potential strategic opportunities, to ensure we maintain a prudent balance sheet. Over the past five years we have returned \$851 million through dividends and announced \$850 million of share buybacks for shareholders.

We have a capital and liquidity framework which allows us to invest in the growth of our business. Our \$500 million revolving credit facility provides additional liquidity (see Note 11 to the Group financial statements) and now matures in 2026 due to the exercise of our final one-year extension option in December 2021. We have maintained prudent capital and available liquidity throughout the year and deployed capital to support investment management operations and the launch of new investment products. We monitor our capital requirements through continuous review of our regulatory and economic capital, including regularly reporting to the Risk and Finance Committee and the Board.

The Board is proposing a final dividend for 2021 of 8.4¢ per share, which together with the interim dividend of 5.6¢ per share equates to a total dividend for 2021 of 14.0¢ per share. The proposed final dividend equates to around \$115 million, which is more than covered by our available liquidity and capital resources. Key dates relating to the proposed final dividend are provided in the Shareholder information section on page 188.

Antoine Forterre

Chief Financial Officer

1 Man Group's alternative performance measures are outlined on pages 183 to 187.

2 Excludes amounts relating to consolidated fund entities.

3 Equates to net tangible assets per share of 63¢ (2020: 46¢).

Risk management

A comprehensive approach

Our approach to risk management is unified and fully 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.

Man Group's Board has ultimate responsibility for risk governance and management. Accountability for day-to-day risk management, however, is embedded throughout the business. Our risk management framework ensures that the business operates within acceptable risk tolerances, as defined by the Board's risk appetite, with our governance structure providing a foundation for continuous oversight in a changing environment. In addition, independent fund boards are responsible for protecting the interests of fund investors.

Developments in 2021

Investment underperformance remains the biggest risk facing Man Group. Although markets generally trended upwards in 2021, there were some volatile periods driven by COVID-19 news (particularly shortly after Thanksgiving, associated with the Omicron variant), inflation concerns and Federal Reserve tapering. Overall performance in 2021 has been good – many of our trend-following quantitative strategies performed well on an absolute basis and relative to peers, and valuation-focused strategies such as Japan CoreAlpha and within Numeric and Alternative Risk Premia saw a rebound from underperformance in prior years. Statutory performance fees were up 220% compared to 2020 and up 74% compared to 2019. Assets under management rose by \$25.0 billion in 2021, as described on page 25, driven by absolute investment performance and net inflows.

Our product offering is supported by our balance sheet, which we utilised to continue the firm's seeding programme. 2021 saw the seeding of a number of funds spanning Man Group's investment strategies. Whilst the firm is exposed to a decline in the value of seed investments, supporting the development of new products is an important way to increase and diversify revenues. Overall the seeding book performed well in 2021.

Man Group climate change risk management and strategy

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

The firm has articulated its climate change risks using existing risk identification processes: Risk and Control Self-Assessment (RCSA) for the short-term risks through to the emerging risks assessment for medium and long-term risks. Both processes assess risks in terms of likelihood (or timeframe over which it may manifest) and impact (such as business continuity, financial, regulatory or reputational). For the risks identified there are associated controls and actions that help manage/mitigate the 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.

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. A related reputational risk comes from any suggestion of greenwashing if the ESG credentials of a fund do not meet client, regulatory or wider public expectations.

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 downside scenarios, within this time period, are driven by adverse impacts of climate change. We will continue to reassess this.

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

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

Longer-term (ten to 30-year time horizon) physical risks include major business or market disruption following severe weather events and long-term impacts on employee health and well-being. For example, the corporate headquarters in London could be impacted by a failure of 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 must demonstrate responsible conduct and leadership to our stakeholders – clients, shareholders, business partners, employees and our local communities. Our strategic initiatives relating to our direct environmental footprint are discussed on pages 46 to 60, including a commitment to be a net zero carbon workplace by 2030 and achieve net zero carbon investment portfolios by 2050. Our support of TCFD is outlined on page 61 and our stewardship role in relation to responsible investment is discussed on page 57.

In July, we completed the \$100 million share repurchase programme announced in September 2020 and immediately began a new share repurchase programme which returned \$100 million of capital to shareholders by mid-October. In December we announced and commenced a larger \$250 million share repurchase programme to be completed over one year in tranches. By 31 December 2021, the first tranche was 13% complete.

The UK left the European Union (EU) on 31 January 2020 and the transition period ended on 1 January 2021 with a trade and cooperation agreement between the UK and EU coming into effect. In March 2021 the UK and EU agreed on an initial framework for future regulatory cooperation on financial services and equivalence. Any future agreements may impact market access and general economic conditions in the UK and other European countries. In 2019, Man Group received regulatory approval to upgrade the regulatory permissions of its existing Irish entity and opened a physical office in Dublin, with locally based staff and branches in various European countries. This allows Man Group to continue servicing its existing European clients and to access new business in the EU under the delegation model. We will continue to monitor developments closely throughout 2022 and will take steps to ensure that the impact on our employees, business and clients is minimised.

The ongoing impact of COVID-19

The COVID-19 pandemic and its impact on the health and safety of our staff and the behaviour of markets continued to dominate much of risk management throughout 2021. We have remained focused on looking after our people, enabling them to work from home effectively and return to the offices when local rules permitted it. Overarching this was the need to protect our clients’ assets with close attention to market, liquidity, counterparty, cybercrime and operational risks. Existing risk controls and processes have continued to function well albeit with increased oversight at times. Despite the heightened risk factors, there have not been any material operational loss events or control failures associated with COVID-19 or working from home.

A dedicated COVID-19 response team, created in early 2020, continues to lead Man Group’s pandemic response in line with local government advice and supports the health and well-being of staff. With the Omicron variant becoming dominant in December, greater focus was placed on contact tracing and ensuring critical teams and processes could continue to function. The pandemic has shown that employees could shift seamlessly to working from home utilising existing business continuity infrastructure and facilitated by video conferencing and collaboration technologies.

Whilst working from home continued to dominate much of 2021, some offices opened at reduced occupancy to accommodate those wanting to come in. Later in 2021 some offices opened to greater numbers under an agile working model which allowed many employees to blend the benefits of home and office work.

Viability statement

The directors 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 value-adding services form the basis of a sustainable business model.

A failure to deliver superior performance is the main risk to Man Group’s ability to maintain adequate capital and liquidity. 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. A three-year period is consistent with Man Group’s business planning horizon.

Three lines of defence				
1st		2nd	3rd	External Audit
Business and Operational Management	Business Operational Risk and Resilience	Group Compliance	Internal Audit	
		Group Risk		

Risk management continued

The directors' assessment has been made with reference to Man Group's current position, the firm's strategy, the Board's risk appetite and Man Group's principal and emerging risks and how these are managed (described later in this section, on pages 34 to 37). 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 (particularly investment performance, fund flows, expected performance fees and the associated performance of the balance sheet seeding and investment positions, determined using internal quantitative models).

The directors have considered the impact of climate change on the downside scenarios. Currently none of Man Group's plausible downside scenarios, within the three-year business planning horizon, are driven by adverse impacts as a result of climate change.

Our operational and financial performance during 2020 and 2021 demonstrates Man Group's resilience to the effects of COVID-19 and supports our assessment that it does not impact our future viability.

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

Board oversight of risk management and internal controls

The Board oversees and monitors Man Group's risk management and internal control systems on an ongoing basis and, at least annually, carries out a review of their effectiveness. A summary of the firm's risk management and internal control systems, including those relating to the financial reporting process, is given below.

Objectives and 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 and not absolute assurance against material misstatement or loss. The risk management

framework and internal control systems, which have been in place throughout the year and up to the date of this Annual Report, comply with the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

Whilst the Board retains overall responsibility for Man Group's risk management and internal control systems, it has delegated oversight to the ARCom. The report from the Chair of the ARCom on pages 90 to 96 provides further information on how the ARCom has discharged its risk oversight responsibilities during 2021.

The governance framework and control environment within Man Group have been designed to manage risks in accordance with risk appetite. The Board and ARCom receive regular reporting on Man Group's risk profile and adherence with risk appetite. Any breaches to risk appetite would be resolved in line with the firm's procedures and processes.

Man Group's risk appetite statements

The risk appetite statements are set by the Board and cover all significant risk categories. They apply to both the corporate and investment management functions of Man Group. The statements express the Board's appetite for risk, promote a risk-aware culture and set out objectives and boundaries for

Man Group's governance

The Committees below have been given a mandate by the Board and the CEO to oversee the risk management framework. These Committees provide assurance to the Board that risk has been managed according to the risk appetite statements.

Board



CEO



Senior Executive Committee

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



Audit and Risk Committee (ARCom)

The ARCom is a Committee of the Board which has oversight of the assurance functions (see pages 90 to 96 for further detail).



Risk and Finance Committees

The Risk and Finance Committees (RAFs) oversee the operational, regulatory and reputational risks and the internal control environment. There are three committees covering Global, UK/EEA and Rest of World Man Group entities. The committees also monitor balance sheet financial risks and the adequacy of capital and liquidity buffers. The RAFs are chaired by the Chief Financial Officer and the Group Chief Operating Officer & General Counsel.

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.

During the year, the Board reviewed and approved the output from the annual refresh of Man Group's Risk Governance and Appetite Framework. There were no material changes to the risk tolerances of the business, however the qualitative risk appetite statements were updated to emphasise ESG considerations in decision-making and recognising the faster evolving pace of the cyber threat and Man Group's response to it. A summary of the risk appetite statements is available on our website.

Corporate reorganisation risk governance implementation

The corporate reorganisation in May 2019 included the creation of UK/EEA and Rest of World holding companies and boards. Each board has its own review and authorisation framework to ensure a consistent approach to business decisions in accordance with Man Group's risk appetite.

The UK/EEA entities are regulated on a consolidated prudential basis by the FCA. The 2020 Internal Capital Adequacy Assessment Process (ICAAP) for the UK/EEA entities was approved by the UK/EEA board in 2021, with planning under way for the Internal Capital and Risk Assessment (ICARA) processes and documentation. In addition, an ICAAP for the Irish entity was prepared for the CBI.

Financial reporting controls

Man Group's financial controls framework is designed to provide assurance that proper accounting records are adequately maintained, and that financial information used within the business and for external publication is reliable and free from material misstatement, thereby safeguarding Man Group's assets. This framework is managed through a process whereby control owners certify that key preventative and detective controls have been performed and are operating effectively. These include balance sheet reconciliations and the financial statements preparation process. During the year, senior management monitored the results of the certification process and a sample of the certifications was independently spot checked each month to provide assurance that the certifications were correct.

Ongoing risk reporting

The Board receives regular reports from the Chair of the ARCom, business management and Group Risk on the risks to the achievement of Man Group's operational and financial objectives, together with notification of any instances of the level of risk taken not being in accordance with the Board's risk appetite. These reports include a summary 'risk commentary' and a quantitative assessment of the downside risks faced by Man Group. The Board reviewed and discussed Man Group's emerging risks and the firm's response to these.

Specific annual review of risk management and internal controls

In addition to its ongoing monitoring of Man Group's risk management and internal controls, the Board has conducted a specific annual review of their effectiveness in respect of 2021 and up to the date of this Annual Report. This review included a robust assessment of Man Group's principal and emerging risks (see details on pages 34 to 37) and any significant operational risk events and Internal Audit findings raised during the period. The Board also considered the potential impact of certain risks identified by the business, the outcome of the Risk and Control Self-Assessment (RCSA) process performed by business management and the quality of the controls in place to mitigate these risks. 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.

Assessment of principal and emerging risks

Man Group's comprehensive risk framework includes business, credit, liquidity, market, operational and reputational risks to both the firm and our funds.

Man Group's risk profile has not changed materially in 2021. However, market and operational risks linked to COVID-19 and mass working from home have been a focus. Man Group does not currently have any integration risk. Business risks continue to represent the biggest risks to Man Group; of these, investment underperformance is the single biggest risk.

Given its wide range of investment products and strategies, Man Group manages a wide array of operational risks. The breadth and complexity of the regulations that Man Group and its funds are subject to across multiple jurisdictions also represent significant operational risks should the firm fail to comply with these regulations. Man Group supports proportionate and thoughtful regulation and initiatives that develop the regulatory environment. However, regulatory change can also result in increased operational complexity and costs.

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. Since 2020 this has included a specific assessment of climate change risks facing the firm – as a principal risk in its own right and impacting the other principal risks.

The directors have described and assessed these principal and emerging risks on pages 34 to 37 and explained how they are being managed or mitigated.

Risk management continued

Link to strategy

- [1](#) Innovative investment strategies
- [2](#) Strong client relationships
- [3](#) Efficient and effective operations
- [4](#) Returns to shareholders

Business risks 1 2 3 4			
	Risk	Mitigants	Status and trend Change
1. Investment performance	<p>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 volatile markets. This may also result in dissatisfied clients, negative press and reputational damage.</p> <p>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.</p> <p>Lower AUM results in lower management fees and underperformance results in lower performance fees.</p>	<p>Man Group's investment businesses each have clearly defined investment processes 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 perform within the parameters of their mandate.</p> <p>Man Group's diversified range of products and strategies limits the risk to the business from underperformance of any particular strategy or market. This includes a current focus on responsible investment products incorporating ESG analytics to meet current and future investor needs.</p>	<p>Despite periods of market volatility linked to COVID-19 developments, inflation concerns and Fed tapering, 2021 has seen good overall performance for Man Group's funds. Trend-following quantitative strategies performed well and valuation-focused strategies such as Japan CoreAlpha and those within Man Numeric and Alternative Risk Premia recovered from weaker performance in prior years.</p> <p>AUM increased largely due to absolute investment performance and net inflows over the year in roughly equal parts.</p> <p>The discussion of Man Group's investment performance is on page 17.</p> ▲
2. Key person risk	<p>A key person to the business leaves or is unable to perform their role. This also includes team resilience to individuals being incapacitated by COVID-19.</p> <p>Retention risk may increase in years of poor performance and reduced compensation. In 2021 the sector has also seen individuals looking for fundamental lifestyle changes triggered by the pandemic.</p>	<p>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. The COVID-19 response sought to minimise resilience risks through physical separation of key persons.</p> <p>Succession plans and deferred compensation schemes are in place to support the retention of senior investment professionals and key management.</p>	<p>Man Group has continued to be able to attract and retain an array of talented individuals across the firm. Voluntary staff turnover has picked up, returning to pre-pandemic levels.</p> <p>We did not see any investor concerns or material outflows as a result of announced departures in 2021, including the retirement of the CIO and subsequent Senior ExCo reorganisation. We continue to operate a succession planning process to manage this risk.</p> ▶
Credit risks 1 2 3 4			
	Risk	Mitigants	Status and trend Change
3. Counterparty	<p>A counterparty with which the funds or Man Group have financial transactions, directly or indirectly, becomes distressed or defaults.</p> <p>Shareholders and investors in Man Group funds and products are exposed to credit risk of prime brokers, custodians, sub-custodians, clearing houses and depository banks.</p>	<p>Man Group and its funds diversify exposures across a number of strong financial counterparties, each of which is approved and regularly reviewed for creditworthiness by the Counterparty Monitoring Committee (CMC). The CMC also oversees contingency planning ahead of significant market or political events.</p> <p>The risk teams monitor credit metrics on the approved counterparties daily. This includes CDS spreads and credit ratings.</p>	<p>Increased regulatory scrutiny, stress testing and capital requirements for investment banks and central clearing houses following the 2008 financial crisis supported the overall stability of Man Group's core counterparties.</p> <p>The main counterparty event for 2021 was names linked to the collapse of Archegos. This led to our decision to migrate risk away from one of our main prime brokers. Our diversification model allowed for a smooth transition to alternative providers without any issues.</p> ▶

Liquidity risks 1 3 4				
	Risk	Mitigants	Status and trend	Change
<p>4.</p> <p>Corporate and fund</p>	<p>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.</p> <p>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.</p>	<p>A \$500 million revolving credit facility (RCF) provides Man Group with a robust liquidity backstop. Liquidity forecasting for the Man Group and UK/EEA entities, including downside cases, facilitates planning and informs decision-making.</p> <p>The investment risk teams conduct regular liquidity tests on Man Group's funds. We endeavour to manage resources in such a way as to meet all demands for fund redemptions according to contractual terms.</p>	<p>The RCF was extended to mature in five years and now incorporates a carbon emissions target.</p> <p>The asset liquidity distribution across funds has remained broadly unchanged. A centralised liquidity analysis and reporting toolkit is fully embedded. Market liquidity has largely returned to pre-pandemic levels – the WallStreetBets short squeeze had a minimal impact on our funds but led to further developments of the liquidity analysis framework.</p>	▶
Market risks 1 3 4				
	Risk	Mitigants	Status and trend	Change
<p>5.</p> <p>Investment book</p>	<p>Man Group uses capital to seed new funds to build our fund offering, expand product distribution and generate returns for shareholders. Man Group also holds Collateralised Loan Obligation (CLO) risk retention positions until the product maturity, and in 2021 participated in a US CLO Warehouse to facilitate a product launch.</p> <p>The firm is therefore exposed to a decline in value of the investment book.</p>	<p>A disciplined framework ensures that each request for seed capital is assessed on its risk and return on capital.</p> <p>Approvals are granted by a Seed Investment Committee (SIC), which is comprised of senior management, 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.</p>	<p>The investment book grew over 2021. The seeding book returns were positive, with the benchmark hedges performing as expected.</p> <p>Man Group continues to use repo and swap financing for some of the CLO and seed positions to release liquidity but retain the market risk.</p> <p>A framework for active balance sheet risk taking in Man Group funds is being developed, seeking uncorrelated returns to Man Group's dominant flagship funds.</p>	▲
<p>6.</p> <p>Pension</p>	<p>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 fully funded but is exposed to changes in net asset versus liability values.</p>	<p>The UK pension plan has a low net exposure to UK interest rates and RPI inflation. The return-seeking assets are low volatility and have a low correlation to directional equity markets. Longevity is the largest remaining risk but is uncorrelated to Man Group's other risks.</p>	<p>A triennial valuation exercise as of year-end 2020 led to a small funding contribution from Man Group. As of 31 December 2021, the scheme has a surplus on both an accounting and actuarial basis which brings down the overall risk assessment. The impact of COVID-19 has not had a material impact on the longevity assumptions.</p>	▼

Risk management continued

Link to strategy

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

Operational risks ① ③ ④			
	Risk	Mitigants	Status and trend Change
7. Information technology and business continuity	<p>Risk of losses incurred by IT software and hardware failures resulting in system downtime, severely degraded performance or limited system functionality.</p> <p>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 disruptions.</p>	<p>Technology plays a fundamental role in delivering our objectives, so the IT functions work closely with each business unit to ensure work is correctly prioritised and financed. The prioritisation process considers the life cycle of both hardware and software to ensure both are adequately supported and sized. The firm's operational processes include mature risk, incident and problem management procedures to minimise the likelihood and impact of technology failures.</p> <p>Business continuity risk mitigation includes detailed planning and testing of remote access and contingency/recovery operations, and ongoing risk and threat assessments.</p>	<p>In 2021 we commenced our move to a long-term flexible working model which is being implemented globally. We continue to improve our technology offering, capability and security to support the new working model. Particular focus and investment has been on hardware and software enhancements to core technology and data centres, and the enrichment of the trading and operations platform. Progress in centralisation of order management technology for the firm also continues apace.</p> <p>Remote working and collaboration technologies facilitated a seamless move to mass working from home at the start of the pandemic and evolved in late 2021 into secure and efficient flexible working arrangements for the majority of staff.</p>
8. Internal process failure	<p>Risk of losses resulting from inadequate or failed processes within Man Group.</p>	<p>Man Group's risk management framework and internal control systems are based on a three lines of defence model.</p> <p>Heightened risks relating to the pandemic and remote working have continued to be an area of management focus in 2021.</p>	<p>Man Group remains focused on enhancing its systems and control processes where required and ensuring internal process failures are kept to a minimum.</p> <p>Man Group has not observed an increase in material internal events in 2021, nor any material operational events directly attributable to COVID-19.</p>
9. External process failure	<p>Man Group continues to outsource a number of functions as well as managing outsourcing arrangements on behalf of its funds. The risk is that the outsourced service providers do not perform as required, resulting in knock-on implications for our business and processes.</p> <p>External service providers continue to face heightened risks attributable to COVID-19.</p>	<p>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.</p>	<p>The firm has concentrated its outsourcing into a smaller number of carefully selected and proven outsource providers with which it has established working relationships allowing for greater process consolidation and rationalisation.</p> <p>We observed a modest increase in issues faced by some of our third-party providers during 2020 and 2021. However, these have not had any material loss impacts.</p>
10. Information and cybercrime security	<p>The risk of loss resulting from cybercrime, malicious disruption to our networks or from the theft, misplacing, interception, corruption or deletion of information.</p> <p>Some of the risks and potential impacts are heightened while the majority of the firm is working from home.</p>	<p>Man Group has established information security and cyber security programmes that are aligned with industry expectations and best practices. They are continuously reviewed and adjusted to keep pace with the regulatory, legislative and cyber threat landscapes. Man Group practises defence in depth by layering security controls and using state-of-the-art technologies, enabling us to detect and prevent malicious activities and complex cyber-attacks.</p>	<p>The cyber landscape continued to evolve throughout 2021 with criminals seeking to exploit emerging supply chain vulnerabilities as well as COVID-19 and working from home. Key threats arise from social engineering (phishing), ransomware, denial of service and cloud data storage/processing attacks. Criminals continued to increase attacks against remote access infrastructures, aiming to disrupt workforces and breach poorly configured remote access gateways and services.</p> <p>Man Group did not experience any material client or operational impact from cyber events in 2021, nor did Man Group experience any material data breaches involving customers' personally identifiable information (PII). Our security operations and incident response functions remained fully operational.</p>

Operational risks continued 1 3 4				
	Risk	Mitigants	Status and trend	Change
11. Legal and regulatory	<p>The global nature of Man Group's business, the expansion of its investment businesses and the acquisition of new investment businesses, with corporate and fund entities located in multiple jurisdictions and a diverse investor base, makes it subject to a wide range of laws and regulations. Failure to comply with these laws and regulations may put Man Group at risk of fines, lawsuits or reputational damage.</p> <p>Changes in laws and regulations can materially impact Man Group or the sectors or the market in which it operates.</p>	<p>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.</p> <p>Emphasis is placed on proactively analysing new legal and regulatory developments to assess likely impacts and mitigate risks.</p> <p>Man Group continues to liaise directly and indirectly with competent authorities e.g. FCA, SEC, FINMA, CBI.</p>	<p>Man Group continues to experience new regulatory requirements. In 2021 this included implementation of the Investment Firms Prudential Regime (IFPR) regulatory capital and remuneration requirements.</p> <p>Man Group maintained an open dialogue with regulators throughout 2021 around the impact of COVID-19 on markets, fund performance and our resilience.</p> <p>Work continues on a number of regulatory initiatives including IBOR transition, IFPR/ICARA and climate change disclosures (TCFD).</p>	▶
Reputational risks 1 2 3 4				
	Risk	Mitigants	Status and trend	Change
12. Negative publicity	<p>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 issues with external financing, credit ratings and relations with core counterparties and outsourcing providers.</p>	<p>Our reputation is dependent on our operational and fund performance and the conduct of our employees. Our governance and control structure mitigate 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.</p>	<p>Man Group enjoys a good reputation and work continues to build Man Group's profile and protect its reputation across stakeholder groups.</p> <p>We are alert to the increased risk of any suggestion of greenwashing if the ESG credentials of an investment strategy does not meet client, regulator or the wider public's expectations.</p>	▲
Climate change risks 1 2 3 4				
	Risk	Mitigants	Status and trend	Change
13. Physical and transition risks	<p>Physical risks of business disruption, property damage or to employee well-being due to a severe weather event or longer-term shifts in climate patterns.</p> <p>The primary physical risk of the 1.5 to 2°C scenario is to Man Group's offices and data centres, principally the London headquarters which may be exposed to flooding of the River Thames.</p> <p>Transition risks as the world moves towards a low-carbon economy can be legal, regulatory, technological, market or reputational.</p> <p>The risks to Man Group are described in the call-out box on page 30.</p>	<p>Man Group has a small number of employees and a relatively limited physical footprint. Man Group is sufficiently agile to be able to adjust to medium-term transition risks and capture any opportunities.</p>	<p>The firm continues to focus on providing investors with products that incorporate ESG analytics. This is augmented by active stewardship of fund assets to influence positive change. In 2021 the firm announced its commitment to net zero carbon investment portfolios by 2050, and has previously committed to being a net zero carbon workplace by 2030.</p> <p>The firm will continue to monitor and manage other medium/long-term risks through business as usual reporting and management processes for the relevant principal risk (see risks 1, 7, 11 and 12).</p>	▲
Emerging risks 1 2 3 4				
	Risk	Mitigants	Status and trend	Change
14. External risks	<p>Primarily external in nature and complementary to the principal risks which are focused on current internal risk. The emerging risk categories include natural disasters, pandemics, disruption to financial markets and business infrastructure, geopolitical risk and changes in the competitive landscape.</p>	<p>The Board and Group Risk monitor emerging risks, trends and changes in the likelihood of impact. This assessment informs the universe of principal risks faced by the firm.</p>	<p>The principal and emerging risks were reviewed by the Board in 2021. No changes were made to Man Group's headline principal risks, but some likelihoods and impacts of the emerging risks were reassessed.</p>	▶

People and culture

A deep and diverse pool of talent

We seek to attract and retain the best talent and ensure that everyone can reach their full potential. We believe in the importance of an inclusive and collaborative environment, where there are equal opportunities for success. Promoting and celebrating diversity is firmly embedded in our culture and values and is a critical factor in the long-term growth of our business.

2021 continued to present numerous challenges for our global workforce. Rather than transitioning back to 'normality' as we once knew it, we spent much of the year operating under restrictions of some sort. At times when we were able to return to our offices, we leveraged the lessons we learned while operating remotely to provide greater flexibility for our staff.

We have now implemented an agile working framework in all locations, welcoming staff back to the office, when possible, and offering more flexibility. Our COVID-19 Response Team continues to monitor local guidance across all jurisdictions, disseminate information across our organisation and coordinate office closures and reopenings as required. During the year, we also continued to expand our staff well-being programme, supporting our people through the challenges that they faced, whether related to their health, families or personal circumstances.

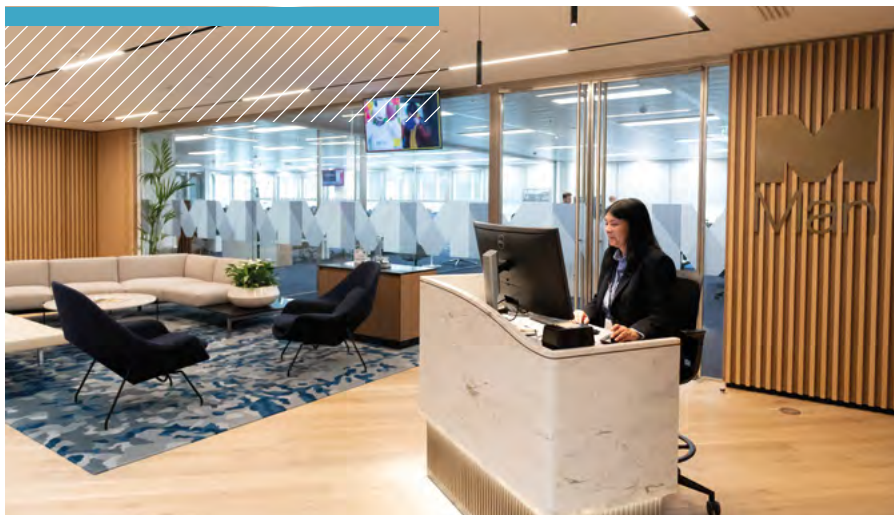
Agile working

We launched our global Agile Working Framework in July, which allows staff to work from home as well as in the office. The framework includes four categories: Hub, Club, Roam and Home, providing our staff

with flexibility on the number of days spent in the office based on their role. We have supported employees by providing them with an Agile Working Guide, which defines the Agile Framework and includes help on technology tools useful for collaboration and support on how to maintain team cohesion and build relationships within an agile framework. We also expanded our guidance for our people managers, launching an Agile Working Toolkit including information on managing staff remotely and assessing performance when staff are working between locations, and held a series of roundtables covering their questions and concerns so that guidance could be tailored appropriately.

Redesign of our office space

We have completed an extensive refurbishment of our Riverbank House office in 2021, where all of our London-based teams are now located. We have designed the office space to support the adoption of our new hybrid working model, locating teams in 'neighbourhoods'. All staff have laptops so they can work from all parts of the building, which includes break-out areas for brainstorming as well as cafes and lounges for collaborating. The new office space also includes a mothers' room, a mindfulness



Nationalities

59

Internal transfers

226

Uptake of enhanced parental leave

50



+ [D&I report](#)



+ [CSR brochure](#)



room, a music room and a well-being suite, encouraging staff to prioritise their health whilst in the office. We held a photo competition during 2021, under the theme of 'optimism', and the winning entries will be displayed around our new office, further reinforcing the importance of our people's contribution to our office space.

Inclusive workplace

The new office space has been equipped with best-of-breed technology, which has allowed us to host events such as firmwide meetings in our new town hall space while simultaneously broadcasting them live and enabling connectivity for all of our staff globally. We continue to run our virtual initiatives that were introduced during the pandemic, such as the 'Man Group Coffee Club' (randomly pairing individuals from across the firm) and 'Minds at Man Group', which has now hosted 55 sessions featuring employees — and some of our non-executive directors — giving talks about topics (both business and non-business related) they are passionate about.

Employee engagement

The welfare of our employees continues to be at the heart of the initiatives that we implement. Our staff survey for 2021 recorded an engagement score of 81%, with 1,068 of our employees participating. This annual survey was supported by other pulse surveys run across business units throughout the year to ensure that employees have an opportunity to provide feedback. We have been able to incorporate this information into our planning, our engagement agenda, and updates to our well-being programme.

Our well-being programme continues to be tailored for our workforce and topics covered in 2021 ranged from mindfulness and nutrition to menopause and mental health. We held events with Jonny Benjamin MBE and Neil Laybourn to mark Mental Health Awareness Week in May and have also made a well-being app available to all employees.

To continue to foster the sense of community and belonging within Man Group, we have used a variety of internal communications tools including Slack, our Daily Newsletter and our intranet to share regular updates and announcements. We do this to ensure our people are aware of the latest developments across the firm and business priorities. Our CEO also continues to send his weekly Friday evening missive, giving business updates and 'village news'. Where lockdowns and jurisdictional restrictions have allowed, some of our staff have been able to travel to other offices and host small events in-person. Kate Barker and Zoe Cruz, two of our non-executive directors, have hosted virtual sessions with employees specifically focused on staff engagement.

+ Testimonial



Gordon Coughlan

COO, Alpha Technology
Man Group

Q: How have you pursued your own professional development over the past year? Were there particular initiatives from the Talent and HR team at Man Group that you found helped you?

A: I've been fortunate over the years to have had fantastic support from our Talent and HR teams as my career at the firm has progressed. This past year has been no exception. I had one-on-one executive coaching, which was immensely helpful in stepping more fully into my leadership role in Alpha Technology, allowing me to better understand my risk appetite and preferred leadership style.

I was also nominated by Luke Ellis to be part of the inaugural Distinctive Leadership Programme, a set of intensive coaching and team engagements which brought together a cohort of emerging senior leaders from across the firm. Over the course of several months, we were asked to examine, improve, and ultimately take ownership for how we were showing up as leaders. This took a lot of energy and thinking time, but it was very much worth the investment. I've particularly benefited from the enduring cohort-effect, having a network of people across the firm that are navigating similar leadership challenges to my own.

Q: What was the most surprising area of your professional or personal growth? How did this come about?

A: On the Distinctive Leadership course, I got the unexpected feedback that I was 'too professional' in my interactions at times and that I should let my guard down and share more of my story. I recall playing that back to my mentor at the time which elicited much head nodding. Thinking about it more, I had been looking for ways to be more tangibly involved in Pride, our LGBT+ network, and so putting the two together, I decided to write a public profile about the importance of being a visible role model. This has since led to many great conversations and connections with people inside and outside of the firm.

People and culture continued

Talent acquisition, retention and development

We believe that the success of our firm is due in huge part to our staff. Throughout this unusual year, our focus on attracting and retaining the best talent has remained a top priority, and we have continued our emphasis on talent development as a key way to maintain our competitive edge. Our talent development strategy is a fully established, core part of our business. We believe we have the processes, technology, products and services to enable us to maximise the potential of our people. We seek to provide career development and performance support to staff at all levels and in 2021, 90% of employees voluntarily engaged in this support.

Executives continue to receive support to ensure business areas are managed effectively. In 2021, along with the transition to agile working, many parts of the business were provided with team development support and over 200 employees were identified for 1:1 talent development. Following career and development conversations, these employees were further empowered with coaching, mentoring or other forms of personal development. We are committed to ensuring that every employee at the firm receives the support they require to maximise their potential.

In 2021, 'Adaero', a proprietary feedback app, went live to the whole firm for the first time and take-up has been strong. We have also seen a number of new initiatives where internal expertise is shared amongst colleagues, often in the form of virtual roundtables, which further fosters our culture of knowledge sharing and collaboration.

Our talent development efforts are guided by a globally adopted talent review process, which seeks to assess the performance and potential of our employees. The data and insights from this process are part of our Senior Executive Committee's bi-annual talent and succession planning reviews. The retention and development of our workforce is of paramount importance, and we strive to make internal appointments wherever possible to maximise career progression. During 2021, internal promotions included the appointments of: a Deputy CEO and CFO for the firm, COO at Man Numeric, Head of Investment Risk at Man AHL, Head of Quant Investment and Research, and the Heads of Human Resources covering the UK and EEA, and the US and Rest of World.

One of our priorities is to continue to build a junior talent pipeline via entry-level (both graduate and intern) programmes within investment management, sales and marketing, technology and finance and operations. This year we have expanded our reach to find diverse candidates for our entry-level programmes and have worked with #10000BlackInterns, GAIN (Girls Are Investors), Girls Who Invest, the Bright Network, Generating Genius and SEO London. We were also delighted to offer all our UK virtual summer interns positions on future graduate programmes. These programmes run for two years and upon completion our trainees possess a comprehensive skillset, a sound knowledge of our business, and are well placed to move into permanent roles.

Hiring the best talent from around the world is fundamental to our business and we remain committed to doing so. As a global firm we create opportunities for our people to gain international experience via

short-term placements and permanent relocations, although this has been reduced during the pandemic. As part of this, we continue to monitor immigration updates in relation to their potential impact on our workforce, ensuring our staff have the correct guidance and documentation to travel between countries.

We wish to attract the brightest and the best at all levels of the firm and provide a workplace that promotes innovative thinking – a vital component of our ability to deliver results for our clients. Alongside our inclusive culture and talent strategy, our remuneration policies and practices are designed to enable us to be competitive in the markets in which we operate and are benchmarked annually. Remuneration includes combinations of salary, annual performance bonus and deferred share and/or fund awards, alongside a range of non-cash benefits. Our deferral arrangements are a key mechanism for focusing our employees on long-term performance, aligning their interests with those of our clients and shareholders. During 2021, 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 102 to 133** for the Directors' Remuneration report

Man Group's total headcount, including contractors and consultants, has increased from 1,469 at 31 December 2020 to 1,523 at 31 December 2021.



Our culture of collaboration enables us to maximise learning from each other. A third of our employees engage in mentoring, and we have plethora of other opportunities for expertise to be shared amongst colleagues. It really is a distinguishing feature of our culture.



Lara Carty | Global Head of Talent





Diversity, equity and inclusion

Man Group's culture is based on mutual respect for others, a commitment to prioritising diversity, equity and inclusion (DE&I) and a zero tolerance approach to discrimination of any kind. The Senior Executive Committee champions this and several of our senior management are involved in industry working groups and committees, giving us a voice both externally and internally and enabling us to help drive change in the industry as well as within Man Group. Our work is coordinated by our DE&I Steering Committee, which progresses our initiatives and agenda under the umbrella of Drive, our global programme for the firm's DE&I initiatives.

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)

In addition, we have workstreams focused on NextGen, Social Mobility, Neurodiversity and Disability.

Inclusion and allyship

During 2021, we have continued the theme of allyship and held an 'Allyship Week' in March with our networks and workstreams coming together to host several events including a book club, a quiz, a lunch and learn on the importance of allyship and a webinar with LGBT Great on 'The 5 traits of allyship'. Our networks and workstreams also joined together for Global Inclusion Week in September to promote our work

and resources to fellow colleagues and to champion the achievements of some of our volunteers.

The focus on allyship has been echoed in the partnership we launched with Exceptional Individuals (as part of our Neurodiversity workstream) this year, who have hosted webinars for employees and managers on the main types of neurodiversity as well as drop-in clinics and workplace needs assessments for our employees. We have also become registered as Disability Confident Committed (Level 1) with the Department for Work and Pensions and have once again taken part in International Day of Persons with Disabilities, joining #purplelightup with our fellow members of PurpleSpace.

Our Social Mobility workstream launched in January with a focus on increasing the aspirations and improving the life chances of young people while growing the pipeline of candidates to financial services. Members of the workstream have engaged with three partner secondary schools and held sessions for young people across all of their year groups. In addition, after a consultation with the schools, we have held mentoring circles with teachers that have included focus on leadership, difficult conversations, and talent development. Alongside this activity, we have worked with industry initiatives to help develop best practice and strategies to promote and retain talent from lower socio-economic backgrounds and one of our employees was appointed to the Advisory Board of the taskforce set up by the City of London corporation.

In the same vein, we were pleased to sponsor Green Skills Week in 2021, an initiative led by Speakers4Schools where we hosted a number of talks on responsible investing and held a competition for schools where teams built a portfolio of five businesses based on their research of responsible and sustainable practices.

+ Testimonial



David Martin

Head of Legal Entity Control and Finance Operations Man Group

Q: How have Man Group's family-friendly offerings helped you with the adoption of your children?

A: The flexibility Man Group has provided me has helped our family tremendously. We adopted two young children over the last two years. The adoption process involves appointments and assessments (just as with any addition to any family!) and I have greatly welcomed the flexibility of the firm and my team in accommodating these. I was able to use the volunteering allowance to work with children, which helped with our application to adopt and have used the Enhanced Parental Leave offering for each adoption. The flexibility of Parental Leave was really helpful; I was able to take two weeks' leave when each of our children was placed with us, which helped enormously in getting to know their immediate needs and helping them settle into our family. I was then able to take the other 18 weeks of fully paid leave later on, after we had found the right time for our family to take the additional leave.

Q: How does the new agile working framework help with your family life?

A: I have really welcomed agile working to help me manage my family responsibilities day-to-day. Rather than being away in the office from Monday to Friday, I work from home for some of the week, so I am more present for my family. I have seen one of my children take their first steps and the other start smiling! I welcome seeing my manager and their manager working from home, showing how our agile framework helps them manage work/life balance. It was really rewarding to hear that I had been a similar role model for others, demonstrating the importance of taking parental leave and how flexibility can work in practice.

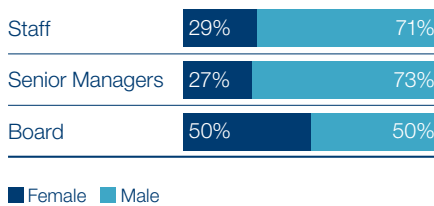
People and culture continued

We also continue to partner with the King’s Maths School – a specialist state-funded school for gifted mathematicians that recently won the award of Sixth Form College of the Decade – to mentor students and contribute to their learning.

We continue to hold a variety of internal events led by our networks and workstreams, which have included:

- WAM leading a celebration of International Women’s Day and International Men’s Day; masterclasses on ‘Presence, Authority and Impact’; lunch and learn sessions (‘How I did it!’ series) celebrating colleagues’ achievements; and peer mentoring circles on a variety of topics from coping with the menopause through to Personal Resilience.
- PRIDE@Man and FAM working together to hold a webinar on ‘How to speak confidently to children and teenagers on LGBT+ matters’. PRIDE@Man also marked National Holocaust Day and LGBT History month and FAM marked Children’s Mental Health week, hosting a session with Beacon on seeking funding for complex care in the UK, and providing online activities to help keep children entertained at home, including a magic show, cookery classes, a Lego workshop and various art workshops.
- BEAM holding celebrations of UK and US Black History Month with guest speakers Wes Moore and Michael Barrington Hibbert.

Staff by gender (at 31 December 2021)¹



¹ Based on 1,498 FTEs and 195 senior managers.



We’re excited to extend our partnership with King’s Maths School. I think the achievements of the school are exceptional and I continue to be impressed by the breadth of the school’s initiatives. Those who mentor the students really value the relationships and give wonderful feedback on the drive, knowledge and purpose of the students as they apply maths to real-world problems.



Slavi Marinov | Head of Machine Learning, Man AHL

Man Group is supportive of the requirement for employers in the UK to calculate and publish their gender pay gap, and we have again published our figures within our annual Diversity and Inclusion report. The data still demonstrates the lower representation of females in investment management and senior roles, but we are committed to addressing this and continue to make significant efforts to do so. We achieved gender parity on our Board of Directors in 2020 and now, in 2021, we have a female Chair of both the Audit and Risk Committee and the Remuneration Committee. Having signed up to the Women in Finance Charter in 2018, we achieved our target of 25% female representation in senior management during 2020 and are progressing towards our target of 27.5% by the end of 2022 and 30% by the end of 2024. The number of women in senior management roles is one of our non-financial KPIs, and from this year, forms part of the executive director’s remuneration. Further information on this can be found on page 104.

While we do not see a gender pay gap across similar roles, we recognise that this isn’t enough on its own to attract and retain talent and we are taking further action through the initiatives articulated in this section to foster better gender diversity, particularly in senior and investment management roles.

We have seen ongoing progress in terms of gender balance within our graduate recruitment over the past few years, and we continue to work proactively with schools, societies and education providers to promote careers in the financial services sector at a grassroots level. Our initiatives range from hosting events to encourage the pipeline of female talent at the firm and in the broader industry, to internal mentoring and coaching for women both on an individual level and through peer mentoring circles. We also continue our partnership with Women Returners to support those returning to work following a career break.

We champion our senior female role models at the firm and this year we saw several of them being recognised for their work. Robyn Grew achieved Highly Commended in the category of ‘International Investment Woman of the Year’ at Investment Week’s Women in Investment Awards, featured on EmPower’s 20 Advocates Executive List and was recognised on the OUTstanding 100 LGBT+ Executives Role Model List for 2021. Tania Cruickshank won in the Collaborative Leadership category at the WIPL awards and then won in the category of Team Leader of the Year at Investment Week’s Women in Investment Awards. Carol Ward was recognised in the 100 Women in Finance list and featured in the HERoes role model awards on the 100 Women Executive list. Alla Maher and Charlie Beeson were both finalists in the Women in Tech Excellence Awards with Charlie also being awarded Highly Commended for the Change Excellence award at Investment Week’s Women in Investment Awards. Ali Hollingshead won in the category of ‘Individual Achievement’ in Market Media Group’s 2021 European Women in Finance Awards. Man Group also won the Citywire Gender Diversity Award for the Most Improved Retention Rate.

Man Group is committed to providing equal employment opportunities, and discrimination by any individual on the grounds of age, disability, gender, race, religion, sexual orientation or educational background is not tolerated. Full and fair consideration is given by Man Group to all employment applications, including from people with disabilities, considering their aptitudes and abilities. During 2021, we have been able to configure our systems to allow staff to define their gender pronouns and to enter a new category of diversity data reflecting data on socio-economic status. This enables us to know more about our people and tailor our initiatives appropriately.

More information about Man Group’s commitment to DE&I can be found in the Diversity and Inclusion report and our CSR brochure.



Contributing to our communities

Embedded within our culture at Man Group is the desire to give back.

Our employees take pride in contributing to the local communities in which we operate. We have continued to coordinate these efforts through ManKind, our employee volunteering programme which provides a broad range of opportunities for our people to be involved with, coordinated by our regional volunteering captains. Our ManKind programme operates globally, allowing each staff member to take two days' paid leave per annum to volunteer. In London, we began a new volunteering partnership with East London Business Alliance (ELBA), having been a founding member of the charity over 30 years ago. This partnership enabled our staff to volunteer in a variety of ways, from assisting in community gardens to helping the annual Toy Appeal, which saw 18,000 toys donated to children in East London.

The annual festive fundraising activities concluded the year with a global festive clothing day on 14 December involving all offices globally. Additionally, in the UK, the Last Hour Appeal, whereby staff can choose to donate the last hour of their salary for the year, was again a success. In the UK, this initiative, along with Festive Jumper Day, raised £14,006 for Molly Olly's Wishes – a charity voted for by UK staff. In the US, their fundraising appeal raised \$4,311 for St Jude Children's Research Hospital.



The Man Charitable Trust reflects a longstanding commitment to good causes at Man Group; we carefully consider the charities with whom we partner and, where possible, offer more than financial support. This includes providing office space for training and fundraising events, in-house expertise and open days, where we provide insight to our business and to individuals who would not necessarily have access to this industry. The Trustees and I are extremely proud to be part of the Man Charitable Trust.



Steven Desmyter | Chair of the Man Group plc Charitable Trust and Global Co-Head of Marketing and Sales

Employees at Man Group are also able to support charitable programmes via their Give As You Earn accounts, and 87 staff participated this year. The Man Group plc Charitable Trust (the Man Charitable Trust) also proudly matches independent fundraising by employees up to the value of £1,000.

Established in 1978, the Man Charitable Trust supports a diverse range of charities in the UK, with a particular focus on improving education. Steven Desmyter became Chair during 2021, taking over from Teun Johnston after his term came to an end. The Man Charitable Trust approved grants to the following charities during the year: Auditory Verbal UK, City Gateway, Discover Children's Story Centre, First Story, Greenhouse Sports, Hibiscus, Maths on Toast, MyBnk, NSPCC, Read Easy, Refugee Education UK, The Brilliant Club, The Switch, and XLP.

The Man US Charitable Foundation provides funding to US charitable organisations, particularly those with a literacy and numeracy focus. In 2021, grants were given to the following Boston and New York programmes: Defy Ventures, Jeremiah Program, Read to a Child and South Bronx United.

Donations to the Man Charitable Trust in 2021

\$4m

Employee volunteer hours in 2021

1,200+



Overview

Responsible investment and corporate social responsibility are both of fundamental importance to our stakeholders. As a firm, we are committed to reducing global warming and improving diversity and inclusion, knowing that diversity is crucial to informed decision-making. As an investor, we do not adhere to a 'one size fits all' approach to responsible investment across our different investment engines. We're continuously innovating and exploring opportunities across our businesses to offer more data-driven, insightful solutions for our clients.

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

\$55.2bn

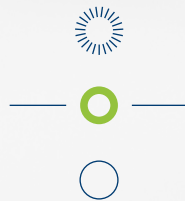
of ESG-integrated assets under management

7%

reduction in total carbon emissions in 2021 (using the market-based approach including Scope 2 and Scope 3 (upstream) leased assets)

£400

offered to every employee to donate to a local food bank or homeless charity in 2021



Strategy spotlight
GPM Community Housing

- Launched: 2021
- Investing in the UK affordable housing sector
- RI-dedicated strategy
- 7 investments in 2021, committing to funding nearly 800 new affordable homes



Sustainability+ Responsibility



```
def write(self, symbol, data):  
    pandas = False  
    # Check for overlapping data  
    if isinstance(data, list):  
        start = data[0]['index']  
        end = data[-1]['index']  
    elif isinstance(data, pd.DataFrame):  
        start = data.index[0].to_datetime()
```

Responsible business

Introduction

We have a responsibility to do what we can to create a more sustainable and equitable future for our clients and broader society. We believe managing Man Group in a responsible way is linked to our long-term success. Therefore, we continue to conduct our business with integrity, to challenge ourselves to be better, to raise the bar and to improve the way in which we operate.

As an asset manager and listed Company, we recognise that Responsible Investment (RI) and Corporate Social Responsibility (CSR) are both of fundamental importance to our stakeholders.

Our leadership in quantitative investing and technology allows us to analyse and interrogate complex ESG data, and to create intelligence-driven responsible investment solutions in all asset classes across long-only and alternative strategies.

We have made significant progress in RI in recent years and have now successfully integrated ESG within \$55.2 billion of our assets under management. We have elevated the importance of this metric, including it as a non-financial KPI from 2021 onwards (see page 23). From 2022 onwards, executive remuneration will also be linked to specific ESG aligned metrics and more details of this can be found on page 104.

We also recognise the importance of being educators and thought leaders to drive the evolution of responsible investment, and of collaborating with standard-setting bodies and industry-wide initiatives to advocate for best practice. In July 2021, we became a signatory of the Net Zero Asset Managers initiative, committing to the attainment of net zero emissions within our investment portfolios by 2050. For the first time this year, we have disclosed the greenhouse gas emissions (GHG) from our assets under management and the weighted average carbon intensity (WACI) for our key investment strategies on pages 59 and 60 of this section. While our estimates reflect progress, the data still present a number of limitations and we remain committed to refining our analysis over time.

As a global business we are committed to minimising our operational impact on the environment and to reducing global warming. Acting responsibly is part of our DNA and we are continually improving our diversity, equity and inclusion, not least because we believe that diversity of talent – and of thought – is crucial to cultivating more informed and creative decision-making, leading to better investment outcomes.

Man Group has committed to achieve net zero carbon emissions in its workplaces by 2030, and was recognised as an FT Europe Climate Leader in 2021 for our work reducing emissions. We are also proud, active signatories of the United Nations Global Compact, showing our support of the United Nations' (UN) ten principles on human rights, labour, the environment and anti-corruption. The UN's Sustainable Development Goals (SDGs) guide our ESG initiatives and ambitions, and more detail on our broad approach to CSR can be found in our CSR brochure.

We are also a registered supporter of the TCFD and have included disclosures aligned to the recommendations in this report, providing transparency on our approach to managing climate-related risks and opportunities across our business. More details of this can be found on pages 61 and 62.

We acknowledge there is still much more to do and the role that the investment management industry can play in driving change through responsible investment is rapidly evolving. We are steadfast in our commitment to progress and will leverage our market-leading data-driven investment techniques to advance this evolution.

ESG-integrated AUM at December 2021

\$55.2bn

according to the Global Sustainable Investment Alliance (GSIA) definition. To provide a consistent framework around Man Group's calculation of ESG-integrated AUM, we base our calculation on the GSIA's 'ESG Integration' sustainable investment category. See further details on our methodology for calculating ESG-integrated AUM on page 55.

Strategy and Governance rating

A+

Source: UN PRI report 2020

Active Ownership rating

A

Source: UN PRI report 2020



Our approach

We believe that strong governance is critical to fulfilling our fiduciary duty and have further enhanced our ESG governance framework.

Governance

Our ESG governance framework incorporates committees to implement and oversee all elements of our RI and CSR mandates. It ensures that we have strong oversight and controls up to and including the Man Group Board, and that we have dedicated resources to both deliver on our ESG commitments and to ensure that the associated risks are appropriately mitigated. As a global business, acting responsibly is part of our DNA and our ESG governance framework supports our commitment to minimising our operational impact on climate change and the environment.

The ESG Leadership team consists of Man Group’s Head of ESG (Robyn Grew, also the firm’s Chief Operating Officer, General Counsel and Head of Man Group US), CIO for ESG (Robert Furdak) and Global Co-Head of Sales & Marketing (Steven Desmyter). The ESG Leadership team, in conjunction with Man Group’s Board, sets the overarching ESG vision and strategy for the firm and seeks to embed RI and CSR within Man Group’s investment strategies, operations and culture. The ESG Leadership team, in conjunction with Man Group’s Board, sets the overarching ESG vision, risk tolerance and strategy for the firm and seeks to embed RI and CSR within Man Group’s investment strategies, operations and culture. The team also advances ESG-related opportunities across the firm and promotes an internal culture that holds us to the highest standards of corporate social responsibility.

Committee	Responsibilities	Reporting
Responsible Investment Committee (RIC)	Drives all actions the firm takes to integrate RI within Man Group’s investment engines, managing ESG risks and capitalising on ESG opportunities	ESG Leadership, monthly
Responsible Investment Oversight Committee (RIOC)	Approves the launch of our ESG funds, oversees the control framework for each fund and monitors each fund’s compliance with regulatory and mandate obligations	RIC, monthly
Stewardship Committee (SC)	Implements the firm’s Global Proxy Voting Guidelines and Engagement Policy	RIC, quarterly
ESG Systems & Governance Committee	Creates and maintains effective systems and controls for the implementation of RI across the firm	Risk and Finance Committee and ESG Leadership, quarterly
Corporate Social Responsibility Committee	Drives Man Group’s global corporate social responsibility, sustainability and climate-related initiatives and monitors the firm’s environmental impact from operations	ESG Leadership, quarterly

Five dedicated committees each have assigned responsibilities, established processes to identify, assess and monitor risks and opportunities, and regularly inform and report on ESG-related matters to senior management, the ESG Leadership team and the Man Group Board.

At Man Group, we have created an ESG Centre of Expertise that is responsible for supporting all our RI activities. Headed by Robert Furdak (CIO for ESG), this team drives the integration of ESG and

engagement across the firm and works with investment teams who are ultimately responsible for the integration of ESG into strategies they manage.

The team works to ensure that we are up to date with RI developments, opportunities, regulations and risks. The ESG Centre of Expertise also includes ESG thematic research specialists, who provide insight into specific RI topics, thought leadership and expertise in support of Man Group’s investment engines.

Organisational structure



Responsible business continued

Our approach cont.

Risk management framework

Strategic and/or operational ESG risks to our business, including climate change risks, are managed in the same way as other business risks and are covered by our firmwide risk management systems.

The firm's control environment manages risks in accordance with the statements made by the Board that reflect the Board's risk appetite to the organisation, covering risks as they apply to both investment teams and the firm itself. In the event that 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 engaging with regulatory bodies. It is a complex, evolving landscape, and our dedicated committees comprising senior members of the firm address changes in ESG regulation.

A focus on climate

Man Group considers climate risks to the firm 15+ years into the future. It does this through multi-disciplinary firmwide risk identification, assessment and management processes. The types of risks considered include current and emerging regulation, technological changes and upgrades, market risks, reputational risks, acute and chronic physical operational impacts as well as upstream and downstream risks. More information on how we manage climate-related risks can be found on page 37.

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

Q&A



Robyn Grew

Head of ESG
Man Group

As a member of the Senior Executive Committee, Robyn is also COO & General Counsel and Head of Man Group US. In 2021, Robyn was named Head of ESG, taking overall executive responsibility for both CSR and RI.

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

A: I am Man Group's Head of ESG and as part of this role I chair our ESG Leadership, which, at an executive level, sets the overarching ESG vision and strategy globally for the firm. I also chair the Global Steering Committee of our internal diversity, equity and inclusion (DE&I) network, Drive. I am acutely alive to the intersection of ESG and DE&I; each contribute to enhancing our success as a firm, delivering solutions for our clients while also benefiting society as a whole. At Man Group, we have found that by identifying, reinforcing and continuously improving our culture as a firm, our ability and drive to move the needle on these intersectional issues is magnified. There is no doubt that these areas are complex and difficult, and we deploy our expertise and commitment to ensure that we serve our clients and communities well.

Q: Turning to responsible investment, where do you see Man Group's role in the industry?

A: We believe that investing with regard for ESG factors can drive returns and mitigate certain risks, while benefiting our communities and the world around us. The data-driven approach to investing is one of Man Group's core strengths. We are uniquely placed to add value by leveraging our 35 years of quant and technology expertise to navigate the complexities of ESG data, which still has a short history and is frequently qualitative, subjective and unstandardised. We believe that there is a clear case for 'quant ESG', and that by thoroughly analysing and interrogating ESG data we can create intelligent RI solutions across long-only and alternative, discretionary and systematic strategies. There's no one answer to investing sustainably. We adopt a multifaceted and data-driven approach, by blending intuition and data-driven intelligence across our different businesses. We believe that this builds the most insightful solutions for our clients.

Q: What about Man Group's actions to mitigate climate-related risks?

A: Again, we view climate through the lenses of responsible investing and our corporate social responsibility. In terms of RI, we are investing in multiple climate-related data sources; exploring innovative ways of incorporating climate considerations into systematic macro strategies (an area where ESG has been challenging to apply); and launching dedicated climate strategies. In 2021, we hired a dedicated climate researcher who has been working with our investment managers in developing their climate research and strategy capabilities. Meanwhile, Man GLG has hired an experienced water and circular economy team which will launch a dedicated new thematic strategy focusing on that important topic. As a listed Company, we are committed to reducing global warming and contributing to climate-related opportunities. We have committed to achieving net zero carbon in our workplaces by 2030, and in 2021, we proudly became a signatory of the Net Zero Asset Managers initiative, committing to the attainment of net zero emissions within our investment portfolios by 2050. We know that the increase in severe weather disproportionately impacts poorer populations, their businesses and the local economy. This is a social issue, an equality issue and an example of the intersection between ESG and DE&I issues.



As we continue our own ESG journey, we are proud to say that our sense of corporate social responsibility, including DE&I, is central to our culture.



Robyn Grew | Head of ESG

Our operations

Man Group plays an active leadership role in addressing climate change risks.

Our operations

Buildings

Minimising our environmental impact is a core component of our real estate strategy. Our UK offices, which account for 70% of our headcount, are covered by environmental operating procedures which are aligned to ISO 14001. In 2021, we occupied six buildings certified by LEED (Leadership in Energy Efficiency and Design) and one by BREEAM (Building Research Establishment Environmental Assessment Method), accounting for 80% of our global headcount. Riverbank House in London, Man Group's largest office, is rated 'Excellent' by BREEAM. In 2020, Riverbank House was comprehensively audited for energy and air-conditioning efficiency. The environmental performance audit recommendations have led to significant investment into new energy-saving equipment such as LED lighting and plant equipment upgrades. The building has photovoltaic (PV) cells for solar power generation.

Energy, water and waste

Man Group procures 100% renewable energy in jurisdictions where we have operational control and such supplies are available. In 2021, 73% of our operations based on headcount were powered by 100% renewable energy. Currently our water usage figure comes from operations for which we have been able to obtain water usage consumption data. In 2021, our total water usage was 22,245m³ (2020: 17,372m³). This increase in water usage is attributed to an increase in office occupancy (as the UK Government eased COVID-19 restrictions mid-year) and the use of data gathered from operations outside of the UK for the first time. Despite this increase year on year and the expansion of our water usage data to include non-UK operations, water usage remains 18% below pre-pandemic levels (2019: 27,221m³). Man Group operates a zero waste to landfill policy in all jurisdictions where these services are available. In 2021, 69% of our operations based on headcount were zero waste to landfill.

This is the first year that we have gathered Scope 3 waste and water data on a global basis. Our intent is to obtain Scope 3 waste and water data for as many sites under our operational control as we can.



Included under Scope 3 (travel) emissions is data captured from combustible gases such as Nitrogen Oxide (NOx) and Sulphur Oxide (SOx). These emissions are measured in kg and are an outcome of Man Group's third-party ground transportation services. Even though the quantities involved form a small part of the Scope 3 (travel) emissions, we are working with our third-party providers and evaluating options to reduce or eliminate these types of emissions, for example, using electric modes for more of our transportation needs over time.

Training

All Man Group staff complete a mandatory training module which outlines Man Group's environmental policy and objectives. The module highlights ways in which staff can contribute to minimising our environmental footprint such as reducing waste through reducing, re-using and recycling. Environmental awareness campaigns are also run in our offices.

Environmental data systems

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

PV cells on our Riverbank House office, London

Riverbank House is rated 'Excellent' via BREEAM. The roof houses banks of photovoltaic cells for solar power generation.

Responsible business continued

Our operations cont.

Carbon net zero commitment

Man Group is committed to reaching net zero corporate carbon emissions across our global workplaces by 2030. In 2019, we set firmwide targets in line with the Science Based Targets Initiative to limit the global temperature increase to a maximum of 1.5°C¹.

To reach net zero, we will reduce the carbon emissions associated with:

- Scope 1 – Direct GHG emissions
- Scope 2 – Indirect, market and location-based GHG emissions from purchased electricity
- Scope 3 – All other indirect GHG emissions e.g. business travel

We outline the interim targets in our strategic pathway to net zero carbon emissions (see right).

Since setting our targets we've seen good progress in reducing our carbon emissions and have offset all residual emissions by supporting certified carbon removal projects. We are pleased to report that we are on track to meet our emissions reduction targets set to the end of 2022.

In 2021, we secured offsets for our estimated Scope 1, Scope 2 and Scope 3 (travel, upstream and downstream leased assets, waste and water) emissions through to 2030. We acknowledge that carbon offsetting is only an interim measure and that it does not remove the need to reduce our own emissions in the first instance.

While carbon reduction remains our top priority, we feel it is imperative that we offset any residual emissions while we work towards our net zero target.

To do this, as outlined on the next page, we have selected four projects that are protecting forests and wildlife, supporting and educating local communities, and creating sustainable livelihoods for local people, working with two partners, ClimateCare and NCX.

Our strategic pathway to net zero carbon

	2020	2022	2024	2026	2028	2030
Scope 1			Set new science-based targets to 2030			
	Reduce natural gas and fuel emissions by 30%		Move to green gas supplies in jurisdictions where this is available			
			Upgrade equipment to ensure efficiency and reduce wastage			
Scope 2, Scope 3 (upstream) leased assets			Set new science-based targets to 2030			
	Reduce global energy usage by 20% and reduce aggregate Scope 2 market-based and Scope 3 (upstream) leased assets market-based emissions by 50%		Increase the adoption of 100% non-renewable (certified) supplies by 25%		Non-renewable energy to supply <10% of operations	
			Upgrade equipment to ensure efficiency and reduce wastage			
Scope 3	Further deploy remote working tools to reduce the need for business travel					
	Adopt agile working strategies to reduce the need for commuting travel					
All scopes	Reduce emissions by prioritising carbon net zero strategies when refurbishing or relocating offices					
	Adopt agile working strategies to reduce our office carbon footprint					



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

Our carbon offsetting efforts

By funding the projects below, we have sourced over 51,000 tonnes of Verified Carbon Units for retirement.



1. Coastal protection from Eastern Panama to the Colombian Pacific Coast

Working with indigenous forest-dependent communities in the Chocó-Darién Rainforest has enabled us to help protect one of the most biologically diverse areas in the world. This project, facilitated via ClimateCare, reduces deforestation through making protecting the forest a viable alternative to unsustainable agricultural practices such as cattle ranching.



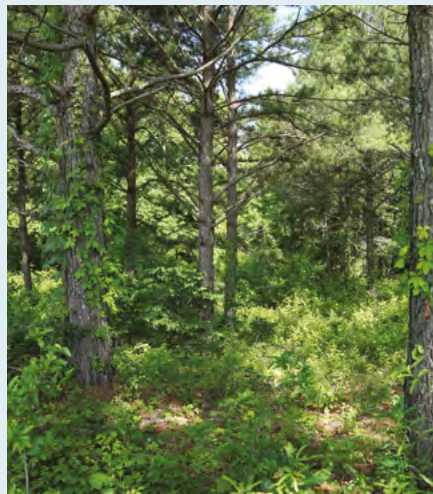
3. Grassland preservation in Colorado and Montana

This project, facilitated via ClimateCare, leverages the power of carbon capture as a 'below-the-ground' carbon sink. These US grassland projects have been developed with organisations such as the Environmental Defense Fund and The Nature Conservancy as an alternative to converting grasslands to agriculture.



2. Rainforest protection in Malawi

This project, facilitated via ClimateCare, delivers significant emissions reductions through forest and biodiversity protection, as well as supporting the local community. The project is targeting the conservation of approximately 170,000 hectares of forest and working with 45,000 households to reduce fuelwood use, develop sustainable livelihoods, increase community resilience to climate change, and promote biodiversity. Providing fuel-efficient cookstoves for every household in the project zone further reduces fuelwood consumption.



4. Forest protection across the contiguous United States

Through a partnership with NCX (Natural Climate Exchange Inc.), forest landowners of all sizes across the continental US will be able to access the carbon offsetting market for the first time. Machine learning, field measurements and high-resolution satellite imagery facilitates extremely accurate carbon storage modelling on an acre-by-acre basis, inclusive of individual considerations of each unique tree species. Man Group is proud to be an early supporter in such a novel offsetting programme, which in turn we hope to see federating forestry protection out to landowners across the US.

Responsible business continued

Our operations cont.

Man Group is a registered supporter of the Task Force on Climate-related Financial Disclosures (TCFD) and we include metrics and targets for the firm where relevant, in line with asset management guidance.

Emissions from operations

Our mandatory annual greenhouse gas emissions reporting, relating to the firm's physical presence, is detailed here pursuant to 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.

In order to provide our management with even greater confidence over our processes and definitions, we have engaged KPMG to provide Man Group with an independent limited assurance over our corporate Scope 1, Scope 2 and Scope 3 (upstream leased assets and business travel¹) emissions, in accordance with ISAE (UK) 3000 and ISAE 3410 and as accepted by the Carbon Disclosure Project (CDP). The limited assurance report is available [here](#), and we recommend that it is read in full.

Historically, we have only reported our Scope 3 business travel emissions. In 2021 we have enhanced our Scope 3 emissions disclosure to include emissions relating to waste and water, our Riverbank House sub-tenants, and emissions relating to our seed investments and fund product investments held for deferred compensation awards, in line with the GHG Protocol. We have also recategorised emissions relating to the global office operations over which we do not have operational control as Scope 3 (upstream) leased assets. We are committed to enhancing the transparency of disclosure for our Scope 3 emissions over time.

In 2021, total (market-based) emissions decreased by 7% from 2020. We acknowledge that remote working during the COVID-19 pandemic has contributed towards the overall decreasing trend in Man Group's carbon footprint. However, reductions are also due to the completion of a large-scale redesign of our London headquarters, Riverbank House, which introduced material energy efficiencies under BREEAM's sustainability assessment methodology. The redesign, which included using sustainable partners for the design and construction process, led to the replacement of existing fluorescent and halogen lighting with energy-efficient, LED solutions. Upon project completion BREEAM awarded us 77.29%, maintaining Riverbank House's Excellent status.

tCO ₂ e, unless otherwise stated	2021			2020		
	UK	Non-UK	Total	UK	Non-UK	Total
Scope 1	640	1	641*	591	2	593
Scope 2 location-based	1,198	5	1,203*	1,206	0	1,206
Scope 2 market-based	–	0	0*	–	–	–
Scope 3 (upstream) leased assets, location-based	918	394	1,312*	1,667	363	2,030
Scope 3 (upstream) leased assets, market-based	3	394	397*	–	363	363
Scope 3 business travel	209	247	456*	n/a	n/a	650
Total (location-based)	2,965	647	3,612*	n/a	n/a	4,479
Total (market-based)	852	642	1,494*	n/a	n/a	1,606
Waste and water	4	1	5	n/a	n/a	n/a
Emissions from investments	–	–	52,545	n/a	n/a	n/a
Downstream leased assets, location-based	320	–	320	339	–	339
Downstream leased assets, market-based	–	–	–	–	–	–
Energy consumption (kWh, '000s)	9,973	1,514	11,487	16,448	1,462	17,910

Scope 1 and 2

Following a review of the operational control across Man Group's global offices and in line with GHG Protocol guidance, this year we have extracted the emissions relating to operations over which we do not have operational control² as Scope 3 upstream leased assets, and have reflected the sub-tenanted demise within the building at Riverbank House as Scope 3 downstream leased assets. We have seen an increase in Scope 1 emissions by 8% (48 tCO₂e) from 2020, driven by an increase in office usage as UK COVID-19 restrictions eased and staff returned to our headquarters, and driven in part by an increase in diesel generator usage due to external events such as mains power failures. Our Scope 2 location-based emissions remain broadly unchanged and our Scope 2 market-based emissions show our policy to leverage 100% renewable electricity wherever possible.

Scope 3 (upstream) leased assets, location-based

We have seen a 35% decrease in emissions (a saving of 718 tCO₂e). This is due to continuation of works in the United Kingdom to streamline our data centres.

Scope 3 (upstream) leased assets, market-based

We are committed to obtaining greater transparency of emissions data for our non-UK operations. In 2021 we have done so for one more jurisdiction than in 2020. Coupled with return to work following government restrictions in many of our offices, this means that our Scope 3 (upstream) leased assets market-based emissions have increased by 9% (34 tCO₂e) from 2020.

Scope 3 business travel

Our Scope 3 business travel emissions show a decrease of 30% year on year (194 tCO₂e), driven by the ongoing global travel restrictions, remaining 88% below pre-pandemic levels (3,684 tCO₂e).

Scope 3 other

This year, for the first time we have extended our Scope 3 emissions tracking across a number of categories. We are now reporting the emissions for our seed capital and fund product investments, waste and water, and our Riverbank House sub-tenants (as downstream leased assets). Our emissions from investments disclosure includes 71% of our seed capital and 98.5% of our fund investments held for deferred compensation awards.

Intensity metric (tCO ₂ e per FTE)	2021	2020
Total FTE	1,426³	1,444
Scope 1	0.45*	0.41
Scope 2 location-based	0.84*	0.84
Scope 2 market-based	0.00*	–
Scope 3 business travel	0.32*	0.45
Scope 3 (upstream) leased assets location-based	0.92*	1.41
Scope 3 (upstream) leased assets market-based	0.28*	0.25
Total (location-based)	2.53*	3.11
Total (market-based)	1.05*	1.11

* These items are included in the scope of the limited assurance report.

1 Travel emissions calculations exclude taxi travel in Australia and Hong Kong.

2 Following a review of the operational control across Man Group's global operations and in line with GHG Protocol guidance, this year we have extracted the emissions relating to global operations over which we do not have operational control from our Scope 2 emissions metrics and recategorised them as Scope 3 (Upstream) Leased Assets.

3 For the purposes of our environmental reporting we have only included headcount that is based in physical offices (excluding full-time home workers).

Intensity metric

Our reporting emissions have been calculated using an intensity metric, which will enable us to monitor emissions independent of activity. As Man Group is a people-centric business, we expect that any changes to headcount will impact the property space we occupy and the amount of business travel we use. Therefore, emissions per employee is the most appropriate metric for our business, as shown in the table at the bottom of the previous page.

Methodology

We used the operational control approach to our greenhouse gas inventory and reporting boundary, excluding non-Man Group operational locations and joint ventures. At all locations where Man Group are responsible for the utility costs, our Scope 1, 2 and 3 leased assets emissions data is gathered, validated and reported using the GHG Protocol – A Corporate Reporting Standard as our framework⁴.

Our reporting boundary includes Scope 1: direct combustion of fuels, Scope 2: indirect purchased electricity and Scope 3: indirect emissions from business travel (global air travel, rail and taxis) and (upstream) leased assets (location and market-based) using information from the specific energy sources or suppliers. This reflects our emissions from purchased energy and includes details of renewable energy usage. We applied the latest UK Government's Greenhouse Gas Conversion Factors, the Department for Environment, Food and Rural Affairs (DEFRA) and US EPA (eGrid) 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. Where locations were outside of our reporting boundary, these emissions are not included in the GHG emissions calculations.

We are committed to accounting for and minimising the carbon footprint of our entire business, both 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. Disclosure of our voluntary Scope 3 emissions includes business travel (flights⁵, rail and taxis – where information is available through third-party preferred travel partners), emissions relating

⁴ For further details of our methodology, see our [Environmental Reporting and Methodology Guidelines](#).

⁵ Underlying air travel data represents journeys booked (as opposed to taken). Man Group assumes that all journeys booked and accounted for in this metric, are then taken.

to our Riverbank House sub-tenants, emissions relating to the global office operations over which we do not have operational control, seed investments and fund product investments held for deferred compensation awards, waste and water. Scope 3 disclosures utilise reporting from third-party suppliers (or estimates where such information does not exist). Energy consumption has been calculated in kilowatt hours (kWh). Waste consumption from business activities including paper/cardboard, residual waste/domestic-type waste, electronic scrap, cafeteria (food) waste, etc. is measured in tonnes and is converted into tCO₂e using UK Government GHG conversion factors.

Water for air conditioning, data centre cooling systems, kitchens/cafes, indoor plants, sanitary installations and external grounds/gardens is measured in cubic metres and is converted into tCO₂e using UK Government GHG conversion factors.

The carbon disclosure of our assets under management, calculated in line with the TCFD recommendations, can be read on page 59. This year, we have chosen to include the absolute carbon emissions of our seed capital and fund product investments held for deferred compensation awards using the same methodology. We aim to provide data wherever possible, but have not been able to achieve full coverage.

In line with GHG Protocol guidance, we have also estimated our carbon emissions associated with staff commuting. In doing so, we have used the GHG Protocol 'average-data method', which involves estimating emissions from employee commuting based on average data on commuting patterns. We have used London data as a proxy for our global workforce and in 2021 we estimate our employee commuting carbon emissions to be approximately 180 tCO₂e. There are inherent assumptions in the average-data method and, with the impact of pandemic restrictions in 2021 on global commuting

patterns, we acknowledge the limitations of this 2021 estimate. We will continue to monitor our commuting patterns and will aim to enhance the accuracy of our disclosure in this area in the future as more data becomes available.

We intend to work with our commercial management team to understand better the carbon impact of our procurement of goods and services, establish materiality and consider our approach to disclosure in due course.

Performance against targets

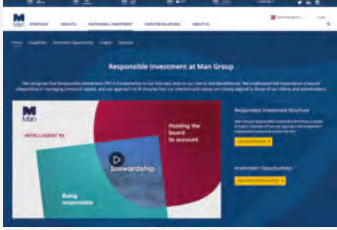
We strive to make our contribution to the Paris Agreement targets. In 2019 we set firmwide targets in line with the Science Based Targets Initiative methodology to limit the global temperature increase to a maximum of 1.5°C. We exceeded our targets in 2020, in part due to COVID-19, and expect emissions to increase as employees return to the office (reflected in our future targets). We review our targets regularly, have two carbon-related non-financial KPIs which are in turn linked to executive compensation, and we have linked our revolving credit facility to ESG-based KPIs, thereby embedding our environment-related commitments throughout our organisation.

The table below shows that in 2021 we have met and exceeded our targets in all categories, with the exception of Scope 2 and 3 (upstream) leased assets market-based emissions. In this category, our 2021 emissions were 88 tCO₂e greater than the 2021 target. We were unable to reduce emissions by 50% in 2021 largely due to the drop in emissions we saw in 2020 relating to our workforce working remotely due to COVID-19. We also expanded our emissions data in 2021 to include one more non-UK operation. We are committed to obtaining greater transparency of emissions data over time and we will continue to review this target (and all other targets) regularly as our emissions data transparency continues to improve.

	2019 Baseline	2021 Target	2021 Result	2022 Target
Scope 1: Reduce scope 1 natural gas and fuel emissions by 30%	1,136 tCO ₂ e	908 tCO ₂ e	641 tCO₂e Met	795 tCO ₂ e
Scope 2 & 3 (upstream) leased assets location-based: Reduce global energy usage by 10% per year	4,253 tCO ₂ e	3,409 tCO ₂ e	2,515 tCO₂e Met	2,983 tCO ₂ e
Scope 2 & 3 (upstream) leased assets market-based: Reduce emissions by 50%	464 tCO ₂ e	309 tCO ₂ e	397 tCO₂e Not met	232 tCO ₂ e
Scope 3 water: Reduce baseline usage 2% per year	27,221m ³	26,143m ³	22,245m³ Met	25,620m ³

Responsible business continued

Investing responsibly



+ visit our website to find out more

Man Group strives to be a leader in integrating RI concepts across asset classes and investment strategies.

We do not adhere to a 'one size fits all' approach, however our firmwide strategy and framework ensures consistency, transparency, credibility, and collaboration across our business.

By blending intuition and data science across our different businesses, we aim to build insights that help deliver better outcomes for our clients.

There are four key components to Man Group's expertise in RI:

- 1 **Broad application and integration of RI**
- 2 **Data-driven approach to ESG analysis**
- 3 **Active stewardship and engagement**
- 4 **Education**

1

Broad application and integration of RI

We take an intelligence-driven approach to ESG to create responsible investment-focused solutions for our clients. Each of our investment teams designs differentiated RI policies that address responsible investment in a way that is aligned to their investment strategies and philosophies. Our ESG implementation continues to be driven by our core beliefs (see image). Our approach to responsible investment has evolved significantly in recent years, moving from an exclusions-based approach to innovative implementations of ESG across our diverse product offering. Our fundamental knowledge of ESG factors combined with a quant-based approach to data allows each of our investment teams to integrate and assess the sustainability profile of companies.

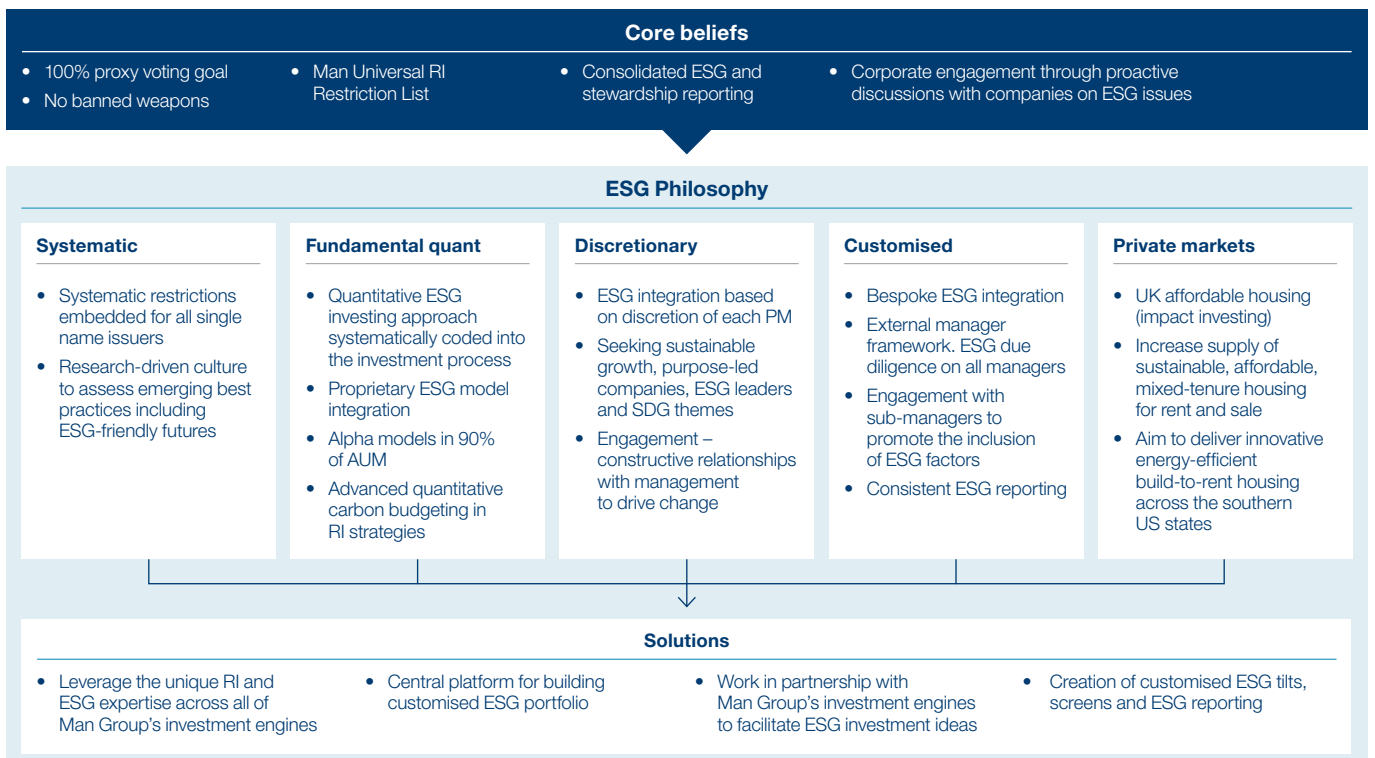
As at 31 December 2021, \$55.2 billion of Man Group's total AUM is invested in strategies that integrate ESG into the investment process. ESG-integrated AUM

is defined as the portion of our total AUM that integrates explicit ESG criteria into the investment process. To provide a consistent framework around Man Group's calculation of ESG-integrated AUM, we base our calculation on the Global Sustainable Investment Alliance (GSIA) categories and definitions. Man Group's ESG-integrated AUM is based on the GSIA's 'ESG Integration' sustainable investment category, which is defined as the 'systematic and explicit inclusion by investment managers of environmental, social and governance factors into financial analysis'. The ESG integration category is relevant and applicable to Man Group's investment process and its use has been approved by our RIC. Using the ESG Integration approach, our calculation methodology identifies all relevant funds and mandates for which explicit environment, social and governance criteria are used in asset selection (discretionary) or a dedicated environment, social and governance model

is incorporated in the investment process (systematic). For multi-strategy/multi-asset portfolios, only the portion of a fund or mandate for which ESG is factored into the investment process is included¹ and the investment process must integrate all three elements of environment, social and governance pillars. The identification of Man Group's ESG-integrated AUM is undertaken by our Responsible Investment team, reviewed by the relevant investment teams, and subject to formal oversight by control functions. This rigorous process and the resulting ESG-integrated AUM figure is overseen by the RIC. We have used this approach consistently since we started publishing Man Group's ESG-integrated AUM. While we believe it to be a helpful and prudent framework for calculating our ESG-integrated AUM, we continue to monitor the development of market practice.

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

Investment engines



Responsible business continued

Investing responsibly cont.

2

A data-driven approach

One of our greatest ESG strengths arises from our understanding of data and quantitative capabilities. With over 570 quantitative researchers and technologists and 35 years of experience in quantitative investing, including many years spent interrogating ESG data sets, we are in a prime position to add value to clients.

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 support quantitative analysis. Challenges remain, however, when interpreting and analysing data. Data is frequently qualitative or subjective and often incomplete. There are few reporting standards, categories and definitions vary widely and there has been a rapid change in the attitudes of how companies and investors prioritise these issues. The challenge for an investment manager is how to convert this unstructured data into useful insights. Our combination of quant and data science expertise coupled with our extensive experience in fundamental analysis allows us to give meaning to the ever-increasing amounts of ESG data.

Man Group actively works to cultivate a diversity of approaches to identify, assess and integrate ESG-related risks and opportunities. We strive to provide our investment teams with as much high-quality ESG data and insight as possible. The Man Group ESG Analytics Tool is a proprietary, dashboard-style tool that



Our proprietary ESG Analytics Tool dashboard

enables investment teams and our clients to monitor non-financial risks at a portfolio level and on a single-stock basis. The tool embeds Man Group's proprietary ESG score alongside data sets from leading ESG data providers; this ensures we can measure and manage ESG opportunities and risks on a comprehensive basis across asset classes and provide our investment teams with an innovative and standardised approach. To identify and address climate-specific risks and opportunities, the tool provides our investment teams with access to a number of key metrics (e.g. WACI, impact ratio), which we continually review and update. Our investment teams use these to manage climate-related considerations as relevant to their strategies and the clients invested in them.

3

Stewardship

As stewards of our clients' capital, we believe that we have an obligation to manage their assets actively and responsibly to unlock sustainable long-term value.

We have developed a firmwide stewardship approach that provides stewardship information and recommendations to all strategies while at the same time receiving stewardship preferences from Man Group's discretionary strategies where company engagement is a key feature. Our objective is to coordinate shareholdings across Man Group, identify and work to reconcile differences in voting preferences, support well-developed arguments for stewardship and signal this across the firm. In this way, Man Group's work creates powerful benefits for quantitative strategies who may lend their shareholding support to engagement, voting and even co-filing opportunities.

Proxy voting

Man Group's dedicated Stewardship team works with a third-party proxy adviser who provides research and recommendations on the basis of the firm's voting preferences. We use this as basis for our decision and complement the adviser's recommendations with our own research. Our custom ESG Voting Policy uses the Glass Lewis standard policy as the base but applies a number of additional guidelines focused on ESG standards to create our enhanced proxy voting policy. We recognise the importance of using our voting rights to encourage sound corporate governance practices at our investee companies.

Engagement

Engagement activity is consolidated at the firmwide level to leverage Man Group's scale and aggregate ownership in securities to promote best practices related to ESG issues and affect meaningful, positive outcomes.

Man Group's engagement activity spans three different dimensions:

- Systematic engagement, led by Man Group's Stewardship team, which involves direct engagements with companies on ESG themes.
- Collaborative engagement, also managed at the firm level by Man Group's Stewardship team, which involves working alongside a group of institutional investors to engage with companies on ESG issues. Our active participation in RI and ESG-related collaborative initiatives, such as the Climate Action 100+ initiative and the Investor Forum, enhances our ability to influence change.
- Fund-level engagement, which is conducted at the investment team level, particularly for discretionary investment strategies. In this area, Man Group discharges its stewardship responsibilities primarily through company interactions and active engagement undertaken by investment teams.

During 2021, the Stewardship team established dialogue with 384 companies across 43 different countries on ESG issues (89 direct engagements and 298 engagements in collaboration with other shareholders). Climate change, diversity, compensation, stakeholder relations and labour relations were key areas of discussion. Our increased focus on firmwide stewardship has resulted in significant achievements:

- Man Group was part of the first wave of signatories to the inaugural UK Stewardship Code 2020.
- Man Group was ranked in the top 10 by ShareAction, in their 'Voting Matters 2021' report, supporting at least 98% of shareholder resolutions on environmental issues between September 2020 and June 2021. Most notably, Man Group ranked #4 among both signatories of the Net Zero Asset Managers initiative and members of Climate Action 100+.
- Our stewardship efforts culminated in our co-filing of the HSBC climate shareholder resolution, the first such filing in Man Group's history.

During 2021, the Stewardship team established dialogue with



Responsible business continued

Investing responsibly cont.

4

Education

A core part of Man Group's commitment to ESG involves actively promoting education around responsible investment, particularly in alternatives, and leading the way in setting standards for hedge funds through participation in industry-wide initiatives.

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

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

- Significant contributions to the CFA's Investing in ESG Certificate course and the CFA's Climate Change Analysis in the Investment Process.
- Publishing proprietary research such as 'Climate Investment: Positioning Portfolios for a Warmer World', which was awarded best Megatrends Paper in the Savvy Investor and explains the science of modelling climate change, forecasts the likely long-term impact of global warming on economies, introduces a climate-adjusted understanding of corporate valuations and provides practical applications of climate-positive strategies.
- Production of an award-winning podcast series, A Sustainable Future, featuring commentary from asset owners, managers, consultants, academics and policymakers on pressing ESG issues.

Case study:

A focus on climate

Developing and researching innovative investment solutions which support a transition to climate neutrality is a key area of focus for Man Group. In recent years we have significantly advanced our understanding of climate risks and opportunities through ongoing research and initiatives in this area.

Supporting the transition to a low-carbon economy, managing risks and opportunities effectively

We are investing significantly to enhance our approach to managing climate change risk and believe that our data-driven culture puts us in a prime position to assist our clients in reducing the systemic risk of climate change while identifying opportunities in the transition towards a low-carbon economy. We have onboarded multiple climate-related data sources and increased the breadth of investment solutions available to our clients.

We have leveraged our climate expertise and quant research capabilities to develop

a proprietary climate model, which seeks to identify both the risk and opportunities of climate change for relevant investment strategies.

There are four underlying components that drive the model:

1. Physical cost: captures the impact cost on firms from changes in climate that are already occurring and are projected to continue in the years ahead, under a range of different GHG emission scenarios. We have operationalised the latest results from global climate modelling centres to assess various aspects of physical climate risks.

2. Transition cost: captures the risk to businesses due to policy actions, technology changes, investors' responses, reputational considerations and legal actions as the governments around the world strive to reduce the impact of climate change.

3. Stranded assets cost: in order to meet the 2°C target as agreed in Paris Agreement, a portion of fossil fuel reserves must remain unextracted. This and similar examples could lead firms to write-down the value of certain assets on their balance sheets.

4. Opportunity: capture the opportunity from climate change, with a focus on firms that target innovation in themes such as renewable energy.

We are investing significantly to enhance our approach to managing climate change risk and believe that our data-driven culture puts us in a prime position to assist our clients in reducing the systemic risk of climate change while identifying opportunities for our existing strategies and to develop new products in the transition towards a low-carbon economy.

We have also made substantial progress in our climate stewardship activities. We supported 93% of environment-focused shareholder resolutions during 2021. Our stewardship efforts culminated in our co-filing of the HSBC climate shareholder resolution, the first such filing in Man Group's history. The proposal led the HSBC board to issue its own climate proposal, reflecting all the co-filing party's requests – demonstrating the power of collaborative engagement.

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

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

WACI measures a portfolio's exposure to carbon-intensive companies, expressed in tons of CO₂ emissions per million dollars of revenue from companies in the portfolio. In contrast to total GHG emissions for AUM, WACI is not impacted by changes in AUM.

Methodology

Data sets

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

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

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

AUM in scope

The firm's total AUM as at 31 December 2021 was \$148.6 billion. We exclude our investments in private markets and CLOs from the analysis due to limited data availability. We also exclude AUM where the investment decision is ultimately made by a third party (e.g. multi-manager solutions and emulation mandates).

The AUM in scope for the purposes of calculating GHG emissions and WACI is \$120.5 billion, or 81% of the firm's total.

Our approach

We use the total exposure of all long positions related to the \$120.5 billion of AUM in scope for our WACI calculation. We think total exposure is most appropriate as it captures any leverage used in the investment strategy or, conversely, any under investment. This is particularly relevant to capture the underlying exposures of several of our alternative investment strategies more accurately. Any financial instruments (e.g. derivatives) are also included where possible based on their underlying exposure. While there are different views within the industry as to the application of short positions in the emissions context, we believe long exposures through physical securities are

the most direct representation of ownership and engagement rights with companies. We do not decompose any holdings in indices for the same reason. Our findings are therefore presented showing coverage as a percentage of total exposure of all long positions weighted by the proportion of total AUM they represent, without netting off exposure from short positions, or decomposing indices into their underlying constituents. We acknowledge that a consensus around methodologies will develop over time, and we will seek to incorporate this into our analysis in the future.

Metrics

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

Absolute emissions (million tCO ₂ e)			December 2021		December 2020
	Data	Coverage		Coverage	
Total assets under management in scope	Scope 1 & 2	38%	12.0	41%	13.9

Our findings show that total emissions from AUM in scope have reduced over the course of 2021. While long exposure coverage has decreased marginally, our long emissions (absolute) have decreased from 13.9 million tCO₂e to 12.0 million tCO₂e. Coverage remains relatively low considering the range of instruments we trade, and is also influenced by other factors (e.g. total underlying exposure, which can vary significantly and change frequently).

Responsible business continued

Investing responsibly cont.

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 2021 year-end press release¹.

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

While our metrics reflect progress in providing climate-related information, we recognise this is an area that will evolve rapidly in the future. We believe it is important to continue to refine our analysis and disclosures as both data availability and quality improve, and to incorporate methodologies for instruments that are relatively less covered today as they develop over time. Our ultimate aim is to support our clients and shareholders transition to a low-carbon economy by providing transparency and incorporating best practices into our carbon reporting as they emerge.

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

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

Our policies and practices

TCFD

We have made valuable enhancements to our climate-related disclosures in 2021. We have included disclosures consistent with the TCFD's recommendations, providing further transparency on our approach to managing climate-related risks and opportunities across our business.

As a company, and as an asset manager, we have provided information on all four pillars and 11 recommendations in our Annual Report (references below), 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 to our business, or why improvements are still required.

Disclosure recommendation	Man Group assessment / 2021 Annual Report reference
Governance	
The Board's oversight of climate-related risks and opportunities.	Compliant: We describe details of the Board's oversight in the Board effectiveness section (page 86) and the Responsible business section (page 47).
Management's role in assessing and managing climate-related risks and opportunities.	Compliant: We outline management's role in assessing climate-related matters and our governance structure in the Responsible business section (page 47) and the Board effectiveness section (page 86). We describe our climate-related strategy in the Strategy section (page 15).
Strategy	
Climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Compliant: We outline the climate-related risks and opportunities over different time horizons in the climate change risk management and strategy call-out box of the Risk management section (page 30).
The impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning.	Partially compliant: We discuss the impacts on our business from climate-related risks and opportunities in the Risk management section (page 30 and 37). We describe our climate-related strategy in the Strategy section (page 15) and how climate matters are factored into decision-making in the CEO and CFO reviews (page 18 and page 25, respectively). We assess climate-related scenarios in the Risk management section (pages 30, 32 and 37) and outline our pathway to carbon net zero in the Responsible business section (page 50). Explanation: We have not reflected a holistic picture of the interdependencies among the factors that affect our ability to create value over time, and recognise further progress is required in this area.
The resilience of the organisation's strategy taking into consideration different climate-related scenarios, including a 2°C or lower scenario ¹ .	Compliant: We outline the resilience of our business to future climate shifts in the Risk management section (page 30 and 37) and in the Responsible business section (page 53) under Performance against targets.
Additional recommendations included in the supplemental guidance for asset managers.	Compliant: We address industry-specific considerations within the Risk management section (page 30) and in our case study on climate in the Responsible business section (page 58). We discuss how climate-related matters impact our financial statements in the CFO review (page 25) and Note 3 to the Group financial statements.

Our policies and practices continued

TCFD cont.

Disclosure recommendation	Man Group assessment / 2021 Annual Report reference
Risk management	
The organisation's process for identifying and assessing climate-related risks.	Compliant: We outline our processes for identifying and assessing climate-related risks in the Risk management section (page 30 and 33) and in the Responsible business section (page 48).
The organisation's process for managing climate-related risks.	Compliant: We outline our processes for managing climate-related risks in the Risk management section (page 30 and 37).
How processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	Compliant: We outline how our climate-related risk management framework processes are integrated into our overall risk management in the Risk management section (page 37).
Additional recommendations included in the supplemental guidance for asset managers.	Compliant: We address industry-specific considerations in the Responsible business section (page 56 to 58). This includes how we identify, assess and manage climate-related risks for each investment strategy, as well as our approach to stewardship and active engagement.
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.	<p>Partially compliant: The metrics and targets we use to assess climate-related risks and opportunities related to our operations are shown in the Responsible business section (page 52 and 53). We describe how climate targets are linked to remuneration policies in the Directors' Remuneration report (page 104).</p> <p>Explanation: We currently do not consider internal carbon prices or climate-related opportunity metrics related to our business meaningful and applicable, however we will continue to assess their relevance in the future.</p>
The targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Compliant: The targets we use to manage climate-related risks and opportunities related to our operations are shown in the Responsible business section (page 50 and 53).
Scope 1, 2 and 3 greenhouse gas (GHG) emissions and related risks.	Compliant: The emissions metrics related to our operations are shown in the Responsible business section (page 52 and 53).
Additional recommendations included in the supplemental guidance for asset managers.	<p>Partially compliant: The metrics and targets we use to assess, monitor and manage climate related risks and opportunities related to our investment strategies are shown in the Risk management section (page 30 and 32) and Responsible business section (page 56, 59 and 60). This includes GHG emissions from our assets under management and the weighted average carbon intensity for our key strategies.</p> <p>Explanation: We have only provided the metrics we consider meaningful at this time and will review and update these as necessary in the future.</p>

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

Non-financial information statement

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

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

Our policies and standards	Due diligence and governance	Impact and outcomes of our policies and standards	Related principal risks
Environment			
<p>Environmental Sustainability Policy Statement Describes our commitment to conducting our business responsibly, minimising the environmental and climate-related impact of our activities.</p>	<p>We track progress through environmental data compilation systems ensuring accurate reporting of measures. Our climate change strategy is set by the Board. For further information please see page 15.</p> <p>On behalf of the Board, the Corporate Social and Responsibility Committee (CSRC) oversees the development and implementation of our environmental processes and procedures.</p>	<p>Our achievements in relation to our impact on the environment can be found on pages 46 to 53.</p> <p>Our greenhouse gas emissions data can be found on page 52.</p> <p>We continue to work towards becoming carbon neutral by 2030. For further information on this objective see page 50.</p>	<p>Climate change risk management and strategy is discussed on pages 30 and 48 and as a principal risk on page 37.</p>
<p>Signatory of the Task Force on Climate-related Financial Disclosures (TCFD) and the Net Zero Asset Managers initiative</p>	<p>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.</p>	<p>For further information on TCFD see pages 61 to 62.</p> <p>Man Group is a signatory to the Net Zero Asset Managers initiative. We pledge to reduce greenhouse gas emissions to net zero in investment portfolios by 2050.</p>	<p>Climate change risk management and strategy is discussed on page 30 and 48 and as a principal risk on page 37.</p>
Social Matters			
<p>RI Policy and RI Fund Framework Outlines our recognition and support for the development and integration of RI modalities across the firm.</p>	<p>Our Responsible Investment Committee oversees the implementation of our RI policy and processes. The Board also receives regular updates from the RI leadership team.</p> <p>We review our RI policies on an annual basis.</p> <p>The diversified nature of our multi-strategy businesses means that no ESG framework is universally applied. Accordingly, we apply the norms and best practices of RI that are most appropriate for the strategies and asset classes we manage.</p>	<p>We integrate ESG considerations in our investment decision-making and monitoring across strategies in line with the policy and processes overseen by the Responsible Investment Committee.</p> <p>We have increased ESG-integrated AUM from \$42.7 billion to \$55.2 billion and our ESG analytics tool supports investment decision-making and risk management. For further information on how this has benefited our RI policy objectives see pages 55 and 56.</p>	<p>RI is linked to our investment performance and reputational principal risks on page 34 and page 37.</p>
<p>Engagement Policy Outlines our approach to shareholder engagement and proxy voting, as stewards of our clients' capital.</p>	<p>The Engagement Policy was formalised in 2021 by the firm's appointed investment managers for our investment engines. Our Stewardship team oversees the proxy voting process and leads on engagement at both a systematic and collaborative level; however, fund-level engagement is delegated to the investment teams.</p>	<p>The Engagement Policy sits alongside our voting framework and encourages collaborative engagement with investor groups and initiatives and promotes fund-level engagement.</p> <p>As part of our commitment to stewardship, our proxy voting policy has been enhanced to an ESG-oriented voting preference. Our stewardship achievements can be found on page 57.</p> <p>Man Group is a signatory to the UK Stewardship Code.</p>	<p>Not linked to our principal risks.</p>
<p>ManKind Initiative The Company's volunteering programme which aims to encourage employee volunteering.</p>	<p>We prioritise giving back to our communities and this takes place through various channels. For further information on our initiatives see page 43.</p>	<p>Senior management actively communicate with staff throughout the year to encourage participation in volunteering activities.</p>	<p>Not linked to our principal risks.</p>

Our policies and practices continued

Non-financial information statement cont.

Our policies and standards	Due diligence and governance	Impact and outcomes of our policies and standards	Related principal risks
<p>Global Banned Weapons Policy Sets out our approach to Global Banned Weapons investments.</p>	<p>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.</p> <p>This includes utilising ISS ESG's Controversial Weapons Research service to monitor and identify companies involved in activity contrary to these conventions. Man Group utilises this research, along with other information, to make decisions regarding investing in, or setting restrictions or outright prohibitions on, companies with a confirmed direct or indirect involvement in prohibited activities such as those linked to Banned Weapons.</p>	<p>Man Group has established a firmwide zero tolerance threshold to limit the firm's exposure to Banned Weapons. The funds we manage are not permitted to directly invest in or finance companies, which our independent third-party specialist screening provider believes are involved in the manufacture, supply or distribution of weapons banned by international convention.</p>	<p>RI is linked to our investment performance and reputational principal risks on page 34 and page 37.</p> <p>Legal and regulatory risk is a principal risk on page 37.</p>
<p>Well-being and inclusion – Global Inclusion Statement</p>	<p>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).</p>	<p>We have a number of policies and offerings including our 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 38 to 43.</p>	<p>Not linked to our principal risks.</p>
Anti-Bribery and Corruption			
<p>Anti-Bribery and Corruption Policy</p>	<p>For further information on our controls and procedures see page 37.</p>	<p>For further information on our Anti-Bribery and Corruption Policy please see page 66.</p>	<p>Failure to implement effective controls in relation to anti-bribery and corruption is a principal operational risk on page 37.</p>
Employees			
<p>Global Code of Ethics and Code of Conduct</p>	<p>For further information please see page 66.</p>	<p>For further information please see page 66.</p>	<p>Employee conduct is linked to our operational and reputational principal risks on pages 36 and 37.</p>
<p>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.</p>	<p>We track progress through a number of health and safety systems ensuring accurate reporting of accidents, incidents and near misses and prevention measures.</p> <p>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.</p>	<p>We aim to minimise health and safety risks and we undertake an ongoing programme of health and safety risk assessments and improvements throughout the year.</p> <p>We evaluate the safety training needs of employees and ensure that they receive appropriate training including induction safety training.</p> <p>Statutory and regulatory risk assessments are carried out annually and observations actioned and closed out in a timely manner.</p>	<p>Employee well-being is linked to our operational principal risks on page 37.</p>

Our policies and standards	Due diligence and governance	Impact and outcomes of our policies and standards	Related principal risks
<p>Diversity, Equity and Inclusion Initiatives, Global Inclusion Statement and diversity focused recruitment policy Governs our approach to diversity.</p>	<p>Our diversity, equity and inclusion initiatives support Man Group's commitment to improving diversity across the Company and within the finance industry more generally. The initiatives are supported at a senior level by the Senior Executive Committee and our Drive (DE&I) Steering Committee (see pages 41 to 42).</p> <p>We link diversity targets to our revolving credit facility and executive director variable pay. For further information see page 103 to 104.</p>	<p>We achieved gender parity on our Board during 2020 and during 2021 have appointed two of our female NEDs to be Chairs of the Audit and Risk Committee and Remuneration Committee. Our Board also meets the ethnic diversity targets set by the Parker Review.</p> <p>Further information on our diversity, equity and inclusion initiatives can be found within our DE&I report on the Man Group website.</p> <p>During 2021 the Board approved an updated Board Diversity policy. See page 100 to 101 for further information.</p>	<p>Not linked to our principal risks.</p>
<p>'Paving the Way' Initiative Our initiatives focus on attracting diverse talent into the Company and the industry.</p>	<p>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.</p>	<p>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.</p>	<p>Not linked to our principal risks.</p>
<p>Global Talent function Ensures we nurture our current talent and attract new talent.</p>	<p>The Senior ExCo discusses talent throughout the year and works closely with the Talent team and HR leaders. For further information see our CSR booklet, our website and page 40.</p>	<p>We have a connected talent management strategy. Group-wide talent review and succession planning practices identify our talent development priorities. For further information see the 'People and culture' section on pages 38 to 43.</p>	<p>Key person risk is a principal business risk on page 34.</p>
Human Rights			
<p>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.</p>	<p>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.</p> <p>The Board reviews and agrees the Modern Slavery and Transparency Statement on an annual basis.</p>	<p>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.</p> <p>There are no known instances of modern slavery within our business.</p>	<p>Negative publicity is a principal reputational risk on page 37. Legal and regulatory risk is a principal risk on page 37.</p>
Other			
<p>Service Provider Management Policy Ensures our fund service providers are appropriately selected, managed and overseen and that any issues are identified and escalated.</p>	<p>An ongoing programme of due diligence is conducted and guidance is provided on our expectations of their conduct and operation.</p>	<p>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.</p>	<p>External process failure by one of our service providers is a principal operational risk on page 36.</p>
<p>Supplier Code of Conduct Sets out our business conduct expectations of our suppliers.</p>	<p>For further information see page 67.</p>	<p>For further information see page 67.</p>	<p>Negative publicity is a principal reputational risk on page 37.</p>
<p>Non-financial KPIs</p>	<p>The Board and senior management review the appropriateness and progress against non-financial KPIs.</p>	<p>This year, the Board approved an additional non-financial KPI reflecting Man Group's commitment to investing responsibly.</p>	<p>Negative publicity is a principal reputational risk on page 37.</p>

Our policies and practices continued

We run our business with integrity and holding ourselves to high ethical standards is embedded within Man Group's culture.

Our policies and practices are designed to foster a business environment where each and every one of our employees upholds these standards, and to help ensure we are transparent and held to account as a firm.

We define our ethical standards within our Global Code of Ethics, which makes an overarching commitment to high standards and professional conduct. We expect our people to follow our core business principles by acting ethically and with integrity, putting clients' interests first, managing conflicts of interest, retaining and disclosing information appropriately, and observing high standards of market conduct.

This policy sits alongside further guidance for staff that includes our Code of Conduct; Global Personal Account Dealing Policy; Global Gifts and Entertainment Policy; Global Conflicts of Interest Policy; Global Whistleblowing Policy; and Global Complaints Policy. Our staff receive annual training on the standards and obligations set out within these, along with other core policies and practices that include: anti-bribery and corruption, slavery and human trafficking, security and privacy, human rights, whistleblowing and service provider selection, management and oversight.

Many of our policies are described in other sections of this Annual Report e.g. in the People and culture section (page 38) and in the Responsible business section (page 46) as well as in our [Corporate Social Responsibility Brochure](#). This section is intended to outline any further policies and practices that help ensure our business maintains the high levels of ethical conduct in which we pride ourselves.

Anti-bribery and corruption

The Anti-Bribery and Corruption Policy, alongside other policies covering political and charitable donations, gifts and entertainment, fraud, tax evasion, sanctions, anti-money laundering and counter-terrorist financing, sets out our standards and processes. Our programme is designed to comply with all applicable laws and regulations, including the US Foreign Corrupt Practices Act 1977 and the UK Bribery Act 2010. The programme and risk methodology is overseen by a dedicated due diligence team and includes various policies, procedures and controls designed to prevent and detect bribery and corruption. These include: 'know your customer'; due diligence and enhanced due diligence checks; procedures to prevent, detect and report suspicious activity and red flags; training employees; and undertaking politically exposed persons (PEPs) screening.

Annual training is given on our financial crime programme to ensure employees understand their responsibilities and duties. We have implemented risk-based due diligence procedures, designed to identify and verify the owners and controllers of relationships. This ensures we know our partners in business, our suppliers and our clients, and that we comply with all applicable laws and regulations. We perform enhanced due diligence for relationships in higher-risk countries. Man Group also expects those who provide services to us or who work on our behalf to have the same commitment, wherever in the world they operate.

The annual report from the Money Laundering Reporting Officer is submitted to the Man Group Audit and Risk Committee and the firm's policies and procedures are subject to regular review by the Internal Audit function.

Finally, our [Financial Crime Statement of Principles](#) provides key details on how Man Group manages the risks related to anti-money laundering, counter terrorist-financing, anti-bribery and corruption, financial sanctions and facilitation of tax evasion. Key components to the policies are outlined and can be accessed here.

Slavery and human trafficking

Man Group has a zero-tolerance approach to slavery and human trafficking, as set out in our Modern Slavery Statement and Global Inclusion Statement. Our employees receive annual training on modern slavery which includes the various forms of servitude and the actions to be taken should staff become aware of or suspect the presence of modern slavery at the firm or within our supply chain.

Human rights

We do not tolerate discrimination or harassment of any kind and call out behaviour that is against our values. Our Human Rights Statement gives information on our recognition and promotion of human rights around the world.

Raising concerns

Staff can raise feedback and concerns in various ways, including in person with management or the HR and Compliance departments, via pulse surveys and the annual staff survey or via our anonymous 'whistleblowing' hotline operated by an external provider. Advice for staff is set out in various documents, including our Global Inclusion Statement and Global Whistleblowing Policy. Our Audit and Risk Committee has oversight of matters that have been raised and can raise these to our Board if appropriate.

Information security and data protection

Using, managing and transferring data plays a key role in the operation of our business. We take our role as custodian of information extremely seriously. We have four key policies that set out how we manage the security of information: our Information Security Policy, Acceptable Use of Technology and Electronic Communications policy, Cyber Security Policy; and our Data Protection Policy.

These policies guide our staff in their day-to-day operations and establish a control infrastructure that is aligned to relevant laws, regulations, our clients' best interests and good practice. The controls set out in the policies include those covering cyber security control, but also protect Man Group from cyber breaches. These controls are continuously reviewed and regularly tested in the context of penetration testing or other such third-party assessments.

We have robust business continuity procedures in place that are reviewed regularly. These cover our physical workplaces as well as our digital infrastructure. They include specific crisis management plans and include exercises, testing and monitoring. We also monitor and conduct regular reviews of our critical suppliers in this regard. We review our policies annually and all staff receive training on their obligations and our standards every year. Our Privacy Notices are available on our [website](#).

Health and safety

Man Group is committed to ensuring the health, safety (H&S) and well-being of its employees and any other persons who may be affected by Man Group's activities. We recognise our responsibility and statutory duty of care to provide and maintain a safe working environment to prevent ill health, occupational injury and to promote mental well-being. Our commitment is set out in the Man Group Health and Safety Policy Statement endorsed by the CEO. We have defined control objectives to address H&S risks and our policy objectives are aligned to the requirements of an internationally recognised H&S management system, which defines Man Group's minimum H&S standards, to support the safe implementation and delivery of our services globally.

ESG-linked revolving credit facility

In 2019, Man Group converted its revolving credit facility into one which incorporates a range of ESG targets. The facility will be priced according to Man Group's performance against three sustainability-linked targets:

- To remain a signatory to the Women in Finance Charter and increase the percentage of women in senior management roles in line with targets.
- To reduce our scope 1 and scope 2 (market-based) carbon emissions per full-time employee in line with targets.
- To maintain a PRI Rating that is at least level with the median PRI Rating awarded to all responding signatories.

Supply chain management and responsible procurement

The expectations we have upon our consultants, contractors and sub-contractors are outlined within our [Supplier Code of Conduct](#). This code outlines the minimum standards Man Group expects of its suppliers, as pertaining to considerations around any economic activities, impact to the environment, as well as engagement with our wider communities.

Man Group intends to lead by example, and we endeavour to work closely with our suppliers to raise to the opportunity of addressing the global, social and environmental challenges that we all currently face. Vendor management including performance reviews are used to monitor the KPIs/SLAs put in place to ensure our suppliers are fulfilling their duties.

To ensure the impact of our Supplier Code of Conduct, Man Group specifically utilises ISO standards and ratings systems such as Energy Star for IT equipment and Green Star for paper supplies to assist us in choosing sustainable products. We also ensure all our equipment complies with the Restriction of Hazardous Substances Regulations.

Environment

Through the use of natural resources in our operations, we have a direct environmental impact. Our environmental management activities are focused on a number of key areas, the most crucial being the way we use our buildings and carry out our business travel.

We are committed to minimising the environmental impact of our activities, through responsible use of natural resources, maximising energy efficiency, reducing greenhouse gas emissions, zero waste to landfill wherever possible and recycling or minimising waste.

Man Group has a public, firmwide [Environmental Sustainability Policy Statement](#) to account for our own corporate environmental impact.

Governance at a glance

Governance at a glance for 2021

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

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

The Board of Directors confirms that during the year ended 31 December 2021 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 of the Companies Act 2006.

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

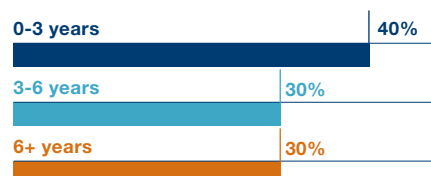
Principal decisions:

- D1** Appointment of CFO
+ For further details please see [page 75](#)
- D2** Dividend policy
+ For further details please see [page 80](#)
- D3** Share buyback programme
+ For further details please see [page 80](#)
- D4** Unclaimed dividend donation
+ For further details please see [page 82](#)

Board composition



Board tenure



Board and Committee meeting attendance 2021¹

Board member	Board ¹	Audit & Risk Committee	Nomination Committee	Remuneration Committee
John Cryan	8/8	–	5/5	7/7
Kate Barker	8/8	1/1	–	7/7
Lucinda Bell	8/8	5/5	5/5	–
Richard Berliand	8/8	5/5	5/5	7/7
Zoe Cruz	8/8	–	–	6/7 ²
Luke Ellis	8/8	–	–	–
Antoine Forterre	2/2	–	–	–
Mark Jones	6/6	–	–	–
Ceci Kurzman	8/8	–	–	–
Dev Sanyal	8/8	5/5	–	–
Anne Wade	8/8	–	3/3	7/7

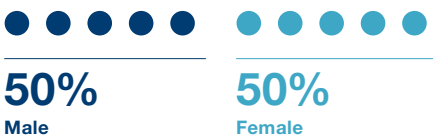
¹ Two strategy sessions were also held during the year which were attended by all Board members.

² Due to conflicting commitments, Zoe Cruz was not able to attend the Remuneration Committee meeting held on 22 July 2021. Zoe received the meeting pack in advance of the meeting for review and consideration.

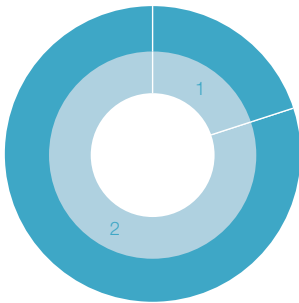
Board diversity

The Board recognises the importance of diversity and is pleased to have maintained gender parity during 2021 and have met the ethnic diversity targets set by the Parker Review.

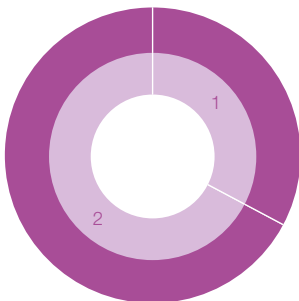
Gender



Ethnicity



Location



Board experience

Strategy



Finance



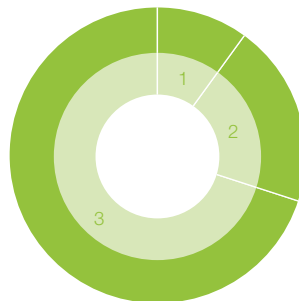
Operational



Risk management



Age



Workforce engagement

- Two non-executive directors lead the workforce engagement programme.
- 13 meetings held with employees during the year.
- Key themes identified during employee feedback sessions discussed with the Board.
- Review of the employee engagement model undertaken by the Board.

+ For further information on how we engage with our employees see [page 81](#).

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 2021, 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 a process for approving such appointments which it considers to be effective. 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, where the Chair considers it appropriate, including in any situation where there may be a potential conflict with the director's role on the Man Group Board, refers the matter to the full Board for consideration and approval. A full description of the process is on page 87.

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.

Chair's governance overview

A strong collaborative culture



I'd like to thank all of our people around the world for pulling together, once again, to make it another year to be proud of.



John Cryan | Chair

Dear Stakeholder

I am pleased to present the Governance report for the year ended 31 December 2021. This section will enable you to gain an understanding of Man Group's governance framework and responsibilities, and the areas of focus and performance of the Board over the past year. We recognise the importance of corporate governance across the organisation and apply and report under the 2018 UK Corporate Governance Code (the Code).

Board changes

As highlighted in my earlier statement, Sandy Rattray's decision to retire as CIO resulted in a number of changes to the Senior Executive Committee and, ultimately, the Board. Mark Jones, our former CFO, stood down from the Board to take up the position of Man Group's Deputy CEO and Antoine Forterre, former Co-CEO of Man AHL, was appointed as our new CFO. Further details on the CFO appointment process are set out in the Nomination Committee report and you will hear from Antoine about the transition to his new role and his initial impressions of the Board in the Q&A section on page 75. I would like to thank Sandy again for his contribution to the firm over the years and look forward to Mark and Antoine's continued work with the Board in their new roles.

Dev Sanyal and Zoe Cruz will be retiring from our Board as non-executive directors following the conclusion of the AGM in May 2022. I would like to reiterate our thanks to both Dev and Zoe for their contributions to the Board. As set out in my earlier statement, Jackie Hunt has joined our Board with effect from 28 February 2022 and we are very much looking forward to working with her.

We remain committed to promoting diversity, equity and inclusion across the organisation and are proud to maintain a Board with gender parity that meets the Parker Review ethnicity targets and are proud that, during 2021, we have maintained a Board that has gender parity and meets the Parker Review ethnicity targets. This does not mean that our work is finished. The Board will always be mindful of diversity, in its broadest sense, when considering its current composition and when making future appointments in accordance with our Board Diversity Policy set out on pages 100 to 101.

Committee changes

As stated in my governance overview last year, Anne Wade succeeded Richard Berliand to become Chair of the Remuneration Committee following the 2021 AGM, at which point she was also appointed as a member of the Nomination Committee.

Richard remains as our Senior Independent Director and a member of all Board Committees. In late 2021, Kate Barker was appointed as an additional member of the Audit and Risk Committee. Jackie Hunt has been appointed as a member of the Audit and Risk Committee and the Remuneration Committee with effect from 28 February 2022.

Working with stakeholders

We seek to engage with stakeholders in an open, constructive and transparent manner and make a conscious effort to ensure stakeholder views are considered as part of the Board's decision-making process. Following a stakeholder mapping exercise undertaken during the year, we agreed that regulators should be recognised as one of our key stakeholders and that communities and the environment should be separated into two distinct stakeholder groups. This year, our section 172 statement has been integrated into the stakeholder engagement section which explains how and why we engage with our stakeholders.

Board activities and effectiveness

It has been another busy year for the Board and we have had to adapt our Board practices to reflect the impact of the COVID-19 pandemic, and the need for virtual and hybrid meetings. A summary of our key activities is set out on pages 76 to 77 and I am very pleased with the progress made against our agreed actions from 2020.

In line with the Code, this year's Board effectiveness review was undertaken by an external facilitator. We are pleased to confirm that the results of the external Board evaluation (which are set out on pages 88 to 89) echo what we are most proud of – that we are an effective, engaged and diverse Board.

Board priorities for 2022

One of our key priorities for 2021 was to spend more time discussing the Company's strategy. Following two in-depth strategy sessions held during the year, I'm pleased with the progress we've made and will continue to keep this under review in the year ahead.

Thank you

2021 has been a very successful year for Man Group and I'd like to thank all of our people around the world for pulling together, once again, to make it another year to be proud of.

John Cryan
Chair

Governance structure

Key:

↑ Flow of information to the Board

↓ Delegated authority from the Board



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

Board of Directors and Company Secretary

A balanced and effective team

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

Key:

○ Executive director

● Non-executive director

* Quoted on a regulated market

N Nomination (Chair)

R Remuneration (Chair)

A Audit and Risk (Chair)

N Nomination

R Remuneration

A Audit and Risk


John Cryan

Chair

● N R

Appointed

January 2015. Chair: January 2020.

Background and career

John was CEO at Deutsche Bank AG from July 2016 to April 2018, having previously served as Co-CEO from July 2015. Prior to this, he held a number of senior roles at UBS AG and was President of Temasek in Singapore.

Areas of expertise and contribution

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

Material external positions

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


Luke Ellis

Chief Executive Officer (CEO)

○

Appointed

September 2016.

Background and career

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

Areas of expertise and contribution

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

Material external positions

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


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.


Richard Berliand

Senior Independent Director (SID)

● R A N

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*.



Dame Katharine Barker ● R A
Independent non-executive director

Appointed
April 2017.

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

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

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



Lucinda Bell ● A N
Independent non-executive director

Appointed
February 2020.

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

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

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



Zoe Cruz ● R
Independent non-executive director

Appointed
June 2018.

Background and career
Zoe is a senior banking executive and former Co-President of Morgan Stanley. She founded Voras Capital Management in 2009 and ran the firm as CEO until 2013. She was also a non-executive director of Old Mutual plc from 2014 until its managed separation completed in 2018.

Areas of expertise and contribution
Deep knowledge of global financial markets across all asset classes and strong US perspective.

Material external positions
Founder and CEO of Menai Financial Group, a digital asset company.



Jacqueline (Jackie) Hunt ● R A
Independent non-executive director

Appointed
28 February 2022

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

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

Material external positions
Non-executive director of OneWeb, a global satellite communications company.



Cecelia (Ceci) Kurzman ●
Independent non-executive director

Appointed
February 2020.

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

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

Material external positions
Non-executive director of Revlon, Inc.* (since 2013) and of Warner Music Group* (since October 2020) and Founder and President of Nexus Management Group.



Dev Sanyal ● A
Independent non-executive director

Appointed
December 2013.

Background and career
Dev is the CEO of Varo Energy and previously had a 32-year career with BP plc including over a decade as a member of the Group Executive Committee. He was Chief Executive of Alternative Energy, headed the Gas and Low Carbon Energy business and was responsible for Europe and Asia. He also served as Group Treasurer and Chair of BP Investment Management Limited.

Areas of expertise and contribution
Wide-ranging international and operational experience with extensive knowledge of capital markets, asset and risk management, trading and foreign exchange.

Material external positions
CEO of Varo Energy, a Swiss headquartered energy firm.



Anne Wade ● R N
Independent non-executive director

Appointed
April 2020.

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

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

Material external positions
Non-executive director of Summit Materials, Inc.* (since 2016) and a Partner in Leaders' Quest.



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.

Senior Executive Committee

Implementing our strategy

Roles and responsibilities of the Senior Executive Committee (Senior ExCo)

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

- overseeing the investment engines and other business areas;
- developing (for recommendation to the Board) and implementing the firm's global strategy;
- ensuring adherence to the risk appetite parameters set by the Board;
- taking decisions in accordance with the firm's delegated authorities framework; and
- advising the UK/EEA and Rest of World holding company boards on key strategic decisions for implementation across the respective sub-groups.

The Senior ExCo meets on a weekly basis to maintain its broad operational oversight of the business, discuss top-level strategic and risk issues and develop proposals for Board review. These regular meetings are supplemented with formal quarterly governance and business oversight meetings with key activities and areas of discussion during 2021 highlighted below.

Key activities and areas of discussion during 2021

Key decisions made during 2021 included:

- approval of Senior ExCo membership changes (Antoine Forterre, Eric Burl and Steven Desmyter appointed as members);
- roll out of the agile working model and subsequent return to office plans; and
- hiring of the Capital Asset Solutions team to sit within the Man Solutions business.

Key areas of discussion and focus at the 2021 meetings are set out below:

- reviewed quarterly business presentations and strategic plans for investment engines, Sales, ESG, Infrastructure and Technology;
- received people and culture updates and discussed issues relating to HR, Talent, diversity, equity and inclusion and well-being;
- received updates from the UK/EEA and Rest of World holding company boards;
- received updates and discussed the financial performance of the firm; and
- considered and agreed actions arising from Man Group plc Board and Board Committee meetings.



Luke Ellis
CEO

See page 86 for key areas of responsibility



Antoine Forterre
CFO

See page 86 for key areas of responsibility



Mark Jones
Deputy CEO

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



Shanta Puchtler
President

Key areas of responsibility
Man GLG, Man FRM/Man Solutions, Central Trading, Man Data Science, Man's Quantitative Alpha Research Lab, Prime Broker relationships, Fund Treasury and shared responsibility for Investment Risk.



Robyn Grew
Global COO and General Counsel. Head of ESG and Head of Man Group US

Key areas of responsibility
Man Group US, ESG, and Infrastructure covering Operations, Compliance, Legal, HR, Talent, Communications, Business Operational Risk & Resilience, Financial Crime and Corporate Real Estate.



Eric Burl
Global Co-Head of Sales & Marketing and Head of Man Global Private Markets

Key areas of responsibility
Global Sales and Marketing and Man GPM.



Steven Desmyter
Global Co-Head of Sales & Marketing, Man Group

Key areas of responsibility
Global Sales and Marketing, Responsible Investing, Chair of Man Charitable Trust.

Change of Chief Financial Officer

Principal decision

On 1 October 2021, Antoine Forterre succeeded Mark Jones as the CFO of Man Group following the recommendation of the Nomination Committee and subsequent Board approval in June 2021. Prior to Antoine's appointment, he was co-CEO of Man AHL and a member of Man Group's Executive Committee and Responsible Investment Committee.

As one of the most critical operational and strategic roles within the firm, the Board recognised the importance of the appointment to all stakeholders and took this into account when formulating the role criteria, identifying potential candidates and during the appointment process itself.

The right candidate had to be able to manage the firm's capital, risk and controls, financial reporting, engage with investors and undertake a scope of broader activity as needed.

The Board considered how the appointment would support the delivery of the firm's strategic objectives and, having undertaken an extensive external benchmarking exercise, agreed that Antoine was the right candidate for the role. The Board believes that he has the right mix of skills and experience to support the implementation of the Company's strategy and deliver long-term success.

Details of the appointment process are set out in the Nomination Committee Report.



I am looking forward to embracing all that the role brings and tackling the challenges ahead.



Antoine Forterre | CFO

Q&A with Antoine Forterre

Q: You've been at Man Group for a number of years, how have you seen the firm evolve over that time?

A: The firm has changed profoundly since I joined more than ten years ago and the most noticeable change is its culture. I joined a few years after the financial crisis, we'd undertaken a series of acquisitions and there was a collection of different cultural practices in operation. Man Group felt more like a holding company at the time and significant work has been undertaken to make the culture feel like that of a holistic performance-focused investment manager.

We've also expanded our product offering, our client base, our geographical reach (particularly in North America) and the result is a diversified business that is continuing to thrive.

Q: What was the transition from co-CEO of AHL to Group CFO like?

A: My transition was very smooth; I changed role within a business that I know very well, which is also performing very well. I also benefited from having the outgoing CFO (Mark Jones) remain in the business as Deputy CEO. The transition has struck the right balance of familiarity (due to my tenure at the firm) and novelty. The Board has almost entirely changed since I was last interacting with directors regularly and there is a new strategy in place to be implemented. I am looking forward to embracing all that the role brings and tackling the challenges ahead.

Q: What were your first impressions of the Board?

A: It started with a long, interesting conversation with John Cryan (our Chair) on a variety of technical topics.

This is indicative of the character of our Board members – deeply engaged, very smart and they understand the corporate culture we're building. They think differently, want to help and provide the right level of challenge.

We've maintained a good dynamic during COVID-19 with some virtual and some hybrid meetings, but I look forward to more in-person meetings.

Q: What would you consider the greatest risks and opportunities to be for the asset management industry over the next 12 months?

A: The known unknowns are well documented: the COVID-19 pandemic (hopefully at its tail-end); inflation; political instability; and global geopolitical wobbles (often triggered by climate change) are delivering short sharp shocks to the system. The more impactful risks will be the ones we don't know yet, or derivatives of those already at play.

That said, risks bring opportunities, and it should be a good environment for active investment management, as we've demonstrated with our growth over the last two years. The focus on ESG presents a major opportunity for change and we will be closely examining our capital allocation and skill base to ensure we can meet this demand.

Q: What are you most looking forward to achieving?

A: A lot has been achieved by my predecessors and we completed a restructuring exercise two years ago. I would like to help define and execute Man Group's growth strategy through my team over the next two to three years. My focus will be on the allocation of capital and resources, the implementation of our ESG strategy and our approach to M&A.

Board activities timeline

Key activities of the Board during 2021

Key to strategy:

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

Activity	Outcomes	Link to strategy and stakeholders (see key above)	Timeline
Strategy and business development			
Reviewed M&A strategy and opportunities	Considered and debated the current approach to potential M&A opportunities and lessons learned from some of the recent M&A activity across the industry.	① ③ ④ C S E	Throughout the year
Reviewed strategic plans for each of the investment engines, Sales, Technology and Infrastructure	Considered the strategic objectives of the firm, including detailed reviews of the investment engines and business functions in the context of current industry trends and discussed the options available to achieve growth.	① ② ③ ④ C S E C E B R	Feb, Mar & Jul
Discussed ESG and RI strategies and initiatives + For further information see pages 46 to 62	Reviewed ESG strategies and progress against RI initiatives in light of client demand, global regulation and the investment required to achieve goals and targets.	① ② ③ ④ C S C E B	May
Post-completion update on corporate restructure which took place in 2019	Received an update two years after completion and concluded that there had been no unanticipated issues with various positive outcomes.	① ② ③ ④ C S E C E B R	May
Received an external view of the global hedge fund industry and perspectives of the competitive landscape	Considered current trends within the industry and identified areas of opportunity and challenge across strategies, markets and individual products.	① ② ③ C S	May & Nov
Received investor engagement and valuation update	Discussed movement in share price, increased shareholder engagement, investor feedback on progressive dividend policy, and analyst and press coverage.	④ C	June
Reviewed output of stakeholder mapping exercise	Reviewed Man Group's identified stakeholder groups and agreed to the addition of 'regulators' as a stakeholder and the splitting out of 'communities and environment' to be two distinct stakeholder groups.	③ C S E C E B R	Jul
Discussed key clients	Discussed the relationships with certain key clients, associated challenges, opportunities and the ways to strengthen relationships further and continue to meet client expectations.	① ② ③ ④ S	Jul & Sep
Reviewed Man Group's Sales function	Discussed areas of focus for 2022 and beyond through promotion of new strategies and diversification of product range.	① ② ③ ④ S E C	Dec
Risk management			
Analysed Man Group's emerging and principal risks + For further information see pages 33 to 37	Assessed the likely impact of emerging risks and proposed changes. Discussed, challenged and approved the principal risks and risk management disclosures in the Annual and Interim Reports.	① ② ③ ④ C S E C E B R	Feb
Assessed effectiveness of risk management and internal controls + For further information see page 33	Reviewed Man Group's systems of risk management and internal controls and concluded that these were effective.	① ② ③ ④ C S E C E B R	Feb
Reviewed proposals contemplated by BEIS consultation on restoring trust in audit and corporate governance	Identified the potential impact of the proposals on the firm as both an asset manager and a premium listed company, and reviewed and approved Man Group's response to the BEIS audit and corporate governance consultation.	③ B R	Jun
Reviewed risk appetite and governance framework	Approved revised risk appetite and governance framework.	① ② ③ ④ C S E C E B R	Nov

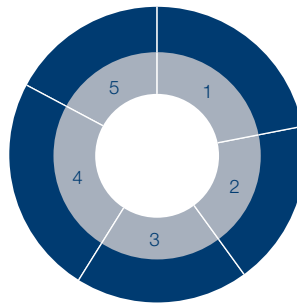
+ For more information on our strategy see [pages 14 and 15](#)

+ For more information on our stakeholder groups see [pages 78 to 85](#)

Key to stakeholder:

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

Board activities



1. Innovative investment strategies	22%
2. Strong client relationships	18%
3. Efficient and effective operations	19%
4. Returns to shareholders	24%
5. Governance and other	17%

Activity	Outcomes	Link to strategy and stakeholders (see key above)	Timeline
Financial performance			
Approved 2021 Budget and 2021-23 Medium Term Plan (MTP)	Approved the 2021 Budget and 2021-23 MTP having reviewed the underlying assumptions for net flows, performance, revenue margins and costs.	③ ④ C S E C E B	Feb
Approved change to financial KPI	Scrutinised and approved proposal to change financial KPI from core profit to core EPS for better comparability across peers and stronger alignment of management and shareholder incentives.	③ ④ C E	Feb
Approved FY 2020 year-end results and 2021 interim results	Reviewed, challenged and approved the 2020 Annual Report and the 2021 interim results.	④ C S E B	Feb & Jul
Recommended and approved final and interim dividends and change to dividend policy	Recommended the 2020 final dividend to shareholders which was approved at the 2021 AGM. Approved payment of the 2021 interim dividend. Considered, challenged and approved a progressive dividend policy for all future dividends.	④ C	Feb & Jul
Approved two share buyback programmes	Approved the launch of two further share buyback programmes of up to \$100 million and \$250 million (with an initial tranche of up to \$125 million) having considered potential alternative options for capital deployment.	④ C	Jul & Dec
Approved revolving credit facility (RCF) extension	Discussed and approved an extension to the maturity date of the firm's \$500 million RCF.	③ B	Sep
People and culture			
Discussed the approach to talent and succession planning	Reviewed the 2021 key priorities of Man Group's Talent function and evaluated the talent framework in place to support employees, with a particular focus on diversity.	③ E	Feb
Approved appointment of new Chief Financial Officer + For further information see page 75	Approved the appointment of Antoine Forterre as CFO.	① ② ③ ④ C S	Jun
Approved employee Sharesave Offer 2021	Approved the offer of the 2021 Sharesave scheme to all eligible employees.	③ ④ C E	Jul
Reviewed employee engagement feedback and employee engagement model + For further information see page 81	Considered and discussed key themes identified from the Board's engagement with employees. Reviewed the current model in light of developing best practice and agreed certain enhancements to the process.	③ E	Jul & Sep
Reviewed feedback from external Board and Committee evaluation + For further information see pages 88 to 89	Considered feedback from the external Board and Committee evaluation, discussed suggested areas for development and agreed actions to be progressed.	① ② ③ ④ C S E C E B	Sep & Nov
Approved executive directors' objectives and Directors' Remuneration Policy	Discussed, challenged and approved executive directors' qualitative objectives and recommended the Directors' Remuneration Policy to shareholders for approval.	③ ④ C E	Nov & Dec
Assessed and monitored culture	Assessed and monitored culture through regular people and culture updates from the CEO and undertook a specific review of culture with a focus on the impact of agile working.	③ E	Dec & throughout the year
Approved an additional non-financial KPI + For further information see page 23	Discussed and approved the addition of a non-financial KPI linked to ESG-integrated AUM growth to reflect Man Group's commitment to investing responsibly.	① ② ③ ④ C S C E	Dec

Stakeholder engagement

Our key stakeholders

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



Details of how the Board has had regard to the following matters as they relate to section 172 of the UK Companies Act can be found on the following pages:

- Consequences of decisions in the long-term – 78
- Interests of employees – 81
- Fostering business relationships – 79
- Impact on the community and environment – 82 to 83
- High standards of business conduct – 85
- Need to act fairly between shareholders – 80

Our section 172 statement is integrated across these pages 78 to 85 and sets out who our stakeholders are, how the Board has engaged with each stakeholder group and any key outcomes. We have also identified in the principal decisions boxes on pages 75, 80 and 82, how the Board has considered the interests of stakeholders when making long-term strategic decisions.

As set out in the Chair's governance overview, the Board undertook an exercise to review the firm's previously identified stakeholders. As a result, it was agreed that regulators would be added as a key stakeholder. Long-term engagement was already in place with regulators, so this addition to Man Group's stakeholder map reflects long-standing practice. It was also agreed that communities and the environment would be split from one combined stakeholder group into two.

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 two strategic sessions during 2021 to consider the long-term strategic direction of the firm. As part of these strategic discussions, the Board considered the market and industry trends and potentially impacted stakeholders.

The Board's principal decisions are summarised on page 68 and are detailed throughout this stakeholder engagement section.



Clients



Why?

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

How?

The Board remained mindful that the COVID-19 pandemic disrupted the firm's usual schedule of client interactions. The directors considered the impact on the firm's ability to deliver on its purpose and how to continue to meet clients' investment goals, deliver market outperformance and build strong relationships.

The Board delegates direct engagement with clients to the executive directors and senior management team. Regular updates on client interaction and engagement are presented at Board meetings via the CEO report.

Where possible, executive directors and members of the management team conducted face-to-face client meetings where government guidelines allowed, and virtual sessions were held continually throughout the year. The Board also considered client feedback as part of its strategy session discussions.

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

Outcomes

- 14,000+ client meetings were conducted throughout the year, either physically or virtually.
- The Board reviewed the analysis of Man Group's client base, the resource allocation to key client relationships and the various theme-based marketing campaigns which had received positive responses from clients.
- Agreed geographical regions of focus following reviews undertaken of client trends.
- Considered the improvement to our client experience by increasing collaboration between the sales, marketing and communications functions and endorsed plans to relaunch the RI website and increase social media presence.
- The Board remains aware of the focus on ESG from clients. As a result, firmwide RI priorities were presented to the Board and five additional ESG strategies were recommended by senior management. The Board agreed additional investment in resourcing and technology. The Board will continue to oversee developments in both ESG and technology to meet client demand and ensure these align with the firm's overall purpose.

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 and to that end has adopted a Supplier Code of Conduct to lead by example and promote high standards of business conduct. More information on our work with business partners and suppliers and the Supplier Code of Conduct can be found on pages 67 and 84.

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

Our key stakeholders cont.



Shareholders



Why?

Achieving long-term success and attaining our goals and objectives as a firm is underpinned by the support of our shareholders who benefit directly from it. We are therefore committed to proactive engagement with our shareholders and the Board is mindful that with a significant 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 2021 included product development and innovation, senior executive changes, M&A strategy, and investment within the business to create options for future growth.

The Board receives reports from the Investor Relations function on the Company's shareholder base, including key themes on shareholder sentiment. The Chair and the Senior Independent Director held shareholder engagement meetings and the Remuneration Committee Chair consulted with the largest shareholders and proxy voting agencies on changes to the Directors' Remuneration Policy.

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 its shareholders. As restrictions on public gatherings due to COVID-19 impacted the ability to hold a physical AGM in 2021, shareholders were given the opportunity to both submit questions to the Board in advance, or ask questions during the live webcast.

D1 D2 D3 D4

Principal decision: progressive dividend policy

In early 2021, the Board considered moving to a progressive dividend policy which takes account of the growth of overall earnings each year. As part of its consideration, the Board discussed the options for a new dividend policy, the benefits and risks associated with changing the policy, alternative uses for the available capital, and possible shareholder reaction. The Board noted that many UK institutions, being Man Group's single largest existing shareholder group, viewed progressive dividends favourably. Having considered the likely positive feedback from shareholders (the stakeholder group most impacted by the decision), the Board approved a new progressive dividend policy.

The Board requested an update from management in mid-2021 on the feedback received from shareholders following the implementation of the new policy. Management explained to the Board that the response had been positive with a meaningful increase in engagement with both existing and prospective shareholders.

D1 D2 D3 D4

Principal decision: share buyback programme

In December 2021, the Board approved a share buyback programme of up to \$250 million with an initial tranche of up to \$125 million. Prior to approval, the Board considered the views of the firm's stakeholders, particularly its shareholders (and the potentially conflicting views within the shareholder population), given this buyback programme would be of a significantly higher value than those undertaken previously. The Board also deliberated whether shareholders would consider this use of capital the most appropriate option for delivering long-term success. Alternative uses of capital were discussed and, having considered the various views held by Man Group's largest shareholders regarding capital return options, the Board concluded that the buyback was the most appropriate option and reflected the Board's confidence in the performance of the firm.

Outcomes

- Received metrics on shareholders as part of monthly reporting to inform discussion and decision-making.
- Continued high standard of proactive engagement and conversations with shareholders, led by the firm's Investor Relations function, the CEO and CFO. 80+ meetings took place during the year.
- Majority of proposals approved at the 2021 AGM, with follow-up conversations with institutional shareholders where votes against were received. More detail can be found in the Directors' report on page 134.
- Following an extensive shareholder engagement process, the Board recommended a new Directors' Remuneration Policy for approval at the 2022 AGM.
- A progressive dividend policy was implemented with positive feedback from shareholders. More detail is set out above.
- Having considered alternative uses for the capital, the Board approved two further share buyback programmes during the year in line with the firm's approach to capital management.



Employees



Why?

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

How?

In line with our workforce engagement model, Kate Barker and Zoe Cruz, were the non-executive directors responsible for leading employee engagement during 2021. They conducted a series of sessions with employees from different business units across the firm and shared the feedback with the Board (further information in the box adjacent). From March 2022, Ceci Kurzman will assume employee engagement responsibilities from Zoe prior to Zoe stepping down from the Board. Ceci will work with Kate, who will continue in this role.

Luke Ellis continued to communicate with employees on a weekly basis via email, providing updates on the market environment, business performance and personal employee news. Virtual sessions and Drive events were attended or hosted by directors.

The Board received regular updates on Man Group's people and culture and undertook a specific review of culture in the latter part of the year. The Board was keen to hear about the roll-out of the agile working model and its impact on employees.

Town hall sessions, hosted by our CEO and CFO, were held both virtually and in-person (where possible). Significant focus was given to firmwide performance and strategy following previous feedback. Employees could ask questions and share their views with directors. An employee engagement survey was conducted, and the results were shared with and considered by the Board.

Employee engagement during 2021

The Board believes that employees' views should be understood and appreciated that a motivated workforce remains a key factor of the firm's success and competitive edge. Alongside regular people and culture updates, the Board reviewed the output from the discussions held with the designated workforce engagement non-executive directors. Kate and Zoe shared feedback with the Board and highlighted that employees felt supported by management, trusted management leadership and appreciated the approach taken to agile-working and the efforts involved in the London office redevelopment.

The Board took the decision to review the existing workforce engagement model, comparing it to models adopted by other FTSE 350 companies and best practice guidance. The review also formed part of the 2021 external Board evaluation and the following points were agreed:

- The current model remained appropriate. It provided valuable insight and allowed the Board to consider employees' views to better inform decisions. During 2021, this was particularly important when reviewing return-to-office plans and the long-term future of working arrangements for employees.
- Reporting to the Board would continue on a bi-annual basis, detailing employees' views on key themes tabled for discussion at Board meetings throughout the year.
- Additional methods of engagement would be considered by the Board.

Progress against previous key themes:

The Board has reflected upon the key themes identified as areas of focus during previous engagement sessions with employees and as a result, has undertaken the following:

- Held additional town halls throughout the year focused on strategy and growth to address the feedback from employees to hear directly from the Board on these topics.
- Committed to hold at least one Board meeting a year in the Company's US offices. This has not been possible due to COVID however, going forward the Board will use this an opportunity to increase its exposure to US employees.

Outcomes

- The Board held a deep-dive discussion on protecting the firm's culture following the transition to agile-working.
- The Board discussed the redesign of Man Group's London office to deliver creative and collaborative spaces with employee well-being in mind.
- The Board challenged the effectiveness of the workforce engagement model and the various changes that could be made to enhance the process. Further details are set out above.
- The Board and senior management continued to act upon feedback from employee engagement surveys to implement positive change for employees. Key themes for improvement were considered, including the additional ways in which staff could be supported in their professional development and how to maintain a motivated workforce.
- The Board remains supportive of the firm's diversity, equity and inclusion initiatives and schedules regular updates from relevant teams across the firm.

Stakeholder engagement continued

Our key stakeholders cont.



Communities



Why?

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

How?

The Board actively encourages, supports and monitors progress on initiatives that it believes will have a positive impact on the communities in which Man Group operates. The Board considers, and is updated by management, on the firm's contributions to communities via charitable partnerships and donations, responsible investing initiatives and volunteering opportunities for employees (operated by the firm's ManKind programme). In 2021, the Board undertook a specific review of Man Group's culture which included details of charitable donations and partnerships.

Outcomes

- c.£484,000 donated following a dividend forfeiture programme (more detail in the box adjacent).
- Every employee offered the opportunity to expense a £400 donation to a local food bank or homelessness support charity. Over £300,000 was donated by employees in advance of Christmas 2021.
- \$4 million donated to the Man Charitable Trust.
- 1,200+ hours of time volunteered by Man Group staff as part of its ManKind offering to employees. Employees are entitled to two paid volunteering days per year. More detail on ManKind can be found on page 43.
- Man Group continued to be a signatory to the Women in Finance Charter and the Race at Work Charter, and is a member of the 10,000 Black Interns, the City Gateway, the Girls Are Investors Network and the Young Women's Leadership Network programmes.
- Ongoing work with a number of schools and charities, including the King's Maths School (UK) and the Codman Academy (US).
- Man Group CSR brochure published in February 2021.

D1 D2 D3 **D4**

Principal decision: unclaimed dividend donation

In February 2021, the Board approved that the proceeds from unclaimed dividends be donated to the UK Charitable Trust. In line with the Company's Articles of Association, dividends which remained unclaimed by shareholders for over 12 years can be forfeited and the value returned to the Company. The Board considered the impacted stakeholders, primarily the impacted shareholders and the communities that stood to gain from the donation, and determined that the decision was in the best interests of the Company and its stakeholders as a whole. As a result of this decision, c.£484,000 was donated.





Environment



Why?

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

How?

The Board has responsibility for the oversight of Man Group's environmental impact and monitors progress made against targets. It regularly discusses ESG and climate-related matters and is provided with updates from senior management throughout the year. The firm is an active member of industry groups including the IIGCC, Climate Action 100+, Carbon Pricing Leadership Coalition and is a signatory to the UN-supported Principles for Responsible Investment, amongst others. More detail can be found in the box adjacent and in the sustainable business section on pages 46 to 60.

Outcomes

- ESG matters discussed at the majority of Board and ARCom meetings during 2021. More detail on our approach can be found in the Responsible Business section on pages 46 to 60.
- The Board approved the addition of ESG-integrated AUM as a non-financial KPI.
- The Board agreed that executive director short and long-term variable pay would include ESG-related objectives and metrics as an additional way to demonstrate the firm's commitment to ESG and alignment with our clients' responsible investing priorities. More detail can be found in the Directors' Remuneration report on pages 103 to 105.
- Man Group joined the Net Zero Asset Managers initiative and committed to reducing greenhouse gas emissions to net zero in investment portfolios by 2050 and achieving net zero in our global workplaces by 2030.
- Man Group became a participant in the UN Global Compact.

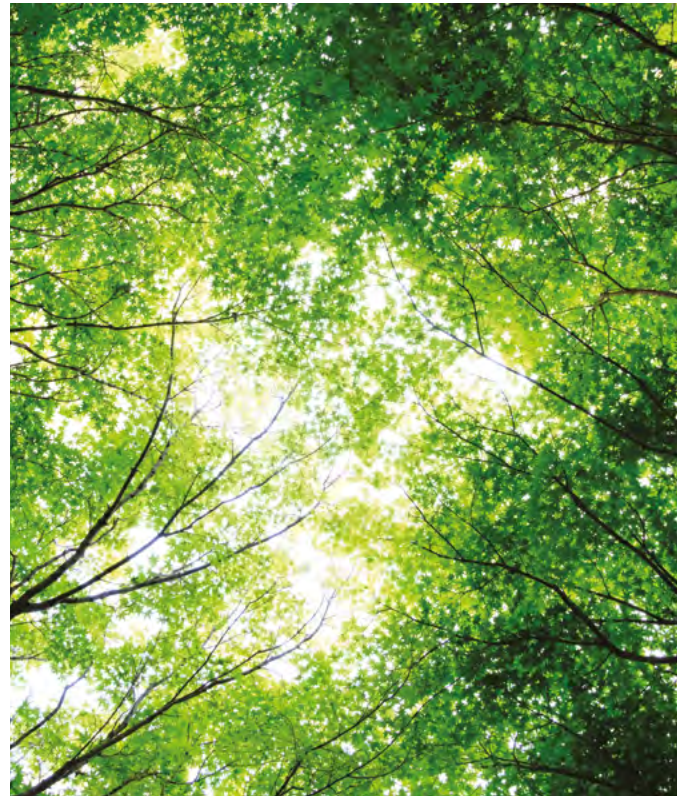
ESG

Our approach to ESG reflects the values we have as a firm and forms part of our wider strategic objectives. Businesses worldwide are making progress on determining what ESG means to them and Man Group is no different. ESG matters are driven at all levels of the firm and feature in many of the 1,500 management meetings we have each year.

We have established an executive ESG governance framework to support the delivery of our ESG strategy as both a corporate and as an investor. We have continued to integrate ESG into our investment processes in line with client demand, with ESG integrated AUM of \$55.2 billion. Senior management and individual portfolio managers are in frequent dialogue to ensure a consistent, coherent approach to achieving ESG targets.

We are proud of the focus that ESG has had within the firm during the year, and look forward to our continued development in this area.

+ More detail can be found in the Responsible Business section on **pages 46 to 60**



Stakeholder engagement continued

Our key stakeholders cont.



Business Partners and Suppliers



Why?

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

How?

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

We have in place a structure comprised of various committees and policies, which together govern our approach to the risk management of, and engagement with, suppliers.

The Board, via reporting from the ARCom, is kept updated on the development of any key supplier risks. Timelines of payments to suppliers are tracked on a monthly basis in 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.

Adoption of a new Supplier Code of Conduct

During the year a Supplier Code of Conduct was formalised which recognised the increasing importance of aligning our own practices designed to promote the highest standards of excellence, business conduct and integrity with our business partners and suppliers.

The Supplier Code of Conduct was communicated by the firm to business partners and suppliers during 2021 to ensure a collaborative effort towards best practice.

HUB technology Joint Venture

In early 2021, Man Group announced that it would be entering into a joint venture with PIMCO, State Street, IHS Markit, Microsoft and McKinsey to form a new technology-led company, HUB, to build a cloud-based operating platform aimed at transforming asset managers' operations technology. The Board invited the team from HUB to present on progress achieved to date, growth plans and expected timelines, resourcing and investment requirements and key risks and opportunities. A further update is planned to take place during 2022.

Outcomes

- The Board received metrics on suppliers via monthly Board reporting.
- The Board received an update on the HUB joint venture which was announced in early 2021 (further details are set out above).
- A new Supplier Code of Conduct was adopted by Man Group and communicated to our business partners and suppliers during 2021 in order to promote a sustainable business strategy and high standards of business conduct (further details are set out above).
- Man Group remains a signatory to the Chartered Institute of Credit Management Prompt Payment Code.
- Where unresolvable issues arose with existing suppliers, the Board was made aware via the Audit and Risk Committee of the transition of business activities to new partners. For further information please see page 94.



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 maintaining open and collaborative communication with its regulators. We are confident that our employees maintain the highest standards of conduct, which in turn help us to meet our regulatory compliance obligations.

How?

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

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

Outcomes

- Regulatory priorities regularly discussed at Board and Audit and Risk Committee meetings.
- Continuous building on engagement within the firm on regulatory matters, e.g. compulsory annual training, takes place on the Senior Managers and Certification Regime.
- Implementation of updated governance arrangements within Man Group to ensure compliance with the Investment Firms Prudential Regime by 31 December 2021, as it applies to MIFID investment firms, capturing certain Man Group subsidiaries.
- Completion of a firmwide project covering the impact of the phase out of the use of LIBOR.

BEIS consultation

Hand in hand with ensuring that Man Group is compliant with regulatory requirements, is ensuring that we are on the front foot when new legislation or regulation is proposed by the government.

During 2021, Man Group actively engaged with the Department for Business, Energy and Industrial Strategy (BEIS) regarding its consultation on restoring trust in audit and corporate governance (the BEIS Audit and Governance Consultation). The firm prepared its own response for BEIS, which was discussed by the Board, and reviewed and provided input into the draft responses prepared by the GC100, the Corporate Governance Institute and the Investment Association.

Following significant discussion, the Board approved a largely favourable response to the consultation, also providing BEIS with the firm's view of audit and governance best practice, and challenge on areas that required improvement to ensure the effective implementation and operation of the proposals. For more information, please refer to the Audit and Risk Committee report on pages 90 to 96.

High standards of business conduct

As an asset management company, it is vital that our workforce act with a high degree of integrity in accordance with our published business principles. The Board is responsible for determining the Company's values and leading by example to instil a positive culture throughout the organisation which reflects a reputation of adhering to high standards of conduct. The policies and practices set out on page 66 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 in December 2021. The Board received updates on employee engagement, the output of the 2021 employee survey and feedback following engagement with the designated employee engagement non-executive directors.

Board effectiveness

A talented and effective Board

Board oversight, challenge and decision-making

During the year the Board held eight formal meetings. As a result of the COVID-19 mandated restrictions, four of these were held as virtual meetings, one was held with all members physically present and three were held as hybrid meetings. The Board also held two strategy sessions during 2021. Attendance at these meetings is set out on page 68.

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

The Board considers the impact on its stakeholders as part of its decision-making process. Further details on these groups, together with how the Board engages with stakeholders and key outcomes during 2021, are set out in the stakeholder engagement section on pages 78 to 85.

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

The Board and TCFD

- The Board has collective responsibility for providing climate-related oversight and setting the firm's climate strategy. The firm's Audit and Risk Committee has delegated authority to ensure compliance with regulations and disclosures related to climate, sustainability and ESG. The Audit and Risk Committee makes recommendations to the Board as necessary. Senior management are responsible for implementing the climate strategy as set by the Board and an ESG governance structure has been established – more detail can be found on page 47.
- The Board considered various options regarding its ESG oversight arrangements, including the possibility of introducing a dedicated ESG Committee or appointed designated ESG non-executive director. After significant discussion, it was agreed that responsibility for ESG should remain with the Board as a collective.
- Man Group's Audit and Risk Committee and Board discussed climate-related matters or expressly considered climate as a factor in its decision-making at the majority of meetings in 2021.
- The Board regularly considers climate impact when conducting its oversight and decision-making role against a broad range of matters, including strategic planning, budget planning, resource allocation, setting performance objectives and overseeing capital expenditure.
- The Board sets long and short-term climate-related objectives and monitors progress made against these objectives, including climate targets. Examples include the introduction of ESG-integrated AUM as both a non-financial KPI and as a metric in the executive directors' short and long-term remuneration arrangements and the ongoing monitoring of progress in relation to the firm's net zero commitments.

Board responsibilities

Chair	Chief Executive Officer (CEO)	Chief Financial Officer (CFO)	Senior Independent Director
<ul style="list-style-type: none"> • Leads the Board, sets its agenda and ensures it discharges its role effectively • Supports and constructively challenges the CEO, promotes effective relationships between executive and non-executive Board members, and creates a culture of open debate • Leads, with the support of the Nomination Committee, effective Board succession planning and the search for and appointment of new directors, taking account of the need for the development of Board skills, experience and diversity • Ensures that the Board maintains effective engagement with shareholders and takes account of the interests of all stakeholders in its decision making 	<ul style="list-style-type: none"> • Has responsibility for the day-to-day management of the business with appropriate delegated authorities, risk management and internal controls • Develops, for Board approval, business strategy and management's delivery against it • Leads the Senior Executive Committee (see page 74), which is responsible for developing and implementing the firm's strategy • Communicates a shared purpose and set of business values and builds management talent • Works closely with the Chair and leverages the knowledge of non-executive Board members • Maintains an effective dialogue with shareholders on the Company's strategy and performance 	<ul style="list-style-type: none"> • Manages the allocation and maintenance of the firm's capital, funding and liquidity in accordance with regulatory requirements • Has responsibility for the preparation and integrity of the firm's financial information and its reporting • Leads the development of annual budgets and Medium Term Plans for Board approval • Has responsibility for the firm's risk management within the Board's risk appetite statements • Maintains an effective dialogue with shareholders and stakeholders on the performance and financial structure of the firm • Has responsibility for and leads the firm's corporate development strategy, including merger and acquisition activity 	<ul style="list-style-type: none"> • Maintains a broad overview of the work of the Board and its Committees • Provides a sounding board for, and advice to, the Chair on Board matters including development and succession planning • Acts as a point of contact for communications with the non-executive directors as required • Leads the annual performance evaluation of the Chair • Leads the search for the appointment of a new Chair • Engages with shareholders

Diversity

The Board is a highly skilled, committed and diverse group of individuals who are focused on understanding its own strengths, challenges and operational style. The Board biographies on pages 72 to 73 and the analysis of the Board's composition on page 69 give an overview of the breadth, depth of talent and experience on Man Group's Board in terms of career, background, skills and diversity. The non-executive directors bring diversity through wide-ranging contributions and perspectives to Board review and decision-making from their current executive or portfolio careers. A mix of short and long tenure delivers fresh outlooks and challenge, complemented by a longer-term understanding of the business and its people. In 2021, the Board approved a revised Diversity Policy which articulates our approach to Board diversity now and in the future. More information can be found on pages 100 to 101.

Independence and time commitment

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

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

To avoid the 'over-boarding' of our directors and minimise potential conflicts, all Board members are required to inform the Chair of any updates or changes to their external roles, including an indication of the expected time commitment for any new external role so that an assessment can be undertaken as to whether the director will continue to have sufficient time to adequately discharge their duties as a director of Man Group. Any proposed appointments that are considered to be significant positions or represent potential conflicts will be assessed by the Board and a decision taken on the extent to which any such conflicts can be effectively managed. No additional significant external appointments were undertaken by Board members during the year. In addition, in recognition of the wide-ranging roles and interests of the non-executive directors, the Board carries out a formal bi-annual review of all such roles and interests to ensure that they do not represent any unmanageable business conflict or a time commitment which might prejudice directors' effective contribution to the Board.

Before appointing a new Chair or non-executive director, consideration will be given to the prospective director's other appointments and interests to ensure that they have sufficient time to dedicate to their role as a director of Man Group. The letters of appointment of the Chair and non-executive directors contain provisions around the expected time commitment to Man Group related activities.

Board induction process

All non-executive directors receive a comprehensive and tailored induction to the business and, if required, the asset management industry. All induction programmes are structured around one-to-one briefings with the Senior Executive, Executive Committee members and the Company Secretary. Relevant briefing materials are circulated in advance and follow-up meetings arranged as appropriate. New Board members are invited to provide feedback on the programme they receive to ensure it is useful and well targeted. They are also encouraged to seek updates on any topics which arise in the course of subsequent 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. Our new CFO, Antoine Forterre, was promoted internally and due to his pre-existing understanding of the business, had an induction that was tailored accordingly. Jackie Hunt, who was appointed to the Board on 28 February 2022, will receive a tailored induction during the course of March and April 2022.

Continuous development of the Board

Our induction programme is the first step in building directors' understanding of the business. The Board is kept updated on key areas of the business and upcoming 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;
- perspectives on the competitive landscape; 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.

Non-executive directors

- Contribute and provide constructive challenge to the development of business strategy
- Contribute to the identification of principal business risks and the determination of risk appetite
- Monitor and challenge management performance in delivering business strategy and objectives
- Monitor and challenge the effectiveness of the internal control and risk management framework
- Monitor the Company's compliance with the regulatory principles and requirements impacting asset management and distribution
- Review and challenge, prior to publication, 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

- Advises the Board on corporate governance matters, ensuring good governance practices
- Supports the Board and Committees in discharging their respective roles
- Maintains the books and records of the Company and prepares minutes of Board and Committee meetings
- Facilitates the induction, and ongoing training and professional development, of non-executive directors to support them in carrying out their responsibilities
- Monitors and ensures compliance with company law, Listing Rules, Disclosure Guidance and Transparency Rules and the Market Abuse Regulation
- Organises Man Group plc's AGM and other shareholder meetings
- Acts as the main point of contact for retail shareholders

Board evaluation

Determining Board effectiveness

Progress on actions agreed in 2020 Board evaluation

Area of assessment	Agreed actions	Progress made
 Strategy	<ul style="list-style-type: none"> Additional focus to be given to strategic oversight in 2021. 	<ul style="list-style-type: none"> Two strategy sessions held in 2021 – one in Q1 and one in Q2. Key areas of discussion included investment engine strategies and the approach to M&A.
 People	<ul style="list-style-type: none"> Agreed that the Board should formally review the current employee engagement model in 2021 and consider alternative options to ensure that the Board is able to engage with employees in the most effective way. 	<ul style="list-style-type: none"> The Board reviewed the employee engagement model in Q3 and, having considered alternative arrangements, concluded that having two designated NEDs leading employee engagement was the most appropriate model for the firm. Bi-annual reports covering all NED employee engagement activity will continue to be provided to the Board.
 Succession planning	<ul style="list-style-type: none"> Further focus to be given to succession planning during 2021. 	<ul style="list-style-type: none"> The Nomination Committee and Board held several sessions on succession planning and the underlying processes during the year. The development of a skills matrix following the Board effectiveness evaluation will support the continued focus on succession planning in 2022 and beyond.
 Decision-tracking	<ul style="list-style-type: none"> Review the 'lessons learned' from the corporate reorganisation completed in 2019. 	<ul style="list-style-type: none"> The review was held in Q2. The effects of the restructure were reviewed against four categories: strategic impact; financial impact; external impact; and internal impact. The Board remains confident in the decision and the benefits of the restructure.
 Shareholder/ stakeholder relationships and competitors	<ul style="list-style-type: none"> Board session to be arranged in 2021 focusing on investor relationships. Regular updates focusing on key clients to be reintroduced and specific session on competitor dynamics to be arranged. 	<ul style="list-style-type: none"> The Board received an external view of the hedge fund industry in Q2 and considered perspectives of the competitive landscape in Q4. In addition to the regular reporting on changes to the shareholder base, a specific session on investor engagement was held in Q2. Deep-dives on key client relationships were undertaken in Q2 and Q3.

2021 external Board effectiveness evaluation process





1 Select external facilitator	2 Initiate process with facilitator	3 Collation of responses	4 Chair review	5 Discussion, outcomes and actions
The Board agreed to appoint Clare Chalmers (CC), who has no other connection with the Company or any individual director, to undertake the external review during 2021.	The remit, process and timing of the review were agreed between the Chair, Company Secretary and CC. A list of broad areas and questions that would form the basis of the interviews with Board members, Senior ExCo, the Company Secretary and other key stakeholders was agreed. CC also agreed to review key documentation (e.g. Terms of Reference and a sample of Board and Committee packs) and attend and observe several Board and Committee meetings.	The interviews were conducted, the Board and Committee meetings attended and key documentation reviewed. A draft report was prepared which included an executive summary and detailed commentary against 15 agreed areas of focus. The draft report was shared with the Chair and Company Secretary.	The Chair and Company Secretary met with CC to discuss the draft report, and a final report reflecting their comments was circulated to the Board for review.	CC shared the findings of the report with the Board. The Board and Board Committees discussed the specific findings of the review in their respective meetings, and actions and action owners were agreed upon. An update on progress against key actions was discussed at the following Board meeting. Key findings are set out below and development areas overleaf on page 89.

Key findings

- Board and Committee performance is strong, members are engaged and supported by a well-established executive team.
- Man Group's gender parity on the Board remains unusual in the FTSE 350. Cognitive diversity and Board members' varied background and experience makes for a Board that approaches decision-making in an open and constructive way, allowing for focused challenge and discussion.
- Papers and presentations were of a high quality and demonstrated a consistent house style despite varied authorship.
- Succession planning and the balance of Board and Committee composition were identified as key areas of focus.

Summary of 2021 external effectiveness development areas

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

Area of assessment	Key findings	Agreed actions
 <p>Succession planning</p>	Review skills composition. Decided to design and implement a skills matrix to assess the current capabilities of the Board and future desirable skills.	<ul style="list-style-type: none"> A skills matrix was developed and completed in 2021 following the evaluation (see table below). The Chair held 1:1 meetings with the Board members to discuss responses and the results were shared with the Nomination Committee on a collated and anonymised basis. A review was undertaken by the Nomination Committee in December 2021 to discuss future skills and experience required on the Board resulting in the appointment of a new non-executive director on 28 February 2022. Succession planning will be formally considered by the Nomination Committee at least bi-annually, with additional meetings as required in 2022.
 <p>Committee composition</p>	Consider extending membership of the Nomination Committee and Audit and Risk Committee.	<ul style="list-style-type: none"> Kate Barker was appointed to the Audit and Risk Committee in December 2021. Jackie Hunt was appointed to the Audit and Risk Committee on 28 February 2022. Agreed that the Nomination Committee retain its current membership but reporting to the Board would be enhanced.
 <p>Board training and development</p>	Develop bespoke training programme for existing directors, as well as senior management (where appropriate) to support ongoing development of Board members.	<ul style="list-style-type: none"> The skills matrix results will be used to develop a bespoke Board training programme in 2022, tailored to each director’s needs. Induction programme will be extended to non-Board members of the Senior ExCo.
 <p>Strategy</p>	Consider introducing further data/metrics when assessing performance against strategy.	<ul style="list-style-type: none"> Senior management will give consideration to the use of additional data as part of strategic performance reporting in 2022.

Aggregated skills and experience of Board members as at 31 December 2021



Key to skills and experience:

- Considerable experience
- Limited experience
- No direct experience

Audit and Risk Committee report



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.

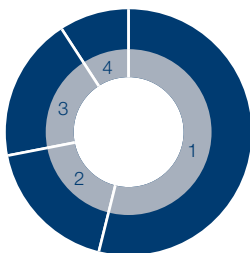


Lucinda Bell | Chair, Audit and Risk Committee

Summary of the ARCom's main activities during 2021

- Monitored the integrity of the financial information within Man Group's 2021 interim and annual financial statements and challenged the key accounting policies, judgements and estimates adopted by management.
- Considered whether the firm's 2021 interim financial statements and Annual Report 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 key risks, including cyber, ESG and agile working. Considered management and mitigation measures.
- Approved the 2021 Internal Audit Plan and conducted an internal effectiveness review of the Internal Audit function.
- 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 LLP (Deloitte) as external auditor.
- Oversaw the transition of the lead audit engagement partner at Deloitte and approved the 2021 External Audit Plan.
- Oversaw the transition plan for the appointment of the new CFO.
- Provided input to the firm's response to the BEIS Audit and Corporate Governance Consultation.

Proportion of the committee time spent on key responsibilities



1. Risk management	54%
2. Financial reporting	18%
3. External audit	19%
4. Internal audit	9%

Dear Stakeholder

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

I would like to welcome Kate Barker and Jackie Hunt, who became members of the ARCom in December 2021 and February 2022 respectively. Kate brings vast experience and insight, from which the ARCom has already benefited in the short period since her appointment as a member and I look forward to working with Jackie. I wish to thank Mark Jones for his work supporting the ARCom during his tenure as CFO. In advance of his retirement from the Board following the 2022 AGM, I would also wish to thank Dev Sanyal for his valued contributions to the ARCom during his time as a member of the Committee.

Key achievements for 2021

The ARCom has had to refocus its priorities to consider the continued impact of the COVID-19 pandemic. We devoted significant time to considering the impact of the new agile working model on Man Group's risk and control environment. We evaluated areas of new and heightened risk, and assessed the controls that had already been implemented to manage the impact of the remote working environment.

The ARCom has also remained alert to the changing regulatory environment. In addition to carefully monitoring ESG regulatory developments, the ARCom committed significant time to considering the firm's ESG risk monitoring and governance framework. The ARCom also oversaw management's approach to the expansion of disclosures within our Annual Report through TCFD and ESG metrics.

We also undertook a review of the BEIS Audit and Governance Consultation proposals, providing input for Man Group's response.

Following the appointment of Antoine Forterre as the new CFO of Man Group, the ARCom oversaw the transition plan to ensure an effective handover from Mark to Antoine.

Focus areas for 2022

For 2022, as well as considering the standing items of business, the ARCom will focus on the following areas:

- monitoring the risks presented by continued agile working to ensure appropriate risk management measures are in place;
- monitoring developments in respect of the future of the UK audit and financial oversight regime following the outcome of government consultation;
- developing an audit and assurance policy that describes the firm's approach to seeking assurance of its reported information;
- overseeing the implementation of ESG risk and monitoring governance arrangements;
- ensuring that the balance between audit and risk matters considered by the ARCom remains appropriate.
- progression of audit tender planning; and
- review of cyber security reporting and controls framework.

I hope you find this report a useful insight into the work of the ARCom and I look forward to continuing our work in 2022.

Lucinda Bell

Chair, Audit and Risk Committee

How the ARCom operates	
Forward agenda	<ul style="list-style-type: none"> Covers key events in the financial reporting cycle, specific risk matters and standing items set out in the terms of reference. Reviewed as part of an open discussion with ARCom members and updated in response to changing business risks and priorities.
Agenda setting meeting	<ul style="list-style-type: none"> 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, Group COO & General Counsel (also Head of ESG and Head of Man Group US), Head of Internal Audit, representatives from Deloitte and the ARCom Secretary.
Briefing sessions	<ul style="list-style-type: none"> Prior to each ARCom meeting, the ARCom Chair meets with the ARCom Secretary to discuss the papers, consider any particular matters of concern and identify those matters which require meaningful discussion at ARCom meetings. The ARCom Chair also has one-to-one briefings with the presenters where necessary.
Committee meetings	<p>At each meeting, the ARCom considers:</p> <ul style="list-style-type: none"> standing governance items; regular dashboards and/or metrics which highlight and monitor changes in the key risks impacting the business, compliance matters, the financial controls framework and internal controls; and reports and presentations on key financial reporting, risk, compliance and audit matters from management.
Board reporting	<ul style="list-style-type: none"> The Board is updated by the ARCom Chair on the key areas of discussion with recommendations made as appropriate.
Training	<ul style="list-style-type: none"> ARCom members periodically attend training sessions delivered by industry experts on audit and regulatory matters as well as other matters of interest. In November 2021, a training session was facilitated for ARCom members on the ESG regulatory landscape. The session was also attended by members of the Board.

Roles and responsibilities	
Financial reporting	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 Compliance function, regulatory reporting activities and channels available for its workforce to raise concerns.
Internal Audit	<ul style="list-style-type: none"> Approve the annual Internal Audit Plan and review the effectiveness of the Internal Audit function and management's response to their findings.
External audit	<ul style="list-style-type: none"> 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), Dev Sanyal, Richard Berliand, Kate Barker and Jackie Hunt.

The ARCom as a whole has a combined skillset 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, CFO, and Group COO & General Counsel (who is also Head of ESG and Head of Man Group US) 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 below, together with an explanation of how it has discharged its responsibilities during the year. Full terms of reference for the ARCom, which are reviewed on an annual basis and were referred to the Board for approval in December 2021, are available on the Company's website.

How the ARCom has discharged its roles and responsibilities

Financial reporting Key accounting judgements and estimates

As part of the process for monitoring the integrity of the financial information contained in the interim and annual financial statements, the ARCom reviewed the key accounting policies, judgements and estimates adopted by management and confirmed that these were appropriate. The significant areas of judgement and estimation identified by the ARCom, in conjunction with management and the external auditor, are set out in the table on page 92 to 93.

Audit and Risk Committee report continued

Key accounting judgements and estimates

Matters considered	Action	Outcome
<p>Impairment assessment of goodwill The cash-generating units (CGUs) for the liquid asset managers (Man AHL, Man GLG, Man Numeric and Man Solutions/FRM) have been grouped for goodwill impairment testing purposes as a result of the completed integration of legacy acquisitions and the cohesion of Man Group's liquid investment offerings. Testing for impairment is undertaken at least annually through the application of a 'value in use' model. This requires estimates concerning future cash flows, growth rates and associated discount rates to be taken into account.</p> <p>+ Please refer to Note 19 in the Group financial statements for further details</p>	<p>The ARCom considered reports from management outlining the methodology for the impairment assessment and challenged the assumptions underpinning the goodwill valuation model including cash flow projections, discount rates, the cost allocation methodology, and levels of headroom availability. They also considered whether the assessment of goodwill for impairment at a combined CGU level was appropriate and satisfied the requirements of IAS 36 'Impairment of Assets'.</p>	<p>The ARCom agreed that the combination of the liquid manager CGUs for the purposes of goodwill impairment testing was appropriate. The ARCom noted the levels of headroom across the liquid asset manager CGUs, and reviewed the underlying forecasts, noting that no impairment would have arisen should the liquid managers have continued to have been assessed at the individual CGU level. The ARCom also noted that the goodwill relating to Man Group's private markets business (Man GPM) was fully impaired in 2020. The ARCom agreed that it was appropriate that no impairment was recognised for the year ended 31 December 2021.</p>
<p>Consolidation of investment in funds Man Group holds seeding investments in a number of funds which it manages. Judgement is required to be exercised in terms of assessing whether these investments are controlled by Man Group and therefore need to be consolidated into the financial statements.</p> <p>+ Please refer to Note 14.2 in the Group financial statements for further details</p>	<p>The ARCom reviewed management's assessment of any new judgements made in relation to the assessment of investments Man Group is deemed to control in accordance with IFRS 10 'Consolidated Financial Statements'.</p> <p>The ARCom also considered the resulting complexity this adds to the interpretation of Man Group's results, and the appropriateness of Man Group's use of APMs to address this (see below).</p>	<p>The ARCom concluded that it was satisfied with management's assessment of the entities which are deemed to be controlled by Man Group and the associated accounting treatment. 26 investments have been consolidated on a line-by-line basis with a grossing up impact on the balance sheet of \$273 million.</p>
<p>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.</p> <p>+ Please refer to Note 21 in the Group financial statements for further details</p>	<p>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 considering the expiry of certain US tax losses over time.</p>	<p>The ARCom confirmed that it was satisfied that the existing methodology continued to be appropriate. A related income statement expense of \$10 million was recorded, made up of the consumption of available assets and the impact of US tax rate changes totalling \$12 million, net of a \$2 million credit arising on the recognition of additional DTAs in respect of state and city tax losses as a result of increased US profits in 2021 and future forecasts which are expected to accelerate the utilisation of these in advance of their expiry.</p>
<p>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.</p> <p>+ Please refer to Note 18 in the Group financial statements for further details</p>	<p>The ARCom discussed and challenged management's assumptions around the timing and rental rates which drive future cash flows, in particular considering the ongoing COVID-19 related uncertainty in the UK commercial property market.</p>	<p>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 2021, and that therefore the impairment expense recognised for the year ended is limited to the \$3 million impairment recorded in the interim results. The impairment related to Man Group's exit from a small portion of the premises which was thus reclassified as investment property and subject to the COVID-19 related impairment impacts initially applied to our other sub-let space in 2020.</p>
<p>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. Judgement is required to be exercised in terms of the actuarial assumptions applied in valuing these, which determines the carrying value on Man Group's balance sheet.</p> <p>+ Please refer to Note 24 in the Group financial statements for further details</p>	<p>The ARCom discussed the pension valuation assumptions applied by our external actuarial pension experts, which were discussed and agreed with management, 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'.</p>	<p>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 24 to the Man Group financial statements.</p>
<p>Alternative performance measures (APMs) Man Group assesses its performance using a variety of APMs, most significantly core EPS. The directors focus on core profit as this reflects the revenue and costs that drive Man Group's cash flows and inform the base on which its variable compensation is assessed.</p> <p>+ Please refer to pages 183 to 187 for further details</p>	<p>The ARCom reviewed and discussed the APMs contained in the Interim and Annual Reports, including the appropriateness of their definition and application, and also considered a paper prepared by management which compared core profit to operating cash flows for the last five years. The ARCom discussed the simplification of the APM metrics disclosures in light of the roll-off of legacy non-core profit streams, thus aligning the previous adjusted and core measures for the first time in 2020, to better facilitate interpretation.</p>	<p>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 core operating performance of the business and were appropriately defined and reconciled to statutory measures as disclosed on pages 183 to 187. The ARCom concluded that an appropriate balance and level of prominence was presented across statutory and core measures.</p>

Key accounting judgements and estimates continued

Matters considered	Action	Outcome
<p>Consideration of climate change impact on accounting estimates and assumptions</p> <p>The firm considers and assesses the impact of climate change as part of its broader risk governance framework which captures both short and longer term risks. This assessment informs the firm's judgement as to whether climate change impacts the accounting estimates and assumptions used in the financial statements.</p> <p>+ Please refer to Note 3 in the Group financial statements for further details</p>	<p>The ARCom reviewed the firm's climate risk assessment and considered the possible impact of climate change on accounting estimates and assumptions.</p>	<p>The ARCom confirmed 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.</p>

Viability and going concern

The ARCom reviewed the viability statement (as set out on page 31) and the processes supporting the viability assessment. 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, continued to be appropriate and recommended the draft viability statement to the Board for approval.

The ARCom also reviewed the going concern disclosure (as set out on page 150), considering the implications of COVID-19 on the firm's business and reasonably foreseeable stressed scenarios, and concluded that the firm and the Company had adequate resources to continue in operational existence for the foreseeable future and confirmed to the Board that it was appropriate for the Man Group financial statements to be prepared on a going concern basis.

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 adjusted 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.

Correspondence with the Financial Reporting Council (FRC)

The FRC Corporate Reporting Review team wrote to the Company in December 2021 advising that they had conducted a review of the Company's 2020 Annual Report. No questions or queries arose from this review specific to Man Group's reporting that required a substantive response, however a limited number of disclosure enhancements have been made in the Company's 2021 Annual Report in response to the findings of the review.

Risk management and internal controls**Monitor and review of risk and control environment – key business areas**

Alongside ongoing monitoring of the COVID-19 pandemic, the ARCom reviewed the implementation of Man Group's new agile working model and scrutinised the robustness of the control environment. During the year, the ARCom devoted significant time to monitoring ESG matters and regulatory related developments, as well as providing input to the Group's response to the BEIS Audit and Governance Consultation. Key areas of discussion are set out opposite.

Agile working

The ARCom closely monitored 2021 management plans and progress regarding the agile working model that was introduced across Man Group. There was particular focus on heightened risks posed by operating within a remote working environment and the mitigation plan implemented by management to ensure controls remained secure and effective. The ARCom focused on risks relating to supervision and control, information security, and cultural risks arising from the agile working model.

The ARCom discussed with management the controls that had been implemented, many of which had been introduced initially in response to the COVID-19 remote working environment and had operated effectively. Given the success of these arrangements, they were leveraged to support the transition to the agile working model, with particular emphasis placed by ARCom on consideration of the appropriateness of such controls on a longer-term basis.

The 2020 annual reporting cycle of the firm and associated external audit by Deloitte in early 2021 exemplified the firm's ability to operate effectively within financial reporting processes and COVID-19 prompted controls. Controls put in place in the prior year ensured that reporting and audit quality were maintained under the remote working model, despite the restrictions in force at the time. As a pre-emptive measure, a number of elements of year-end reporting were prepared in advance and, where possible, deliverables were accelerated to provide more flexibility for unforeseen events. The advance preparation and detailed planning enabled the team's delivery of a smooth and high-quality annual reporting and audit process.

ESG matters and regulatory developments

Regulatory developments and trends, on areas including ESG, TCFD, the LIBOR phase out and IFPR, were all carefully monitored by the ARCom. At the October 2021 meeting, the ARCom reviewed the ESG Risk Monitoring and Governance Framework, focusing in particular on the governance and disclosure of Man Group's ESG-integrated AUM data and greenhouse gas emissions to ensure that a robust process underpinned the public disclosure of these metrics. In response to feedback from the ARCom, KPMG were engaged to carry out additional assurance work in relation to the preparation of the Group's greenhouse gas emissions disclosures.

The ARCom also provided feedback on Man Group's TCFD disclosures, which had been disclosed voluntarily in last year's Annual Report ahead of mandatory disclosure in this year's report.

Audit and Risk Committee report continued

BEIS Audit and Governance Consultation

The ARCom reviewed the proposals set out in the BEIS Audit and Governance Consultation and agreed that a response should reflect Man Group's position as both a premium listed public company as well as an asset manager. In preparing the firm's response, perspectives of the external auditor were sought, who provided a briefing on the proposed reforms, as well as insights into practical implications of the proposals.

The ARCom resolved to introduce an Audit and Assurance Policy during 2022 which would set out the Group's approach to internal and external controls, audit and assurance, including any external assurance carried out beyond the scope of the annual statutory audit.

Following discussion at the ARCom, management drafted a response to the BEIS Audit and Governance Consultation which was then reviewed and approved by the Board for submission.

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

The ARCom also considered presentations from each of the firm's key functional areas.

Risk

At its May 2021 meeting, the ARCom received an update from the Risk function and discussed its role in supporting Man Group's governance processes. The ARCom also monitored topical investment risk issues throughout the year and considered any impact to the firm's operations and controls. Following discussion of high profile prime broker losses in Q1 2021, the ARCom endorsed the decision by management to reassess and implement changes to the firm's prime broker service providers, stressing the importance of strong and effective counterparty relationships.

Also, in May 2021, an in-depth presentation was delivered to the ARCom considering Man Group's preparedness for a broad market sell-off scenario in order to identify any areas where controls could be strengthened to manage such an event should it materialise.

During the year, the ARCom reviewed proposed amendments to the Risk Governance and Appetite Framework (the Framework), focusing in particular on updates to the risk register to highlight a specific category for climate change risk in order to align with the firm's principal risks assessment. 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. During the year, the ARCom discussed the financial control environment, personnel changes and resourcing levels within the Finance team.

The ARCom received briefings on IFPR, which became effective 1 January 2022, and considered the capital and liquidity implications for the UK/EEA sub-group arising from these proposals. In-depth briefings were also provided to the ARCom on Man Group's Treasury operations and FX hedging procedures. Plans for the firm's first submission of its Annual Report in the new European Single Electronic Format ("ESEF") were also reviewed by the ARCom, and additional assurance work regarding ESEF was arranged with Deloitte. At the December 2021 meeting, the Head of Tax was invited to present on the firm's tax position and the key projects undertaken by the Tax team during 2021.

Compliance

During the year, the Global Head of Compliance and Business Operational Risk & Resilience presented the 2021 Compliance Review. Particular focus was given to the LIBOR transition, SFDR implementation, and suspicious transaction surveillance projects. Consideration was also given to resourcing levels, global themes around regulatory risk, current priorities of key regulators and Compliance function led initiatives. The ARCom continued to monitor steps taken by the management team to raise awareness of the channels available to Man Group's workforce to raise concerns.

In addition, the Money Laundering and Reporting Officer (MLRO) presented the 2020 Annual Report at the February 2021 meeting and confirmed that Man Group had established and maintained effective anti-money laundering and counter terrorist financing systems and controls.

Technology

Senior representatives from Man Group's technology department updated the ARCom on the key priorities for the firm's trading platforms and core technology, together with the associated risks and mitigants, including planned improvements to the firm's order management systems, and efforts to access and attract a wider range of talent in technology. Focus was also given to the initiatives being undertaken to expand Man Group's remote working capabilities, in line with the new agile working model, whilst maintaining effective 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 in cyber security. During the year, the ARCom received the annual cyber risk review, which detailed the firm's cyber controls and assessed any current threats, as well as reports setting out notable events and the testing and initiatives undertaken by the team during the course of the year. At its July and October 2021 meetings, the ARCom conducted an in-depth assessment of the firm's response to a cyber event. They noted that there had been no material client or operational impacts and ARCom agreed with management's assessment that all necessary actions had been taken in response, and that the control environment remained robust and continued to be subject to ongoing review and enhancement.

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 (as described 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 32 and 33.

During the year, a number of operational matters were reported to the ARCom. These were discussed as necessary throughout the year and papers summarising these matters were considered by the ARCom at its February and December 2021 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.

Internal Audit

Internal Audit Plan

The Group's Internal Audit function continues to be performed by KPMG. The ARCom reviewed the proposed 2021 Internal Audit Plan and suggested amendments in order to prioritise any areas of perceived heightened risk arising from the COVID-19 remote working environment and the transition to agile working. During the year, the ARCom also reviewed and approved the 2022 Internal Audit Plan (the 2022 Plan) which included details of the planned audit reviews for 2022 and the team responsible for delivering the 2022 Plan, led by Stuart Wooldridge.

The ARCom discussed Internal Audit reports presented by the Head of Internal Audit at each meeting, reviewed progress against the 2020 and 2021 Internal Audit Plan and monitored the closure of management actions arising from Internal Audit's recommendations to address control enhancements. Whilst no significant weaknesses were identified in any of the Internal Audit reports, a number of improvements to certain processes and controls were implemented in response to the recommendations put forward.

Effectiveness of Internal Audit function

During the year, a review of the Internal Audit function was undertaken by the ARCom in order to assess the effectiveness of the Internal Audit function. The review, which was facilitated internally, evaluated areas such as resourcing, delivery, reporting and adding value, and the independence of Internal Audit. Feedback was sought from ARCom members and key stakeholders, including subsidiary board members to whom Internal Audit had reported to during the year. The output of the review indicated that, overall, the Internal Audit function continued to operate effectively and provided an independent perspective on Man Group's control environment.

External audit

2021 External Audit Plan

At the October meeting, the 2021 External Audit Plan was presented by Bevan Whitehead, who took over the role of lead engagement partner during the year. 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 the Company's non-audit services policy at the October 2021 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 \$1.6 million for 2021. Further details can be found on the Company's website.

The table below shows the remuneration paid to Deloitte in 2020 and 2021.

	2021 \$'000	2020 \$'000
Fees payable to the external auditor for the audit of the Company and the consolidated financial statements	599	593
Other services:		
The audit of the Company's subsidiaries pursuant to legislation	1,842	1,786
Audit-related assurance services	463	372
All other services	1	1
Total auditor's remuneration	2,905	2,752

The increase in the remuneration paid to Deloitte in 2021 is primarily inflationary, and also includes an additional fee for the review of the ESEF filing.

Following a formal assessment of the external auditor's independence and objectivity in February 2022, the ARCom concluded that Deloitte continued to be independent and objective.

Effectiveness of external audit process

At the May 2021 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 a rich understanding of Man Group's business. Deloitte's management of the external audit process in the context of COVID-19 was cited as a particularly positive area, Deloitte having worked well with management to minimise risks and amend timetables as required to suit remote working.

The output of the effectiveness review also highlighted certain areas of focus that had been identified in the previous year's assessment, particularly around efforts to implement additional efficiencies to the audit process in light of the challenges presented by the COVID-19 working environment, had been addressed well during the 2020 audit. A number of areas, including the development of audit quality indicators and enhanced coordination with Internal Audit, were identified as requiring further consideration and Deloitte's plans to address these issues were set out alongside the 2021 external audit plan. After discussion, the ARCom concluded that the external audit process in respect of the 2020 financial statements had been effective.

External auditor challenge

An example of an area where Deloitte challenged management's assumptions and judgement was in relation to the definition of adjusting items, which were relabelled as 'non-core' to clarify that the P&L items which differ between statutory and adjusted measures represent those that do not drive the core profits and cash flows of the business. Other areas where Deloitte also challenged management include valuation of US deferred tax assets and challenge of the underlying assumptions used in the goodwill impairment assessment. In all areas, Deloitte concluded that the assumptions and judgements applied by management were appropriate.

Audit and Risk Committee report continued

Reappointment of Deloitte as external auditor

Deloitte were appointed as the Group's external auditor in 2014, following a tender process led by the ARCom in 2013. In accordance with the Code and the Competition and Markets Authority's Order 2014 (the Order), the Company will be required to put its external audit out to tender again in 2023 at the latest. The ARCom received a briefing at its May 2021 meeting regarding forward planning for the audit tender, which considered the timeline of initiating the process to allow for maximum participation. The ARCom will continue to assess the external audit process annually and, on the basis that it remains effective and the audit fee represents good value to shareholders, it is expected that the next tender process will complete by 2023 with mandatory rotation of the external auditor currently required by 2033. The ARCom confirms that the Company has complied with the provisions of the Order for the financial year under review.

Following the ARCom's review of the effectiveness of the external audit process 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 for recommendation and approval by shareholders at the 2022 Annual General Meeting.

How the ARCom has assessed its effectiveness

Outlined in the table below are the key areas that were identified in the ARCom's 2020 evaluation as requiring further consideration and development during 2021, together with the progress that has been achieved in 2021.

2021 progress on 2020 actions	
2020 evaluation	2021 progress
Discuss and agree appropriate balance between audit versus risk coverage at meetings	Meeting agendas and attendance were reviewed in 2021 to address the allocation of time dedicated to audit and risk matters, with adjustments made as required. The balance was monitored throughout 2021, and feedback was also sought as part of the 2021 evaluation.
Arrange in-depth reviews of thematic risk areas and industry trends	Following requests from the ARCom, briefings were arranged during 2021 on certain thematic risk areas and trends where it was felt that an in-depth review would assist a broad consideration of risks, and the controls in place to mitigate risks. Examples of items covered: <ul style="list-style-type: none"> • industry trends and risks • treasury operations • fund administration and accounting relationships
Invite subject matter experts to provide periodic updates on regulatory trends	The ARCom requested that it receive training on ESG regulatory trends, which was delivered in November 2021. Deloitte briefed the ARCom on relevant ESG regulatory themes in the context of external reporting and disclosures required in Man Group's Annual Report, while Man Group's Compliance team briefed the ARCom on wider ESG regulatory themes relevant to the firm.

In October 2021 the ARCom considered the findings and recommendations of the external effectiveness evaluation conducted by an external consultant as part of the wider Board evaluation process. Interviews were conducted with ARCom members and certain regular attendees. The external consultant also attended an ARCom meeting to observe its dynamics at work. The results of the evaluation confirmed that the ARCom was operating effectively, and responses indicated that the ARCom was a thoughtful and collaborative forum, while the ARCom Chair was credited for ongoing work. More detail can be found on the effectiveness evaluation on pages 88 to 89.

Areas identified for focus in 2022 included the continued consideration of an appropriate balance between audit and risk matters at meetings, as well as monitoring of recommended changes in the approach to meeting attendance for non-ARCom members, which was implemented in late 2021.

Lucinda Bell

Chair, Audit and Risk Committee

Nomination Committee report



We were pleased that we were able to promote internal talent and formally welcomed Mark and Antoine to their new roles at the beginning of October.



John Cryan | Chair

Summary of the Nomination Committee's activities during 2021

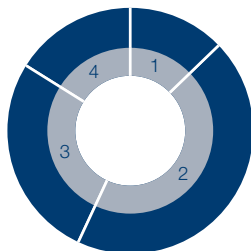
- Reviewed the size, composition, diversity and skillset of the Board and its Committees.
- Considered feedback from the external Board effectiveness evaluation process.
- Discussed proposed changes to the Senior Executive Committee and recommended to the Board the approval of the appointment of Antoine Forterre as CFO and as an executive director of the Company.
- Recommended to the Board the approval of the renewal of Richard Berliand's appointment as Senior Independent Director for a further three-year term subject to annual shareholder approval.
- Dedicated significant time to succession planning for the Board and senior management.
- Recommended changes to the Board Diversity Policy to the Board for approval.

Membership:

- John Cryan (Chair)
- Lucinda Bell
- Richard Berliand
- Anne Wade

Where appropriate, Luke Ellis is invited to attend Committee meetings

Proportion of the committee time spent on key responsibilities



1. Board/Committee composition	13%
2. Board search/changes	44%
3. Succession planning	27%
4. Governance and other	16%

Dear Stakeholder

2021 proved to be another busy year for the Committee. As a consequence of Sandy Rattray's decision to retire from Man Group as CIO, Luke Ellis discussed with the Committee proposed changes to the Senior Executive team following Sandy's departure. These plans included a proposal to appoint Mark Jones as Deputy CEO with responsibility for managing the Quant and Technology engines and, as a result of Mark's change in responsibilities, the appointment of a new CFO.

Following a thorough external benchmarking exercise, the Committee was pleased to recommend the appointment of Antoine Forterre as CFO to the Board for approval. Antoine joined Man Group over ten years ago in Finance, where he became Head of Corporate Development and Group Treasurer before assuming the COO and subsequently Co-CEO position within Man AHL. Given Antoine's previous experience with the firm, the Committee believed that he had the necessary skills and knowledge to smoothly transition into the CFO role. We were pleased that we were able to promote internal talent and formally welcomed Mark and Antoine to their new roles at the beginning of October.

There were a number of other changes at the Senior Executive level that were discussed by the Committee, including changes in responsibilities for Robyn Grew and Shanta Puchtler and the appointment of Steven Desmyter and Eric Burl (Co-Heads of Sales) to the Senior Executive Committee (Senior ExCo). A summary of the Senior ExCo members' responsibilities is set out on page 74.

The Committee continued to focus on succession planning during 2021. In June, Man Group's Global Head of Talent, Lara Carty, was invited to talk to the Committee about Man Group's talent management strategy, the talent review process and the support offered by the Talent team to develop and nurture Man Group's talent pool. Further details are set out on page 40.

The Committee also considered NED succession in light of Dev Sanyal and Zoe Cruz's plans to retire from the Board following our AGM in 2022, and agreed to appoint Jackie Hunt with the appointment taking effect on 28 February 2022. I would like to reiterate my welcome to Jackie.

Given the importance of succession planning to the long-term success of the Company, the Committee intends to keep this firmly on the agenda for the year ahead. We hope to reinstate our non-executive dinners during the year, which will provide us with further opportunities to discuss development and succession planning for Board and senior management positions.

John Cryan
Chair

Nomination Committee report continued

Role of the Committee

The Committee's full terms of reference, which are reviewed by the Committee and submitted to the Board for approval on an annual basis, are available on the Company's website. A summary of responsibilities is as follows:

- Keep the Board's composition under regular review in terms of size, structure, skills, experience and diversity in response to changing business needs and opportunities.
- Identify the particular skills, knowledge and experience required for a specific Board appointment 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.

Board changes during 2021

On 1 October 2021, Mark Jones stepped down from the Board and assumed the role of Deputy CEO. On the same date, Antoine Forterre was appointed to the Board as an executive director and formally took over the role of CFO. A timeline of the process and key areas of discussion are set out below.

2021 Board and Senior Executive changes timeline:

<p>● May 2021</p> <p>↓</p> <p>● June 2021</p> <p>↓</p> <p>● June – September 2021</p> <p>↓</p> <p>● October – December 2021</p>	<ul style="list-style-type: none"> • Luke Ellis discussed Sandy Rattray's plans to retire before the end of the year with the Committee, and the resulting impact on the Senior Executive team. • The Committee considered the plans, noting that the proposal to appoint Mark Jones as Deputy CEO created an opportunity to appoint a new CFO. 	<ul style="list-style-type: none"> • The Committee considered possible candidates for the CFO role and requested that an external benchmarking exercise be undertaken. • Hedley May (HM) were appointed to undertake a benchmarking exercise (HM has no other connection with the Company or any individual director).
	<ul style="list-style-type: none"> • HM were invited to attend the Committee meeting (all non-executive directors were present) to provide feedback. • Having considered a number of potential candidates, the Committee agreed that Antoine Forterre was the right person for the role and recommended his appointment as CFO and executive director to the Board for approval. 	<ul style="list-style-type: none"> • The Board approved Antoine's appointment which was then announced to the market. • Antoine Forterre, Steven Desmyter and Eric Burl were appointed to Senior ExCo with effect from 11 June 2021.
	<ul style="list-style-type: none"> • Handover of relevant Board and Senior ExCo responsibilities and transition into new roles. 	<ul style="list-style-type: none"> • Induction arranged with Antoine to discuss listed plc, statutory, regulatory and governance Board responsibilities.
	<ul style="list-style-type: none"> • Mark stepped down from the Board to take up position as Deputy CEO. • Antoine appointed to the Board and became CFO. 	<ul style="list-style-type: none"> • Sandy retired as CIO of Man Group.




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 2021 external Board evaluation overleaf.

Progress on priority areas identified in 2020 Board evaluation

Priority area	Progress during 2021
Continue to strengthen focus on succession planning at Board and senior management level.	<ul style="list-style-type: none"> • Two Board/Board Committee sessions dedicated to Man Group's talent and succession planning processes held in 2021. • Succession plans invoked following Sandy Rattray's decision to retire, with internal talent appointed to the various roles created by Sandy's departure. • Committee considered NED succession in light of Dev Sanyal's retirement from the Board in May 2022 and the remaining NEDs' tenures. • Succession planning to remain an area of focus for the Committee during 2022.
Consider any changes to the remit of the Board Committees taking account of industry best practice and feedback obtained as part of the external Board and Board Committee evaluation to be undertaken in 2021.	<ul style="list-style-type: none"> • Board considered feedback from Board evaluation and confirmed that the composition and remit of the Board Committees remained appropriate but agreed to keep them under review. Further details are set out overleaf.

The Committee also discussed the areas identified in the 2021 Board evaluation as requiring further Committee consideration.

Area	Committee consideration	Action taken/next steps
 Board and Board Committee Composition	<ul style="list-style-type: none"> Discussed areas in which the Board might benefit from additional non-executive skills, experience and capabilities. Considered proposals to appoint an additional Audit and Risk Committee member, extend membership of the Committee to all NEDs and possible creation of an ESG Board Committee. 	<ul style="list-style-type: none"> Committee appointed Hedley May (who has no other connection with the Company or any individual director) to progress non-executive search process. Jackie Hunt appointed to the Board with effect from 28 February 2022. Kate Barker appointed to the Audit and Risk Committee with effect from 1 December 2021 and Jackie Hunt appointed to the Audit and Risk Committee with effect from 28 February 2022. Committee membership to remain as is but with wider NED involvement when considering Board appointments (see below). Full Board to remain responsible for ESG matters rather than creating a separate ESG Board Committee.
 Board appointments	<ul style="list-style-type: none"> Considered proposals around the Committee's role in Board appointment process. Discussed succession planning particularly in light of the remaining terms of each of the NEDs and the concept of 'laddering'. 	<ul style="list-style-type: none"> Agreed wider NED involvement was appropriate when considering Board appointments and that communication channels could be further enhanced. See succession planning section below.
 Skills matrix	<ul style="list-style-type: none"> Discussed recommendation to develop a formal skills matrix, designed to support succession planning discussions and build out of bespoke Board training programme. 	<ul style="list-style-type: none"> Skills matrix created and implemented with the output discussed by the Committee. <p>+ see page 89</p>

Succession planning and Board composition

As previously mentioned, significant focus was given to succession planning by the Committee at both an executive and non-executive level during the year. Extensive discussions took place around the proposed changes to the Senior Executive team which resulted in the appointment of Antoine Forterre as CFO. The Committee also spent considerable time discussing non-executive director succession, particularly in light of the feedback received from the Board evaluation process, the conclusions drawn from the newly created Board skills matrix and the tenure of the existing non-executive directors. Following its formal review of the size, composition and skillset of the Board and its Committees, the Committee agreed that the Board would benefit from additional technology and finance expertise and that any future non-executive search should focus on individuals with experience in these areas. The Committee was pleased to recommend the appointment of Jackie Hunt to the Board and as a member of the Audit and Risk and Remuneration Committees with effect from 28 February 2022. Jackie brings substantial asset management, financial and executive management experience. The Committee will progress its search for a non-executive director with direct and relevant technology experience during the course of 2022.

The Committee also had the opportunity to discuss with Lara Carty, Global Head of Talent, the philosophy underpinning Man Group's firmwide approach to succession planning and talent development and the supporting framework and processes.

Committee changes

As previously announced, Anne Wade took over from Richard Berliand as Chair of the Remuneration Committee (RemCom) on 7 May 2021 at which point she also became a member of the Nomination Committee. In response to feedback from the 2021 Board evaluation process, the Committee considered the composition of the Audit and Risk Committee (ARCom) and recommended to the Board that Kate Barker be appointed as an additional member of the ARCom. The Board approved Kate's appointment, which became effective on 1 December 2021.

Dev Sanyal will step down from the Audit and Risk Committee and Zoe Cruz from the Remuneration Committee following the 2022 AGM. Jackie Hunt was appointed as a member of both Committees with effect from 28 February 2022.

The Committee also considered whether it would be appropriate to extend the Committee's membership to all non-executive directors but agreed that the current composition was appropriate. It was, however, suggested that other non-executive directors could be brought into discussions as necessary, particularly when considering Board appointments and that reporting from the Committee to the Board should be enhanced where appropriate.

Renewal of existing non-executive director appointments

The Committee reviewed the profile of Board tenure of our non-executive directors in light of its future needs. As part of this, it considered the renewal of Richard Berliand's appointment as Senior Independent Director, whose second three-year term was due to expire in early 2022. Richard did not take any part in the consideration of the renewal of his appointment. The Committee agreed, taking account of the current cycle of Board development and succession and the feedback on Richard's contributions to the Board, to recommend the renewal of his appointment for a further three-year term to the Board for approval, subject to annual reappointment by shareholders at the AGM.

Priorities for 2022

The key priority for the Committee in 2022 is to move forward in its search for new non-executive directors with expertise in technology. Succession planning will also remain firmly on the agenda for the year ahead.

John Cryan
Chair

Nomination Committee report continued

Board Diversity and Inclusion Policy

The Board Diversity and Inclusion Policy sets out the Board's understanding of the value and impact of diversity in its broadest sense and the measures, processes and inputs through which it seeks to increase diversity on the Board and influence and monitor its impact within the Company as a whole. The policy, which is summarised in the box adjacent, is fully aligned with Man Group's diversity, equity and inclusion statement. Further details of our diversity, equity and inclusion activities throughout the firm are given in the People and culture section on pages 41 and 42. The progress made on increasing the number of women in Man Group's senior management roles is set out in the non-financial KPIs section on page 23.



Overview

The Board embraces and seeks to promote diversity and inclusion in its broadest sense, both in terms of its own composition and within Man Group's senior management and employee base as a whole. It sees diversity as the combination and interaction of people with different knowledge, skills, experience, backgrounds and outlooks and believes that this creates greater value and leads to better decision-making and performance at all levels of the organisation which, in turn, supports the delivery of the Company's strategy.

The Board is responsive to diversity challenges within the financial services industry and endorses the steps initiated and implemented by the executive management team to help navigate these challenges. In addition to the internal diversity, equity and inclusion initiatives within Man Group, the Chair and CEO are members of the 30% Club. Man Group is represented on external inclusion focused committees and working groups and is also a signatory to the Women in Finance Charter and Race at Work Charter.

The Board supports the recommendations for the adoption of voluntary targets for building gender and ethnic diversity into FTSE company boards and senior management and is pleased to report that it has exceeded the previously disclosed gender diversity target of at least 33% female representation on the Board. The Board is keen to maintain an appropriate gender balance and is therefore committed to ensuring that there is at least 40% representation of either gender on the Board, whilst recognising that during periods of transition on the Board, this balance may not, temporarily, be maintained. The Board also confirms that it has more than one Board member from an ethnic minority background as set out in the Parker Review and is committed to ensuring that the Board remains ethnically diverse. Pages 68 and 69 provide further details on current Board diversity metrics. Set out overleaf are the three main areas on which we are focusing to pursue 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 which 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 gender, gender identity, sexual orientation, ethnicity, social background, as well as cognitive and personal strengths. To support this objective, we adopt a formal approach to Board searches which includes insisting on representation of under-represented groups on search firms' long and short lists and remaining conscious of any potential for bias in the interview and selection process. We will also consider and explore alternative routes to the supply of appropriate candidates.

Implementation in 2021

As part of the process for appointing a new CFO, the Nomination Committee commissioned an external benchmarking exercise with a strong focus on diversity. Having reviewed the output of the exercise and considered a number of potential candidates, the Committee concluded that Antoine Forterre was the best candidate for the role based on capability, expertise and experience. The Nomination Committee will continue to seek additional non-executive skills and experience, including direct and relevant technology expertise and plc leadership experience.

Oversight of recruitment, development and inclusion

The Board continues to encourage and oversee the output from a wide range of recruitment and people development policies and initiatives led by the executive management team which aim to grow the diversity of Man Group's talent pool, provide development opportunities for all and embed an inclusive culture. While we cannot lead such initiatives directly, our role is to monitor and challenge the impact they are having on the firm. As part of this oversight we review the level of gender diversity introduced through our summer internship and graduate programmes and women's progression over time through mentoring, retention and returner initiatives. 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 which encourage more diverse talent into financial careers.

In addition, a key role of the Nomination Committee is to monitor and discuss with the CEO the career development and succession plans for senior management across the firm, including the progress of any under-represented groups. This enables us to promote the development of a strong and diverse pipeline of talent for future executive leadership and Board positions.

Implementation in 2021

In addition to the regular updates on specific people hires and promotions, the Board undertook a specific review of Man Group's culture which included consideration of the diversity, equity and inclusion network activities to promote and support a diverse culture within the organisation. Further details are set out on pages 41 to 42. Two dedicated sessions focusing on succession planning were also held during the year which included consideration of data that had been captured through the succession planning process with particular focus on diversity metrics and management's continued efforts to improve diversity within the organisation from both a gender and ethnicity perspective, noting that this was an area of focus across the industry.

Despite there being, once again, reduced face-to-face opportunities for specific Board discussion on management development and succession, the Board was able to increase its exposure to executives below Board level and to assess the strength, breadth and diversity of management resource available to the business through updates at Board and Committee meetings from Senior Executive Committee members and other members of the management team on the areas of the business for which they are responsible.

Review and reporting

The Board is committed to the development of diversity on the Board and among Man Group's employees. It will seek feedback on Board balance, including the balance of skills and experience, in its annual Board evaluation and will keep the review and challenge of Man Group's people development, inclusion and diversity programmes firmly on the Board agenda. An account of the Board's activities and progress against its objectives in these areas will be given in the Annual Report each year.

Implementation in 2021

Feedback from the 2021 Board and Committee evaluation highlighted the strong gender diversity on the Board as well as the diversity of perspective and background whilst identifying the need to bring additional technology skills and expertise. This will be an area of focus for the Nomination Committee during 2022 along with the promotion of diversity through recruitment, talent management and succession.

Directors' Remuneration report

1. Chair's annual statement



Anne Wade

Chair of the Remuneration Committee

Summary of the Remuneration Committee's activities in 2021

- Reviewed and consulted with shareholders on the Directors' Remuneration Policy, including the inclusion of ESG-related metrics and objectives in the LTIP and bonus.
- Determined the total annual compensation for the executive directors, Executive Committee members, the Company Secretary and Remuneration Code staff.
- Approved the salary of the new CFO.
- Reviewed the remuneration of the Chair and determined that no changes should be made.
- Considered compensation below the Board, including by reference to both gender and ethnicity metrics.
- Reviewed and approved the 2020 Directors' Remuneration report.

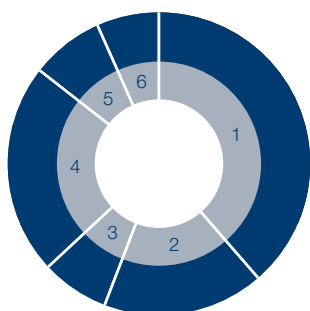
Membership¹:

Anne Wade (Chair)
Richard Berliand
John Cryan
Zoe Cruz
Kate Barker

Where appropriate, Luke Ellis is invited to attend Committee meetings.

¹ Jackie Hunt was appointed as a member of the Committee on 28 February 2022.

How the Committee spent its time in 2021



1. Executive directors' remuneration	39%
2. Employee remuneration	17%
3. Senior management compensation	7%
4. Shareholder engagement, DRR and Remuneration Policy	22%
5. Governance and other	8%
6. Financial regulation	7%

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Dear Stakeholder

On behalf of the Board, I am pleased to present the Directors' Remuneration report (the DRR) for the year to 31 December 2021. For ease of reference, this report contains the following sections:

- a detailed index to help you find the sections you need (page 102);
- this annual statement (pages 103 to 106);
- the remuneration 'at a glance' section, summarising how the Directors' Remuneration Policy has been implemented in 2021 (pages 107 to 110);
- the annual report on remuneration (pages 111 to 125); and
- the Directors' Remuneration Policy (the 'policy') on which shareholders will be asked to vote at the 2022 AGM (pages 126 to 133).

1.1 Introduction

I am pleased to present my first Directors' Remuneration report (DRR) as Chair of the Committee, having been appointed following the 2021 AGM. I would like to thank my predecessor, Richard Berland, for his support both during my transition into the role and on an ongoing basis through his continued membership of the Committee.

As was set out in the 2020 DRR, having initially consulted with shareholders in October 2020 on proposed changes to the policy, we ultimately decided to ask shareholders to support a roll forward of the existing policy at the 2021 AGM. I am pleased to say that resolution was supported by more than 90% of shareholders. Although we felt that the changes we were proposing were appropriate, it was clear that the last AGM season would be a particularly busy one, given the impact of the pandemic. The delay also meant that we would be able to incorporate into the new policy any changes necessary to comply with the Investment Firms Prudential Regime (IFPR). The only change we made last year was to bring the post-employment shareholding requirements into line with market-leading practice and the Investment Association's principles, by requiring directors to retain shares equal to their requirement, or their actual holding if lower, in full for two years after leaving.

Since my appointment, I have undertaken further extensive consultation with shareholders on the changes to the policy initially proposed last year, as well as on our proposals to introduce ESG-related objectives and metrics into the bonus and the LTIP. I would like to thank those investors who responded to our consultation for their thoughtful and constructive feedback which has helped to shape the policy we are now putting forward, and is set out in more detail in the following pages.



We believe the proposed new policy, which includes ESG-related objectives and metrics in the bonus and LTIP, enhances the links with our strategy and will deliver better alignment with shareholders and other stakeholders.



Anne Wade | Chair of the Remuneration Committee

1.2 Directors' Remuneration Policy and the introduction of ESG into incentives

The Committee considers that the current policy has operated broadly as intended and does not require fundamental change. However, we are proposing the following amendments which the Committee considers appropriate to ensure the policy will continue to operate effectively in support of the delivery of our strategy, the attraction and retention of suitably qualified executives and our contribution to wider society:

- Equalise short and long-term incentive opportunities so each represent 300% of salary (currently at 250% and 350% of salary respectively)
- Increase the bonus deferral to 55% (currently at 50%)
- Introduce ESG-related objectives and metrics into the bonus and LTIP

We are proposing a rebalancing between the bonus and LTIP such that each will have a maximum opportunity of 300% of salary (from 250% currently for the bonus and 350% for the LTIP). In order to maintain broadly the same proportion of longer-term pay as now, the deferral from bonus will simultaneously increase to 55% (from 50% currently). We believe an equal split between bonus and long-term incentive opportunities better aligns the executive directors with both employees and the sector more widely. The remuneration structure for below Board employees in peer group asset management companies is most likely to comprise an annual bonus with a significant level of deferral, as is also the case with Man Group's own employees. We do not consider that this small shift, from LTIP to bonus, detracts from the long term focus of the executive directors but we believe it is an important signal of greater alignment with the wider workforce. The focus on the long term in the new policy is further strengthened by the concomitant increase in the level of deferral of the bonus from the current rate of 50% to 55% in the new policy.

Man Group strives to be a leader in responsible investment (RI) across all our investment styles and our commitment to RI includes integration of ESG considerations into investment decisions, stewardship, advocacy and thought leadership. We are also committed to our people, wider society and the environment, which reflect our core values. The inclusion of ESG objectives and metrics into the incentive arrangements for the executive directors, in relation to both the Group and the funds we manage, is therefore core to our strategy as an important offering for our clients and shareholders, as an expression of our corporate values.

Directors' Remuneration report

1. Chair's annual statement continued

With effect from 1 January 2022, we intend to include ESG-related objectives and metrics in both the bonus and LTIP arrangements. In the bonus, 15% of the overall outcome will be allocated to ESG objectives. The financial component of the bonus will remain at 70%, with no changes proposed to the metrics used to determine that element of the outcome. The amount currently attributable to strategic and personal objectives for each director will be reduced to 15% to enable the inclusion of the ESG objectives. In the LTIP, 10% will be allocated to an ESG scorecard by reducing the current weightings of Relative TSR and Relative Investment Performance to 20% each (from 25%).

The table below illustrates the impact of both the equalisation of the bonus and LTIP opportunities and the introduction of ESG for the annual incentive in the year-ended 31 December 2022 and for the LTIP to be awarded in March 2022, for the three-year period ending 31 December 2024; it also shows the aggregate weightings of each metric when consolidated across both the bonus and LTIP opportunities.

Variable pay metrics – impact of weighting changes

Metric	Current policy			New policy			Variance
	Bonus	LTIP	Aggregate weighting ¹	Bonus	LTIP	Aggregate weighting ¹	
% Salary	250%	350%		300%	300%		
Relative Investment Performance	0%	25%	15%	0%	20%	10%	-5%
Relative Net Flows	30%	10%	18%	30%	10%	20%	+2%
Core Management Fee EPS	20%	10%	14%	20%	10%	15%	+1%
Core EPS	20%	30%	26%	20%	30%	25%	-1%
Relative TSR	0%	25%	15%	0%	20%	10%	-5%
ESG	0%	0%	0%	15%	10%	13%	+13%
Strategic and personal	30%	0%	12%	15%	0%	7%	-5%
Total	100%	100%	100%	100%	100%	100%	-

¹ Aggregate weighting shows the overall weighting when consolidated across both the bonus and LTIP opportunities.

Details of the three new measures which will be equally weighted in the ESG scorecard in the LTIP, and their target ranges, are set out on page 122 and, in summary, they focus on:

- Female diversity: specifically the proportion of women in senior management which, despite some progress to date, remains a challenge across the asset management sector.
- Carbon reduction: climate change is clearly a global imperative and we believe a target to reduce total (market based) emissions per employee, in line with our non-financial KPI, is appropriate. We have revised our approach to this metric since our original discussions with shareholders and have expanded it to include scope 3 emissions, which comprise business travel and leased assets, in addition to scope 1 and 2 emissions. While our primary focus is on reducing our actual carbon footprint as much as possible, we plan to allow the use of carbon offsets to contribute towards the achievement of this goal as we regard this as a legitimate financial investment in improving our performance. We already disclose our use of carbon offsets and will continue to do so annually as well as disclosing, at the end of the LTIP performance period, the extent to which the LTIP target has been met by actual reductions or carbon offsets.
- ESG-integrated assets under management (AUM): we think it is important that the impact we have through managing our clients' assets, as well as how we manage our own firm, is covered in these metrics, and therefore have included a measure on the growth in our ESG-integrated AUM.

We intend to use the 15% of the bonus that will be allocated to ESG-related objectives 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 qualitative objectives in the bonus also represent an opportunity to link reward to progress on, for example, other types of diversity including gender, ethnicity and neurodiversity as well as on the broader environmental agenda, such as progress towards achieving net zero. We believe it is appropriate that the ESG-related objectives in the bonus should be the same for both executive directors, with them each having different strategic and personal objectives accounting for the remaining 15%.

The performance metrics selected for use in the short and long-term incentive arrangements in the Directors' Remuneration Policy, including those relating to ESG, have been chosen to reflect Man Group's strategic priorities. The financial metrics are aligned with Man Group's financial key performance indicators (KPIs) which illustrate and measure the relationship between the investment experience of Man Group's clients, our financial performance and the creation of shareholder value over time. The non-financial objectives in the bonus, including those related to ESG, are aligned with our strategic focus and non-financial KPIs to ensure that executives remain focused on the delivery of annual performance whilst ensuring the building blocks for future growth are put in place. This alignment ensures that the link between strategy, the KPIs by which we measure performance and reward, is clear, as shown in the table below.

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

1.3 Shareholder engagement in 2021

As I mentioned earlier, as part of our renewed consultation on the changes to the policy, letters were sent to some 21 of our largest shareholders, representing almost 60% of our shareholder base, during autumn 2021. I was delighted to meet with many of those shareholders, as well as the four main proxy advisory groups and shareholder representative bodies, and we received feedback from most of the shareholders contacted. There was broad support for the direction of travel of the new policy and, in particular, the detailed discussions we had with a number of shareholders on the introduction of the ESG metrics were invaluable and have informed our final approach to this important change.

In December 2021, we wrote again to those same shareholders and their representative bodies to provide further detail on the specific measures for the new ESG metrics in the LTIP, as set out in this report. We also said more about how we would incorporate ESG-related objectives into the bonus to help us to monitor and measure progress on the wide range of priorities that will contribute to our broad ESG agenda, particularly our focus on the environment and all types of diversity.

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

As set out above, the Committee considers that the relatively small shift in opportunity from the LTIP into the bonus for the executive directors provides greater alignment with our approach to remuneration for the wider workforce, whose performance-related pay generally comprises an annual bonus with significant deferral.

During the review of the policy, the executive directors also requested that the enhanced holiday and sick leave entitlements, for which they were eligible due to their seniority, should be reduced to bring them in line with the wider workforce. The Committee supported this small but significant change to a legacy arrangement which it felt demonstrated management's commitment to overall alignment of their pay and benefits with employees, as well as a culture of fairness and inclusivity.

As in 2020, the Committee again reviewed the approach to variable compensation across the employee population and undertook a detailed review of compensation patterns across ethnicity and gender. This analysis has been significantly improved by the information now available following the implementation of Workday, the HR and Finance system, in 2019. The overall conclusion from the review was that compensation in the wider workforce was fair and reasonable, when taking account of the employee's role and location. Management intends to continue to perform this analysis during each annual compensation cycle to monitor for any potential unexplained differences and to present their findings to the Committee each year.

The Committee again engaged directly with employees by providing a simple document explaining how the remuneration of the executive directors is determined and how that links with the approach to the remuneration of the wider workforce, and employees were invited to submit any questions via a dedicated email address.

Directors' Remuneration report

1. Chair's annual statement continued

As part of its consideration of the overall appropriateness of the executive directors' remuneration in 2021, the Committee also undertook the following actions, in addition to the reviews detailed above:

- approved the total bonus pool to be allocated to staff which, as a result of strong performance in the year, is 70% higher than in 2020, meaning our employees share in the success of the company;
- carried out a detailed review of bonus proposals and evaluations for the Executive Committee, Company Secretary and individuals covered by the Remuneration Codes;
- reviewed the ratio of CEO pay to the UK employee population and discussed the reasons for the movement since 2020 as set out in the commentary under table R8 on page 116; and
- reviewed annual performance ratings and compensation outcomes by gender and ethnicity to ensure decision-making was objective and without bias.

1.5 Review of performance in 2021

Man Group has had a very successful year. Our funds performed strongly overall, returning \$12.5 billion in investment gains and delivering 1.9% of relative investment outperformance to our clients. We saw record net inflows of \$13.7 billion with all our main product categories experiencing positive net flows. As a direct consequence, our AUM ended the year at a new record of \$148.6 billion. Combined with continued cost discipline, this led to substantial growth in both core management and core EPS, at 52% and 139% respectively compared to 2020.

Our shareholders have also enjoyed a very good year; there has been solid share price growth in absolute and relative terms, total dividend is 32% up on the year, and we announced \$350 million of additional share buybacks. This implies that close to \$544 million will be returned to shareholders in relation to 2021 via dividends or share buybacks, the highest amount since 2016.

1.6 Remuneration outcomes for 2021

Our incentive arrangements are designed to reward exceptional performance; when our clients and shareholders do well it is appropriate that our employees, including the executive directors, should share in that success.

When the Committee set the targets for the 2021 bonus, it again did so by reference to internal and external forecasts, including consensus estimates available at the time and long-run historical performance of both Man Group and our peers. The threshold for relative net flows was again set at 1%, meaning the Company had to outperform its peers before anything would be paid out on this measure; the target was set at 3.5% and the maximum required Man Group to outperform its competitors by at least 6%. In an exceptional year, relative net flows of 9.8% were delivered. The threshold for core management fee EPS was set at 11.3¢, representing growth of almost 10% on 2020; target and maximum were set at 12.3¢ and 13.3¢ respectively. The combination of higher net inflows, good investment returns and controlled costs resulted in core management fee EPS of 15.7¢. The volatility of performance fee income means that it is appropriate to set a wide range for core EPS bonus targets; in 2021, the threshold, target and maximum were set at 15.3¢, 18.8¢ and 24.3¢ respectively. The exceptional performance in the year delivered core EPS of 38.7¢. Consequently, for the first time since the current Remuneration Policy was implemented in 2018, all three of the financial measures in the bonus exceeded their maximum and an overall result of 70%, out of a maximum of 70%, was achieved.

Further details of the targets and performance against them is shown on page 108 in the 'Remuneration at a glance' section and in table R2 on pages 111 to 113.

The strategic and personal objectives of each director, which account for 30% of the bonus outcome in 2021, are selected to ensure delivery of sustained performance over time. Luke Ellis again demonstrated exceptional leadership and an outcome of 28.5% is considered appropriate to reflect his performance. Mark Jones again performed strongly to achieve 24%. The Board has been very pleased with the start that Antoine Forterre has made as CFO and his outcome of 20% reflects that he was only in role for the final quarter of the year.

The first award under the LTIP was made in March 2019 for the three-year period from 1 January 2019 to 31 December 2021 and vests in March 2022, with a subsequent two-year post-vesting holding period. As a reminder, the level of vesting at threshold is 0%, meaning the directors must exceed the threshold for any of the award to vest. When the LTIP targets were established three years ago, the 2018 DRR set out details of how the Committee had ensured they were appropriately stretching. In that context, I am pleased to say that the 2019 LTIP award has vested at 60% driven by the exceptionally strong performance in 2021. Over the same period the share price has increased by 52%, from £1.46 at the end of 2018 to £2.22 at the end of 2021 (based on the three-month average share price) and Man Group was in the top quartile for TSR performance over the LTIP period, against its peer group of the FTSE 250 Index. A summary of the outcome against each of the performance metrics is shown in the 'Remuneration at a glance' section on pages 108-109 with full details included on page 114 of the annual remuneration report. We anticipate that the exceptional 2021 performance will also contribute to good vesting outcomes for the outstanding 2020 and 2021 LTIPs.

During the year, Mark Jones was appointed Deputy CEO of the firm and stepped down from the Board; he remains subject to his post-employment shareholding requirements. Antoine Forterre, formerly co-CEO of Man AHL, became CFO on 1 October 2021. Antoine has been appointed on a salary of \$625,000 in recognition of his experience and expertise; he will receive benefits, pension provision and incentive awards in line with the policy.

The annual reviews of the Chair and NEDs' fees were undertaken and resulted in no changes being made. On average during 2021 employee salaries increased by 3%.

In considering whether the overall remuneration of the executive directors for 2021 was appropriate, the Committee considered a number of factors, including:

- The excellent performance delivered which resulted in a year-end record of AUM and strong growth in both core management fee and core total profit.
- The experience for Man Group's shareholders with good share price growth in the year and a higher dividend paid. Over the three-year LTIP performance period Man Group's relative TSR put it in the top quartile when compared to the FTSE 250 peer group.
- The experience of Man Group's employees who, on average, received bonuses 84% higher than in the previous year.

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 2022 AGM and receiving your support for the renewal of our Directors' Remuneration Policy and for our 2021 DRR at that meeting.

Anne Wade
Chair of the Remuneration Committee

2. Remuneration at a glance

2.1 Directors' Remuneration Policy summary table

Key features of the Directors' Remuneration Policy, as it applied in 2021 and how it is intended to apply in 2022, subject to shareholder approval for the new policy at the AGM, are summarised below:

Key elements	'21	'22	'23	'24	'25	'26	'27	Current policy 2021	Proposed new policy 2022																								
Fixed pay	→							Salary <ul style="list-style-type: none"> 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 01/01/21: <ul style="list-style-type: none"> Luke Ellis \$1.1m Mark Jones \$625k (to 01/10/2021) Antoine Forterre \$625k (from 01/10/2021) Pension allowance <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> Includes family private medical insurance, life assurance and permanent health insurance 	Salaries effective from 01/01/22: <ul style="list-style-type: none"> Luke Ellis \$1.1m Antoine Forterre \$625k 																								
Cash bonus	→							Maximum opportunity <ul style="list-style-type: none"> 250% of salary Operation <ul style="list-style-type: none"> Awarded as a combination of cash (50%) and deferral into shares (and funds once the shareholding requirement has been met) vesting in three equal tranches in each of the following three years 	<ul style="list-style-type: none"> 300% of salary <ul style="list-style-type: none"> 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 																								
Deferred bonus	→	→	→	→				Metrics <table border="1"> <tr> <td>Relative net flows</td> <td>30%</td> <td>Relative net flows</td> <td>30%</td> </tr> <tr> <td>Core management fee EPS (cents)</td> <td>20%</td> <td>Core management fee EPS (cents)</td> <td>20%</td> </tr> <tr> <td>Core EPS (cents)</td> <td>20%</td> <td>Core EPS (cents)</td> <td>20%</td> </tr> <tr> <td>Strategic & personal objectives</td> <td>30%</td> <td>ESG-related objectives</td> <td>15%</td> </tr> <tr> <td></td> <td></td> <td>Strategic & personal objectives</td> <td>15%</td> </tr> </table>	Relative net flows	30%	Relative net flows	30%	Core management fee EPS (cents)	20%	Core management fee EPS (cents)	20%	Core EPS (cents)	20%	Core EPS (cents)	20%	Strategic & personal objectives	30%	ESG-related objectives	15%			Strategic & personal objectives	15%					
Relative net flows	30%	Relative net flows	30%																														
Core management fee EPS (cents)	20%	Core management fee EPS (cents)	20%																														
Core EPS (cents)	20%	Core EPS (cents)	20%																														
Strategic & personal objectives	30%	ESG-related objectives	15%																														
		Strategic & personal objectives	15%																														
Long-term incentive	→	→	→	→				Maximum opportunity <ul style="list-style-type: none"> 350% of salary Operation <ul style="list-style-type: none"> Forward-looking three-year performance conditions with share grant at year 0, vesting year 3 with subsequent two-year holding period Metrics <table border="1"> <tr> <td>Relative investment performance</td> <td>25%</td> <td>Relative investment performance</td> <td>20%</td> </tr> <tr> <td>Relative TSR vs FTSE 250</td> <td>25%</td> <td>Relative TSR vs FTSE 250</td> <td>20%</td> </tr> <tr> <td>3-year cumulative core management fee EPS</td> <td>10%</td> <td>3-year cumulative core management fee EPS</td> <td>10%</td> </tr> <tr> <td>3-year cumulative core EPS</td> <td>30%</td> <td>3-year cumulative core EPS</td> <td>30%</td> </tr> <tr> <td>Cumulative relative net flows</td> <td>10%</td> <td>Cumulative relative net flows</td> <td>10%</td> </tr> <tr> <td></td> <td></td> <td>ESG scorecard</td> <td>10%</td> </tr> </table>	Relative investment performance	25%	Relative investment performance	20%	Relative TSR vs FTSE 250	25%	Relative TSR vs FTSE 250	20%	3-year cumulative core management fee EPS	10%	3-year cumulative core management fee EPS	10%	3-year cumulative core EPS	30%	3-year cumulative core EPS	30%	Cumulative relative net flows	10%	Cumulative relative net flows	10%			ESG scorecard	10%	
Relative investment performance	25%	Relative investment performance	20%																														
Relative TSR vs FTSE 250	25%	Relative TSR vs FTSE 250	20%																														
3-year cumulative core management fee EPS	10%	3-year cumulative core management fee EPS	10%																														
3-year cumulative core EPS	30%	3-year cumulative core EPS	30%																														
Cumulative relative net flows	10%	Cumulative relative net flows	10%																														
		ESG scorecard	10%																														
Share ownership	→	→	→	→				Shareholding requirements <ul style="list-style-type: none"> CEO 300% of salary Other executive directors 200% of salary Post-employment requirements <ul style="list-style-type: none"> 100% of the requirement, or the actual holding on departure if lower, to be retained for two years after leaving 																									
Malus and clawback	→	→	→	→				Circumstances <p>The Committee may apply malus and/or clawback to variable pay in certain specified circumstances, including:</p> <ul style="list-style-type: none"> material misstatement of financial results affecting the assessment of a performance condition, where there has been an error or inaccuracy relating to the determination of variable pay misconduct <ul style="list-style-type: none"> fraud or misconduct where the director fails to meet the required standards of fitness and propriety <p>In addition, it can apply malus if a director participates in, or was responsible for the following circumstances:</p> <ul style="list-style-type: none"> a material failure of risk management, censure by any regulatory authority or a significant detrimental impact on the Company's reputation failing to meet the required standards of fitness and propriety <ul style="list-style-type: none"> material error material downturn in financial performance 																									

Directors' Remuneration report

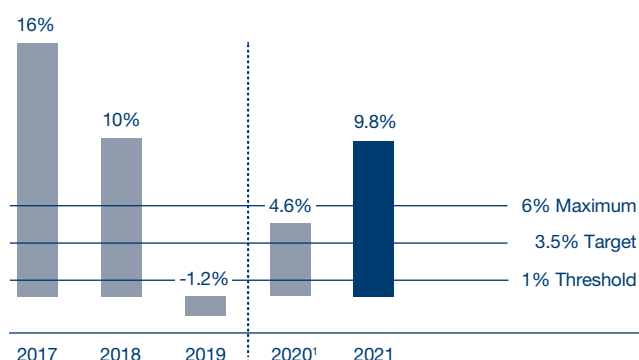
2. Remuneration at a glance continued

2.2 Remuneration outcomes for 2021

2021 Bonus outcome (for the period from 1 January 2021 to 31 December 2021)

The targets for relative growth in net flows were set at the same percentage growth rates as in 2020 but, given the considerably higher starting point for AUM, those growth rates translate into much higher absolute targets than last year. In that context, growth of 9.8% represents very strong performance.

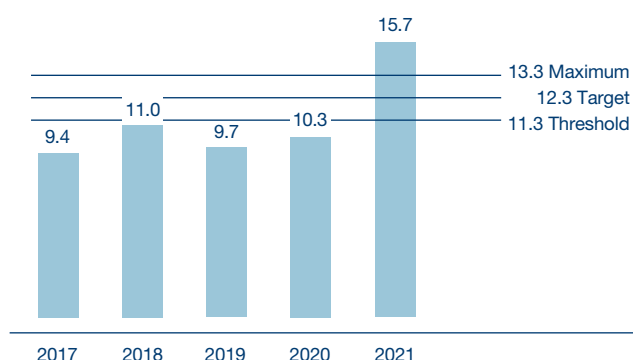
Net flows, relative growth (%)



¹ For 2017 to 2019, the metric was growth in net flows; from 2020 the metric is growth in Relative net flows. The chart shows absolute growth for 2017 to 2019 and relative growth for 2020 and 2021.

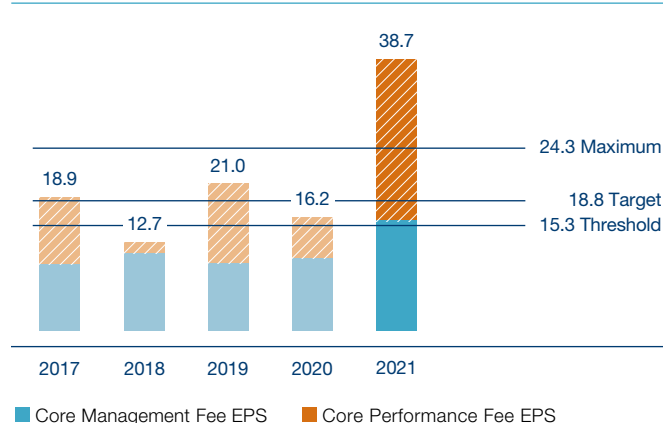
The targets for core management fee EPS built on good performance in the prior year, with the threshold set 10% higher than the 2020 actual and the target 19% higher. The combination of record net inflows, strong fund performance and good cost discipline delivered core management fee EPS of 15.7¢, representing 52% growth on 2020.

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. To derive the core EPS targets, the threshold for core performance fee EPS was set at 67% of the average for the previous five years, the target at 109% and the maximum at 185%. This resulted in core EPS targets of 15.3¢, 18.8¢ and 24.3¢ at threshold, target and maximum respectively. The realised core performance fee EPS of 23.0¢ for 2021 equates to 385% of the previous five-year average. Added to core management fee EPS, this exceptional performance delivered core EPS of 38.7¢, representing growth of 139% on 2020 performance.

Core EPS (¢)



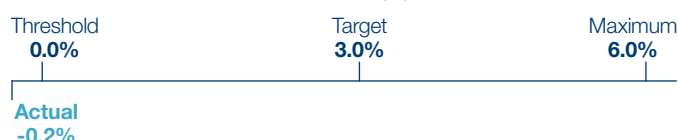
Long-Term Incentive Plan outcome

(for the period from 1 January 2019 to 31 December 2021)

When disclosing the targets for the 2019 LTIP in the 2018 DRR, the Committee provided extensive details on the target-setting process. This set out how the Committee had ensured that the targets were stretching in the context of Man Group's historic performance, its peers, and future expectations at that time.

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 just missed the threshold, resulting in no payout for this metric.

Relative Investment Performance (%)



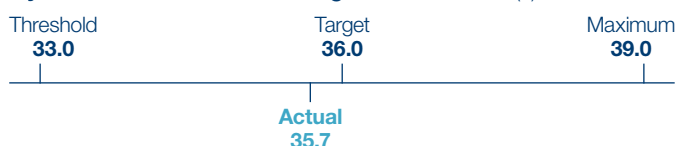
Relative TSR vs FTSE 250: this metric measures how Man Group's Total Shareholder Return compares to that of the constituents of the FTSE 250 excluding investment trusts and REITS. Out of a population of 152 stocks still listed at the end of December 2021 (from 185 at the beginning of the measurement period), Man Group has delivered relative TSR above the top quartile.

Relative TSR vs FTSE 250



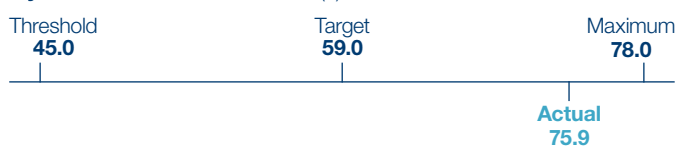
In setting the targets for **3-year cumulative core management fee EPS**, the Committee reviewed the cumulative core management fee EPS delivered in the three-year periods ending in each of the previous four years. At that time, the maximum ever achieved was 27.2¢ for the three years ending 31 December 2018. In that context the targets represented growth of 21%, 32% and 43% at threshold, target and maximum respectively. The Committee also took account of Man Group's track record of careful capital management and the policy of returning excess capital to shareholders via dividends and/or share buybacks, which has been in place since 2013. In establishing the target for three-year cumulative core management fee EPS, the Committee assumed a continuation of that policy. Cumulative core management fee EPS of 35.7¢ has been delivered and the Committee is satisfied that dividends and buybacks are in line with the assumptions made when the targets were set and no discretion should be exercised to adjust the outcome.

3 year Cumulative Core Management Fee EPS (¢)



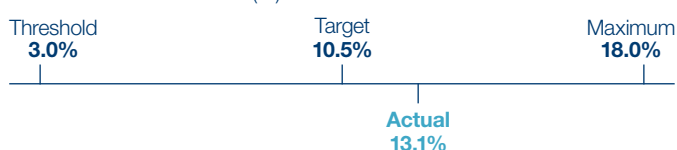
As described above, **core EPS** is the sum of Core Management Fee EPS and core performance fee EPS. The Committee considered it was appropriate to set a wide range of LTIP targets, given the higher volatility of performance fees which remain, nonetheless, a valuable earnings stream for shareholders over time. When the targets were originally set, the threshold for cumulative core EPS of 45¢ was equivalent to 33¢ of cumulative core management fee EPS combined with the delivery of \$225 million of core performance fee PBT over the measurement period; at maximum, it represented 39¢ of cumulative core management fee EPS and \$750 million of core performance fee PBT over the same period. The achieved three-year cumulative core EPS of 75.9¢, just below the maximum, represents an excellent result for shareholders over the period, with \$710 million of cumulative core performance fee PBT having been generated.

3 year Cumulative Core EPS (¢)



When the targets for **Cumulative Net Flows** were set it was against an industry backdrop of minimal inflows. The threshold of 3% required average annual growth of at least 1% for any payout and at maximum of 18% cumulative growth, Man Group would have to outperform significantly both expectations for the industry and our average historical performance. Achievement of 13.1% growth in cumulative net inflows represents strong performance over the period.

Cumulative Net Flows (%)



Notwithstanding the stretched targets set by the Committee in the 2018 DRR, the good performance delivered over the three years ending 31 December 2021 resulted in 60% vesting of the LTIP awarded in March 2019, as set out on page 114. 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 the buybacks undertaken since 2018 had been in line with expectations at the time the targets were set and no adjustments to the outcome were required. Finally, the Committee also considered how the excellent performance in 2021, which led to a 52% increase in core management fee EPS and a 139% increase in core EPS over one year, could carry positive implications for the 2020 and 2021 LTIPs.

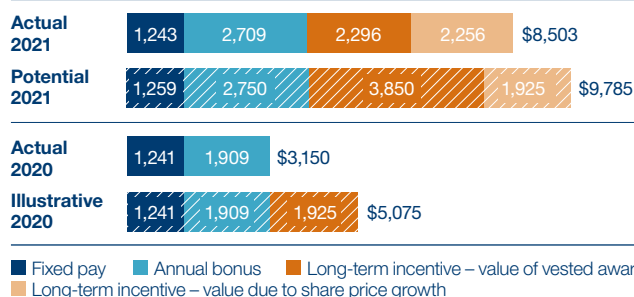
Single total figure of remuneration for CEO

The chart below shows the actual total remuneration of the CEO for 2021 compared with the potential remuneration under the current policy. This reflects the exceptional performance delivered in 2021 and also illustrates the share price growth delivered over the last three years, being the performance period for the first grant under the LTIP. 2020 actual and 'illustrative' data is included for comparison; as a reminder, in 2020 no long-term variable pay was included in the single figure table following the switch from the former Deferred Executive Incentive Plan (DEIP) to the LTIP, the first award under which was made in 2019. The 2020 'illustrative' data shows the potential single figure outcome using an expected value of 50% for the LTIP. The data is shown for the CEO only as the change in CFO during the year makes comparison difficult.

Single total figure of remuneration (\$000s)

Luke Ellis

CEO



Potential 2021 assumes full vesting of each of the bonus and LTIP plus the impact of 50% growth in the share price on the LTIP (as shown in the scenario charts in the 2020 DRR).

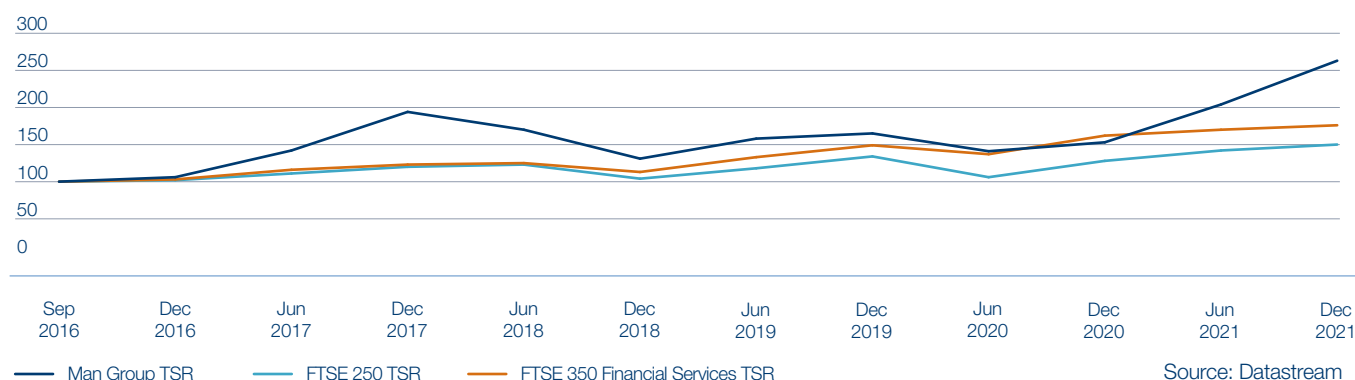
Directors' Remuneration report

2. Remuneration at a glance continued

2.3 Executive director pay in the context of Man Group's shareholders

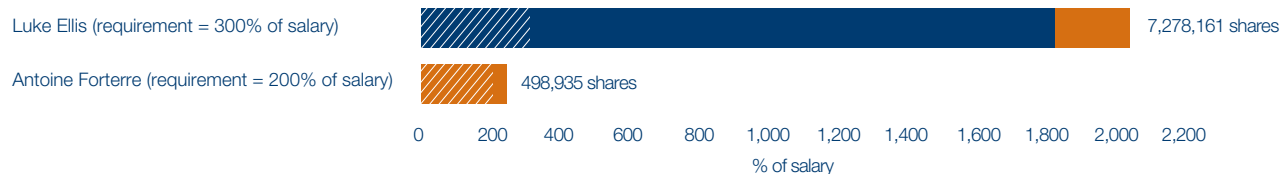
The chart below shows the TSR generated since Luke Ellis's appointment as CEO in September 2016, compared to both the FTSE 250 and the FTSE 350 Financial Services Index and shows Man Group's outperformance against both sets of peers.

Total Shareholder Return (TSR) (Sep 2016 – Dec 2021)



The chart below shows the executive directors' shareholdings compared to their shareholding requirements. Under the Remuneration Policy, shares owned outright and those deferred shares that no longer have performance conditions attached count towards the shareholding requirement. In the future, LTIP shares retained during the two-year post-vesting holding period will also count towards the requirements. Shares which are not owned outright are shown net of tax (i.e. excluding that proportion of those shares expected to be sold on vesting to settle the associated tax liability). Both executive directors comfortably exceed their shareholding requirement.

Executive directors' shareholdings (number of shares)



■ Shareholding requirement
 ■ Shares owned outright
 ■ Shares no longer subject to performance conditions (net)

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 2021	Year ended 31 December 2020	Year ended 31 December 2020 illustrative ⁴
CEO – single total remuneration figure (SFT) (\$'000)	8,503	3,150	5,075
Ratio of SFT to median UK employees ¹	46:1	19:1	30:1
Compensation – all employees (\$m) ²	644	446	446
Compensation ratio ³	40%	48%	48%
Number of bonus-eligible employees	1,386	1,367	1,367
Mean annual bonus award per bonus-eligible employee (\$'000)	303	177	177
Median annual bonus award per bonus-eligible employee (\$'000)	56	34	34
CEO SFT as % of total compensation of all employees	1.3%	0.7%	1.1%
Aggregate total SFT of all executive directors as % of total compensation of all employees	2.1%	1.1%	1.8%

1 See table R8 on page 116 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 2021.

3 Compensation ratio represents total compensation costs for all employees (fixed base salaries, benefits, variable bonus compensation and associated social security costs) as a proportion of net revenue (gross management and other fees, performance fees, income or gains on investments and other financial instruments, and share of post-tax profits of associates, less distribution costs).

4 The column headed 'Year ended 31 December 2020 – illustrative' is included to aid understanding of the impact of the switch to the LTIP award, which means that no long-term variable pay was included in the directors' single figure disclosure in 2020. For illustrative purposes, an expected value of 50% of the face value of the LTIP award made in March 2021 has been assumed.

3. Remuneration outcomes in 2021

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 2021 and the prior year.

Single total figure of remuneration for executive directors (audited) – Table R1

All figures in USD	Executive directors				Former executive director	
	Luke Ellis		Antoine Forterre ¹		Mark Jones ²	
	2021	2020	2021	2020	2021	2020
Salary	1,100,000	1,100,000	156,250	–	468,750	625,000
Taxable benefits ³	2,678	2,519	558	–	2,510	3,149
Pension benefits ⁴	134,812	135,206	12,214	–	53,454	77,711
Other ⁵	5,151	3,312	596	–	2,117	2,240
Total fixed remuneration	1,242,641	1,241,037	169,618	–	526,831	708,100
Short-term variable ⁶	2,708,750	1,909,371	351,563	–	1,101,563	1,069,245
Long-term variable ⁷	4,551,594	–	–	–	–	–
Total variable remuneration	7,260,344	1,909,371	351,563	–	1,101,563	1,069,245
Total	8,502,985	3,150,408	521,181	–	1,628,394	1,777,345

1 Antoine Forterre was appointed to the Board on 1 October 2021. Remuneration disclosed for 2021 reflects the period during the year that he was an executive director of the Company (1 October to 31 December 2021).

2 Mark Jones stepped down from the Board on 1 October 2021. Remuneration disclosed for 2021 reflects the period during the year that he was an executive director of the Company (1 January to 1 October 2021).

3 Taxable benefits include private medical insurance.

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. Bonus amounts for Antoine Forterre and Mark Jones are calculated on the basis of the salary they received for the period they served as executive directors.

7 The first award under the new Man Group plc LTIP was made in March 2019 for the three-year performance period ending on 31 December 2021. 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 value of the LTIP award for Luke Ellis shown in the above table is based on the average market price of a share (£2.22) over the last quarter of 2021. The LTIP award was based on the market value of a Man Group plc share on 11 March 2019 being £1.3455. The value shown in the table above therefore includes \$2,255,776 which relates to share price growth over the performance period. Mark Jones stepped down from the Board prior to the end of the LTIP performance period but remains an employee and retained his LTIP awards; there is no provision in the DRR regulations for the pro-rata of an LTIP in such circumstances and the value of the vested award has been disclosed in section 3.10 'Payments to past directors' on page 117. Antoine Forterre does not hold any LTIP awards as at 31 December 2021.

3.2 Annual bonus in respect of 2021 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 and 30% on qualitative performance. 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 2021.

Annual bonus in respect of 2021 (audited) – Table R2

Financial metric	Weighting	2020 actual	Threshold (25% of max)	Target (50% of max)	Maximum (100% of max)	2021 outcome	% achieved	Bonus outcome, after weighting (% of maximum)
Increase in relative net flows	30%	4.6%	1.0%	3.5%	6.0%	9.8%	100%	30%
Core management Fee EPS	20%	10.3 ¹	11.3	12.3	13.3	15.7	100%	20%
Core EPS	20%	16.2 ²	15.3	18.8	24.3	38.7	100%	20%
Total financial metrics	70%							70%
Non-financial metrics	30%					Luke Ellis	Antoine Forterre	Mark Jones
Percentage of maximum annual bonus awarded						28.5%	20%	24%
Quantum of award – total³						98.5%	90%	94%
Quantum of award – paid in cash						\$2,708,750	\$351,563	\$1,101,563
Quantum of award – deferred						\$1,354,375	\$175,782	\$550,782
						\$1,354,375	\$175,781	\$550,781

1 The financial metric was changed from Core Management Fee PBT to Core Management Fee EPS in 2021. As a result, the 2020 actual figure has been restated.

2 The financial metric changed from Core PBT to Core EPS in 2021. As a result, the 2020 actual figure has been restated.

3 50% of the bonus is paid in cash with the remaining 50% deferred into Man Group plc shares; when a director achieves their shareholding requirement, up to half 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.

Directors' Remuneration report

3. Remuneration outcomes in 2021 continued

Assessment of performance against qualitative objectives

Key

● Criteria fully met or exceeded ● Criteria partially met ● Criteria not met

Objective	Outcome	
Luke Ellis		
Strategy Develop Man Group's strategic plan, key business objectives and assessment of required resources to be agreed by the Board	For the second year, delivered new peak AUM of \$148.6 billion and industry-leading net inflows. The CEO's strategic focus on people and technology delivered a performance that shows what Man Group is capable of in a year when markets go in our favour. The combination of record net inflows, strong fund performance and good cost discipline delivered growth in core management fee EPS and core EPS of 52% and 139% respectively compared to 2020.	●
Risk, compliance and operations Continue leading approach to compliance and risk management	Despite continued turbulence because of the global pandemic, the business transitioned seamlessly between home, office-based and hybrid working. No operational events occurred outside the Company's risk appetite and the CEO sets the tone for a culture which maintains a strong focus on risk and compliance.	●
Investment in growth Develop new investment content and focus on research and technology to support long-term profitable growth	There was continued investment in growth including progress on the community housing initiative and the development of the insurance business, culminating in the launch of Capital Asset Solutions at the beginning of 2022. This team partners with insurance firms to provide them with investment products tailored to their liabilities and asset management responsibilities. External opportunities for non-organic growth continue to be kept under careful review.	●
Client relationships Broaden and deepen Man Group's client relationships and enhance our reputation	<p>The CEO's success in this area is demonstrated by the breadth and range of new mandates and, overall, delivered net inflows of \$13.7 billion in 2021. This was despite the continued challenge of undertaking any global travel, as the pandemic continued, which limited the opportunity for face-to-face meetings.</p> <p>Continued investment in technology supported client needs, such as demands for increased regulatory reporting, examples of which included: Solvency 2 for insurance clients, White list exposure for Italian clients, counter cyclical buffer and VAG reporting for German clients.</p>	●
Environmental impact Improve Man Group's environmental impact, with a particular focus on how we manage capital on behalf of our clients	<p>To date, Man Group has classified 16 funds under Article 8 of the ESG-related Sustainable Finance Disclosure Regulation (SFDR) which came into effect in March 2021. The new Responsible Investment (RI) Marketing Campaign, built around the concept of intelligent RI, and ESG Analytics Tool video was also launched in 2021.</p> <p>The firm has signed up to the Net Zero Asset Managers initiative (to complement our existing commitment to reach net zero operationally by 2030). This is a commitment specifically in relation to investment and portfolio-born emissions, with the aim of achieving net zero across all investment portfolios by 2050.</p>	●
Social responsibility Enhance Man Group's reputation and impact on wider society. Continue to mitigate the impact of COVID-19 on our people, clients and wider stakeholders. Promotion of appropriate culture in the business and of Man Group as a leading organisation in the industry for diversity, with an ongoing focus on actions to improve gender balance in our management group	Having achieved our initial Women in Finance Charter goal of 25% women in senior management by the end of 2020, new targets of 27.5% and 30% have been set for the end of 2022 and 2024 respectively; at the end of 2021 we were on track to achieve this with more than 26% of senior management roles held by women. The focus on all types of diversity has continued with Man Group registering as a UK Disability Confident Committed employer in 2021 as well as launching Neurodiversity and Social Mobility workstreams. Staff engagement scores remained high at 8.1/10 with a participation rate of almost 80%.	●
Excellent governance Ensure that the Company maintains governance standards that meet or exceed requirements and fairly balance the interests of all stakeholders	<p>Work was completed in preparation for the implementation of IFPR (the Investment Firms Prudential Regime).</p> <p>Man Group is a signatory to the inaugural UK Stewardship Code 2020.</p>	●
Antoine Forterre		
Accurate, appropriate, clear, proactive and timely reporting Ensure a smooth transition while maintaining timely and pertinent reporting and management information	<p>Seamless transition into the new role and quickly completed recruitment for vacant roles.</p> <p>Production of the detailed analysis to support the inclusion of ESG-related objectives and metrics into the new Directors' Remuneration Policy.</p>	●
Risk and controls Continually review our risk management and control processes to ensure we maintain our industry-leading standards	There were no material risks or operational events and the seed book has continued to be well managed.	●

Objective	Outcome	
Capital management Management of the firm's capital base to support growth, maintain appropriate capital strength and improve shareholder returns over time. Monitor potential acquisition opportunities	Responsible for an in-depth analysis of potential uses of cash and architect of the enhanced share buyback programme announced in December which was well received by shareholders. Completed the finalisation of the set-up of Capital Asset Solutions that had been initiated by his predecessor.	●
Environmental impact Improve Man Group's environmental impact, with a particular focus on how we operate our own business	Led the detailed analysis of the calculation of ESG AUM to ensure our processes align with reporting under SFDR article 8 and TCFD.	●
Social responsibility Continue to mitigate the impact of COVID-19 on our people, clients and wider stakeholders. Promotion of appropriate culture in the business and of Man Group as a leading organisation in the industry for diversity	Worked with BEAM (Black Employees and Allies at Man), one of our internal networks that supports our diversity agenda, as part of their mentoring programme and introduced Generating Genius on behalf of the Man Charitable Trust, with whom we ran a summer programme for Black Women in Tech. Initiated the food bank programme in December, as a result of which \$442k was donated on behalf of 841 participating employees to their local food banks or homeless charity.	●
Corporate reputation Continue to improve Man Group's perception and favourability with shareholders, financing counterparties and wider corporate stakeholders	Undertook a series of shareholder meetings as part of the transition into the new role.	●
Mark Jones		
Accurate, appropriate, clear, proactive and timely reporting Maintain and improve timeliness, relevance and quality of information to support informed and effective decision-making across the business	Further automation including of VAT processes and month-end hedging has improved efficiency and business reporting. The launch of 'Adaptive' has streamlined the compensation process. The AUM system was rebuilt to reduce risk and provide more flexibility with reporting and will go live in 2022. Completed preparations for and facilitated a 'dry run' ahead of the implementation of TCFD (Task Force on Climate-related Financial Disclosures) requirements.	●
Risk and controls Continually review our risk management and control processes to ensure we maintain our industry-leading standards	There were no material risks or operational events consistent with a track record of excellent risk management. Preparations were completed for the implementation of IFPR (the Investment Firms Prudential Regime) which has implications for regulatory capital and remuneration; the implementation has gone smoothly to date.	●
Capital management Management of the firm's capital base to support growth, maintain appropriate capital strength and improve shareholder returns over time. Monitor potential acquisition opportunities	Led the detailed work on the new dividend policy and the launch of Capital Assets Solutions. Potential acquisition opportunities were kept under careful review with excellent analysis supporting decision-making.	●
Environmental impact Improve Man Group's environmental impact, with a particular focus on how we operate our own business	Launched pathway to net zero carbon. In 2021 Man Group was listed in the top 300 of the Financial Times Climate Leaders list for Europe for reducing core greenhouse gas emission intensity having achieved a reduction in historical emissions.	●
Social responsibility Enhance Man Group's reputation and impact on wider society. Continue to mitigate the impact of COVID-19 on our people, clients and wider stakeholders. Promotion of appropriate culture in the business and of Man Group as a leading organisation in the industry for diversity	Mark continues as senior sponsor of the FAM (Families at Man) network, one of several networks established to support employees in their personal and professional lives. He also led the 'Around the world in MANY ways' challenge, to support and enhance connectivity and morale during periods of home working because of the pandemic. Continued to deliver our commitments on gender diversity and carbon emissions allowing us to access more favourable interest rates under the ESG-linked revolving credit facility.	●
Corporate reputation Continue to improve Man Group's perception and favourability with shareholders, financing counterparties and wider corporate stakeholders	The introduction of the new progressive dividend policy was well received and expanded the universe of shareholders choosing to invest in Man Group's shares.	●

Directors' Remuneration report

3. Remuneration outcomes in 2021 continued

3.3 Vesting outcome in respect of the 2019 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 first award was made in March 2019 for the three-year performance period from 1 January 2019 to 31 December 2021. The vesting of the 2019 LTIP was subject to the achievement of five performance measures. The Committee has not applied any discretion to the formulaic outcome. The targets and vesting outcomes for the 2019 LTIP are shown in the table below:

Vesting outcome for 2019 LTIP award (audited) R3

Performance measures for 2019 LTIP	Performance targets			Actual performance			LTIP outcome, after weighting
	Threshold	Target	Maximum	Outcome	Percentage met	Weighting	
Relative investment performance	0.0%	3.0%	6.0%	-0.2%	0%	25%	–
Cumulative net flows	3.0%	10.5%	18.0%	13.1%	67%	10%	7%
3-year cumulative core management fee EPS (cents)	33.0	36.0	39.0	35.7	45%	20%	9%
3-year cumulative core EPS (cents)	45.0	59.0	78.0	75.9	94%	20%	19%
Relative TSR vs FTSE 250	Median	Mid 2nd Quartile	1st Quartile	Above 1st Quartile	100%	25%	25%
Vesting of LTIP (% maximum)							60%

Vesting outcome for 2019 LTIP award (audited) R4

	Date of grant	Shares awarded ^{1,2}	Vesting percentage	Number of shares vesting	Value of shares vesting	Vesting date	End of holding period
Executive director							
Luke Ellis	12 Mar 19	2,540,807	60%	1,515,125	\$4,551,594	Mar–22	Mar–24
Former executive director							
Mark Jones ³	12 Mar 19	1,414,766	60%	843,648	\$2,534,407	Mar–22	Mar–24

1 Awards under the LTIP were made in March 2019 for the three-year performance period commencing on 1 January 2019 and ending on 31 December 2021; the proportion of the award which has vested was determined based on the measures, weightings and target ranges set out in the table above. The monetary value of these awards was converted into a number of shares using the GBP/USD exchange rates of \$1 = £0.7638 and a share price of £1.3455, 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. The awards are subject to a two-year holding period under the LTIP rules following which the shares will be delivered.

2 Includes additional dividend shares accruing during the vesting period.

3 Mark Jones stepped down from the Board on 1 October 2021; however, he remained within Man Group and as such he retains his LTIP awards.

3.4 Relative importance of spend on pay

The table below shows the year-on-year change in total employee expenditure compared to the change in shareholder distributions.

Relative importance of spend on pay – Table R5

	2021 \$m	2020 \$m	% change
Total employee expenditure ¹	596	451	32
Shareholder distributions ²	340	254	34

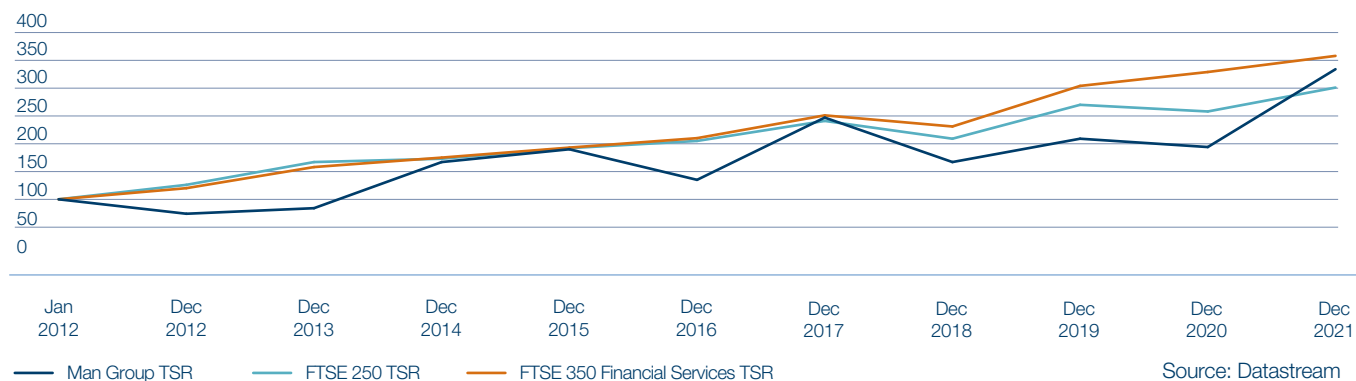
1 Remuneration paid to or receivable by all employees (i.e. accounting cost). Refer to Note 7 to the financial statements for further details. Total employee expenditure excludes restructuring costs.

2 Distributions to shareholders (dividends paid of \$147 million and repurchase of shares of \$107 million in 2020, dividends paid of \$160 million and repurchase of shares of \$180 million in 2021).

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 in which 25% of the outcome is determined by the Company's relative TSR performance compared to the FTSE 250 Index. Prior to 2019, Man Group had chosen the FTSE 350 Financial Services Index as the comparator group so it has also been shown below, for reference.

Total Shareholder Return graph (Jan 2012 – Dec 2021)



Historical CEO remuneration – Table R6

Accounting period ended		31 Dec 2012	31 Dec 2013	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	31 Dec 2021
CEO single figure (\$'000)	L Ellis ¹	n/a	n/a	n/a	n/a	1,347	6,215	2,856	2,804	3,150	8,503
	E Roman ¹	n/a	3,397	5,068	5,367	910	n/a	n/a	n/a	n/a	n/a
	P Clarke ¹	1,048	978	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Short-term variable award (as a percentage of maximum opportunity) ²	L Ellis ¹	n/a	n/a	n/a	n/a	40.2%	78.8%	58.3%	56.3%	69.4%	98.5%
	E Roman ¹	n/a	70%	100%	83.3%	n/a	n/a	n/a	n/a	n/a	n/a
	P Clarke ¹	n/a	0%	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) ²	L Ellis ¹	n/a	n/a	n/a	n/a	28.6%	46.2%	n/a ³	n/a ³	n/a ³	60%³
	E Roman ¹	n/a	17%	40%	40.7%	n/a	n/a	n/a	n/a	n/a	n/a
	P Clarke ¹	n/a	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

¹ Peter Clarke stepped down as CEO with effect from 28 February 2013 and was on garden leave until his retirement on 10 December 2013. Emmanuel Roman became CEO on 28 February 2013 and stepped down on 31 August 2016. Luke Ellis was appointed CEO on 1 September 2016. Remuneration for 2016, therefore, reflects four months' service only.

² For the accounting period ended 31 December 2012, as there was no cap on the overall maximum bonus awards, the percentage of maximum opportunity is not shown.

³ Awards under the LTIP were made in March 2019, March 2020, March 2021 and will be made in March 2022, vesting in March 2022, March 2023, March 2024 and March 2025 respectively, with a subsequent two-year holding period.

Directors' Remuneration report

3. Remuneration outcomes in 2021 continued

3.6 Percentage change in directors' remuneration

The table below sets out the percentage change in remuneration for the directors compared to all staff. This requirement was introduced in 2020 and therefore the data will progressively build up to cover a five-year period. There are no employees of the Parent Company, other than the executive directors, so the comparison has been made, on a voluntary basis, to all staff.

Percentage change in directors' remuneration – Table R7

	2021			2020		
	Salary/fees	Benefits ¹	Bonus	Salary/fees	Benefits	Bonus
Executive directors						
Luke Ellis	0%	6%	42%	0%	-9%	23%
Antoine Forterre ²	-	-	-	-	-	-
Former executive director						
Mark Jones ³	0%	6%	37%	2%	-11%	22%
Non-executive directors						
John Cryan	0%	273%	-	400%	-4%	-
Dame Katharine Barker ⁴	1%	-6%	-	10%	1,153%	-
Lucinda Bell ⁵	6%	618%	-	-	-	-
Richard Berliand ⁶	-10%	-40%	-	8%	341%	-
Zoe Cruz	0%	-100%	-	10%	-78%	-
Ceci Kurzman ⁷	0%	-	-	-	-	-
Dev Sanyal	0%	-44%	-	6%	10%	-
Anne Wade ⁸	15%	-	-	-	-	-
All staff⁹	3% ¹⁰	15% ¹⁰	84% ¹¹	4% ¹⁰	22% ¹⁰	-15% ¹¹

1 Taxable benefits include private medical insurance for executive directors and includes travel and staff entertainment expenses and the tax paid in relation to such benefits for non-executive directors. The percentage change in benefits for the non-executive directors should be read in conjunction with the data showing actual taxable benefits in table R9 (page 117) which shows that the large percentage movements recorded above are explained by movements in small absolute numbers.

2 Antoine Forterre was appointed to the Board on 1 October 2021 and therefore a percentage change has not been disclosed.

3 Mark Jones stepped down from the Board on 1 October 2021, however the salary, benefits and bonus that he received as an executive director have been annualised for the purposes of calculating the percentage change.

4 Dame Katharine Barker was appointed as a member of the Audit and Risk Committee on 1 December 2021 and therefore the increase in total fees has been reflected in the percentage change calculation.

5 Lucinda Bell was appointed to the Board on 28 February 2020 and for the purposes of the disclosure above her 2020 Board fees have been annualised.

6 Richard Berliand stepped down as Chair of the Remuneration Committee on 7 May 2021 and therefore the decrease in total fees has been reflected in the percentage change calculation.

7 Ceci Kurzman was appointed to the Board on 28 February 2020 and for the purpose of the disclosure above her 2020 Board fee has been annualised.

8 Anne Wade was appointed to the Board on 30 April 2020 and for the purpose of the disclosure above her 2020 Board fees have been annualised.

9 Figures are calculated on an annualised FTE basis (excluding directors).

10 Represents the average increase in salary and taxable benefits in underlying currency in which each member of staff is paid.

11 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 2021 single total figure of remuneration for Luke Ellis with that of Man Group's UK employees who are paid at the 25th percentile (lower quartile), 50th percentile (median) and 75th percentile (upper quartile).

Table R8

Year	Method	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2021	A	74:1	46:1	25:1
2020	A	29:1	19:1	11:1
2019	A	26:1	17:1	10:1

The ratio of CEO pay to the median UK employee is higher in 2021 compared to both 2020 and 2019. The Committee considered that this movement was largely explained by the vesting of the CEO's 2019 LTIP award. This is the first time since 2017 that the CEO's total remuneration has included a long-term award, following the switch from the DEIP to the LTIP. The value at vesting of the 2019 LTIP has benefited from good share price growth since it was granted. The Committee noted that mean employee bonuses for 2021 were 71% higher than in 2020, compared with an increase of 42% in the CEO's short-term variable pay. The Committee was satisfied that the outcomes for both the CEO and the wider workforce were appropriate, given the exceptional performance that Man Group delivered in 2021.

3.7 CEO pay ratio continued

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 2021 has been calculated in line with the methodology for the 'single figure of remuneration' for the CEO (Table R1, page 111). 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 is shown in the table below.

All figures in USD	25th percentile	50th percentile	75th percentile
Salary	96,212	137,446	219,913
Total pay and benefits	114,553	185,397	343,241

3.8 Retirement benefits

Luke Ellis and Antoine Forterre (as current executive directors) and Mark Jones (as a former executive director) 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 2021 and the prior year.

Single total figure of remuneration for non-executive directors (audited) – Table R9

All figures in GBP	Fees		Taxable benefits ⁷		Total	
	2021	2020	2021	2020	2021	2020
John Cryan (Chair) ¹	350,000	350,000	42,927	11,508	392,927	361,508
Dame Katharine Barker ²	93,750	92,500	1,275	1,353	95,025	93,853
Lucinda Bell ³	123,333	75,346	625	87	123,958	75,433
Richard Berliand ⁴	121,975	135,000	817	1,353	122,792	136,353
Zoe Cruz	92,500	92,500	–	2,495	92,500	94,995
Ceci Kurzman ⁵	75,000	62,788	1,925	–	76,925	62,788
Dev Sanyal	90,000	90,000	817	1,452	90,817	91,452
Anne Wade ⁶	94,673	60,346	33,020	–	127,693	60,346

1 John Cryan's contractual arrangements with his former employer, Deutsche Bank AG, mean that he is effectively unpaid for his role as Chair of Man Group plc, as he is required to sacrifice his post-tax receipts arising from his Man Group role to Deutsche Bank AG.

2 Dame Katharine Barker was appointed as a member of the Audit and Risk Committee with effect from 1 December 2021.

3 Lucinda Bell was appointed to the Board on 28 February 2020 and took over from Andrew Horton as the Chair of the Audit and Risk Committee on 1 May 2020. Her remuneration for 2020 was pro-rated accordingly. Due to an administrative error, Lucinda was underpaid by £13,333 during 2020. The relevant adjustments have been made in 2021 to correct the position.

4 Richard Berliand stepped down as Chair of the Remuneration Committee on 7 May 2021. The decrease in total fees is reflected above.

5 Ceci Kurzman was appointed to the Board on 28 February 2020. Her remuneration for 2020 was pro-rated accordingly.

6 Anne Wade was appointed to the Board on 30 April 2020. Her remuneration for 2020 was pro-rated accordingly. Anne was appointed as Chair of the Remuneration Committee on 7 May 2021. The increase in total fees is reflected above. Due to an administrative error, Anne was overpaid by £3,333 during 2020. The relevant adjustments have been made in 2021 to correct the position.

7 Taxable benefits comprise travel and staff entertainment expenses and the tax paid in relation to such benefits.

3.10 Payments for loss of office (audited)

There were no payments for loss of office made to executive directors during the year.

3.11 Payments to past directors (audited)

Mark Jones stepped down from the Board on 1 October 2021 and took up the role of Deputy CEO. As such, he retains his rights to his outstanding LTIP awards and the value of his 2019 award was \$2,534,407 as shown in table R4 on page 114.

Directors' Remuneration report

3. Remuneration outcomes in 2021 continued

3.12 Directors' interests

Directors' interests in shares of Man Group plc (audited) – Table R10

	Number of ordinary shares ¹ 31 December 2021 ²	Number of ordinary shares ¹ 31 December 2020
Executive directors		
Luke Ellis	6,501,709	5,548,466
Antoine Forterre ³	–	–
Former executive director		
Mark Jones ⁴	1,629,349	1,434,438
Non-executive directors		
John Cryan	–	–
Dame Katharine Barker	49,834	47,813
Lucinda Bell	–	–
Richard Berliand	75,000	50,000
Zoe Cruz	–	–
Ceci Kurzman	–	–
Dev Sanyal	90,496	86,825
Anne Wade	–	–

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 2021 up to 28 February 2022, being the latest practicable date prior to the publication of this report.

3 Antoine Forterre was appointed to the Board on 1 October 2021. Details of Antoine's interests in shares and options under Man Group long-term incentive plans can be found in tables R11, R12 and R16.

4 Mark Jones stepped down from the Board as at 1 October 2021 and therefore the shareholding disclosed is as at that date.

Executive directors' shareholdings measured against their respective shareholding requirement as at 31 December 2021 (audited) – Table R11

	Shares owned outright	Shares no longer subject to performance conditions ¹	Total shareholding ²	Value of shareholding ³ (USD)	Annual salary (USD)	Shareholding requirement as a % of salary	Current shareholding as a % of salary	Requirement met?
Executive directors								
Luke Ellis	6,501,709	776,452	7,278,161	22,396,188	1,100,000	300%	2036%	Yes
Antoine Forterre ⁴	–	498,935	498,935	1,535,311	625,000	200%	246%	Yes
Former executive director								
Mark Jones ⁵	1,629,349	582,313	2,211,662	6,069,729	625,000	200%	971%	Yes

1 Unvested deferred shares and vested LTIP shares are shown on a net of tax basis. Details of unvested awards can be found in Tables R13, R14 and R16.

2 Shares that count towards achievement of the policy are limited to: (i) shares owned outright; (ii) deferred shares granted under the Deferred Executive Incentive Plan (DEIP), Deferred Share Plan (DSP) and Partner Deferred Share Plan (PDSP), which are no longer subject to performance conditions and (iii) vested LTIP shares which are no longer subject to performance conditions and which will be delivered at the end of the two-year holding period.

3 Shareholding for Luke Ellis and Antoine Forterre valued at 31 December 2021 share price of £2.2740 and a GBP/USD exchange rate of £1 = \$1.3532. Shareholding for Mark Jones valued at 1 October 2021 share price of £2.0260 and a GBP/USD exchange rate of £1 = \$1.3546.

4 Antoine Forterre was appointed to the Board as CFO on 1 October 2021. Details of Antoine Forterre's interests in Man Group shares can be found in tables R12 and R16.

5 The details for Mark Jones are as at 1 October 2021, being the date he stepped down from the Board.

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 – Table (audited) R12

	Award (% of salary)	Award value ² (USD)	Vesting date	End of holding period date
Executive director				
Luke Ellis	300%	3,300,000	Mar-25	Mar-27
Antoine Forterre	300%	1,875,000	Mar-25	Mar-27

1 Awards under the LTIP will be made in March 2022 for the three-year performance period commencing on 1 January 2022 and ending on 31 December 2024; the proportion of the award which vests will be determined based on the measures, weightings and target ranges set out in table R21 (page 122). 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 represent 300% of salary (previously 350%). 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 or holding period (audited) – Table R13

	Date of grant	1 January 2021	Granted during the year ^{1,2}	Lapsed during the year	Dividends accruing ³	31 December 2021	Vesting date ⁴	End of holding period ⁵
Executive director								
Luke Ellis	Mar-19	2,436,256	–	–	104,551	2,540,807	Mar-22	Mar-24
	Mar-20	3,196,495	–	–	137,178	3,333,673	Mar-23	Mar-25
	Mar-21	–	1,784,535	–	76,583	1,861,118	Mar-24	Mar-26
Former executive director								
Mark Jones ⁶	Mar-19	1,356,550	–	–	58,216	1,414,766	Mar-22	Mar-24
	Mar-20	1,816,189	–	–	77,942	1,894,131	Mar-23	Mar-25
	Mar-21	–	1,013,940	–	43,513	1,057,453	Mar-24	Mar-26

1 The performance measures for these awards are: relative investment performance (25%), relative TSR versus FTSE 250 (25%), 3-year cumulative core management fee EPS (10%), 3-year cumulative core EPS (30%) and cumulative net inflows (10%). The targets were disclosed in detail in the 2020 DRR.

2 The awards under the LTIP were granted in March 2021 for the three-year performance period commencing on 1 January 2021 and ending on 31 December 2023. The monetary value of these awards was \$3,850,000 for Luke Ellis and \$2,187,500 for Mark Jones, each representing 350% of base salary converted into a number of shares using the GBP/USD exchange rates of £1 = \$1.3968 and a share price of £1.5445, being the market value on the immediately preceding dealing day to grant. The awards have been granted as conditional awards of shares and will vest, to the extent the performance conditions have been achieved, three years later and will then be subject to a further two-year holding period, under the LTIP rules. These awards attract dividend accruals from grant date to the end of the two-year holding period for vested shares.

3 On 21 May 2021, dividend accruals of 176,652 and 99,711 shares were added to Luke Ellis and Mark Jones's awards respectively based on a sterling dividend of 4.10 pence. On 3 September 2021, dividend accruals of 141,660 and 79,960 shares were added to Luke Ellis and Mark Jones's awards respectively based on a sterling dividend of 4.06 pence.

4 Awards vest at 0% at threshold, 50% at target and 100% at maximum, with straight-line vesting between these points.

5 Vested shares are delivered to participants at the end of a two-year holding period

6 Mark Jones stepped down from the Board on 1 October 2021 but continues to be an employee of Man Group. He has therefore retained the awards granted to him under the LTIP, which will continue to vest in the ordinary course subject to the plan rules.

Conditional share awards under the Deferred Executive Incentive Plan (DEIP) – subject only to service conditions (audited) – Table R14

	Date of grant ¹	1 January 2021	Vested during the year	Lapsed during the year	Dividends accruing ²	31 December 2021	Date vested
Executive director							
Luke Ellis	Mar-17 ³	221,904	110,952	–	4,761	115,713	Mar-21
	Mar-18 ⁴	1,160,534	386,844	–	33,202	806,892	Mar-21
Former executive director							
Mark Jones ⁵	Mar-18 ⁴	557,394	185,797	–	15,946	387,543	Mar-21

1 No further awards are to be granted under the DEIP following the adoption of the LTIP.

2 On 21 May 2021, dividend accruals of 21,068 and 8,850 shares were added to Luke Ellis and Mark Jones's awards respectively based on a sterling dividend of 4.10 pence. On 3 September 2021, dividend accruals of 16,895 and 7,096 shares were added to Luke Ellis and Mark Jones's awards respectively based on a sterling dividend of 4.06 pence.

3 Remaining award vests in March 2022.

4 Award vests in two equal instalments in March 2022 and March 2023.

5 Mark Jones stepped down from the Board on 1 October 2021 but continues to be an employee of Man Group. He has therefore retained the awards granted to him under the Deferred Executive Incentive Plan, which will continue to vest in the ordinary course subject to the plan rules.

Directors' Remuneration report

3. Remuneration outcomes in 2021 continued

3.13 Directors' interests in shares and options under Man Group long-term incentive plans continued

Options granted under the Man Group Deferred Share Plans – not subject to service conditions (audited) – Table R15

Date of grant		1 January 2021	Lapsed during period	31 December 2021	Option exercise price	Lapsed date ³	Latest exercise date
Executive director							
Luke Ellis ¹	Deferred Share Plan (KEOP)						
	Mar-11	407,463	407,463	–	267.08p	Mar-21	Mar-21
Former executive director							
Mark Jones ²	Partner Deferred Share Plan (POP)						
	Mar-11	356,110	356,110	–	308.55p	Mar-21	Mar-21

1 Luke Ellis was granted KEOP options under the Deferred Share Plan prior to his appointment as a director. All options are vested.

2 Mark Jones was granted a POP option under the Partner Deferred Share Plan prior to his appointment as a director. All options are vested.

3 The options expired as they were under water throughout the lifetime of the award.

Options granted under the Man Group Deferred Share Plans – subject only to service conditions (audited) – Table R16

Date of grant		1 January 2021	Granted during the year	Exercised/ vested during the year	Lapsed during the year	Dividends accruing ⁹	31 December 2021	Exercised/ vested date
Executive directors								
Luke Ellis	Deferred Share Plan (DSP)							
	Mar-19 ¹	169,082	–	84,540	–	3,627	88,169	Mar-21
	Mar-20 ²	321,433	–	107,144	–	9,194	223,483	Mar-21
	Mar-21 ³	–	221,255	–	–	9,492	230,747	–
Antoine Forterre ⁴	Partner Deferred Share Plan (PDSP)							
	Mar-18 ⁵	127,584	–	–	–	–	127,584	–
	Mar-19 ⁶	18,307	–	–	–	–	18,307	–
	Mar-20 ⁵	432,941	–	–	–	–	432,941	–
	Mar-21 ⁵	362,554	–	–	–	–	362,554	–
Former executive director								
Mark Jones ⁷	Deferred Share Plan (DSP)							
	Mar-17 ⁸	340,383	–	–	–	14,606	354,989	–
	Mar-19 ¹	192,364	–	96,182	–	4,126	100,308	Mar-21
	Mar-20 ²	182,157	–	60,719	–	5,210	126,648	Mar-21
	Mar-21 ³	–	123,902	–	–	5,313	129,215	–

1 Remaining award vests in March 2022 and is exercisable until March 2029.

2 Remaining award vests in two equal instalments in March 2022 and March 2023. All are exercisable until March 2030.

3 Award vests in three equal instalments in March 2022, March 2023 and March 2024. All are exercisable until March 2031.

4 Antoine Forterre was granted conditional awards under the Partner Deferred Share Plan prior to his appointment as a director. The opening balance of options for Antoine Forterre under the PDSP are shown as at 1 October 2021, being the date he was appointed to the Board.

5 Award vests in single instalment in March 2022 with shares delivered upon vesting.

6 Remaining award vests in March 2022 with shares delivered upon vesting.

7 Mark Jones stepped down from the Board on 1 October 2021 but continues to be an employee of Man Group. He has therefore retained all deferred bonus awards, which will continue to vest in the ordinary course subject to the plan rules.

8 Mark Jones was granted nil-cost options under the Deferred Share Plan prior to his appointment as a director. Award vests in a single instalment in March 2022 and will be exercisable until March 2027.

9 On 21 May 2021, dividend accruals of 12,383 and 16,237 shares were added to Luke Ellis and Mark Jones's awards respectively based on a sterling dividend of 4.10 pence. On 3 September 2021, dividend accruals of 9,930 and 13,018 shares were added to Luke Ellis and Mark Jones's awards respectively based on a sterling dividend of 4.06 pence.

3.13 Directors' interests in shares and options under Man Group long-term incentive plans continued

Options granted under the Man Group Sharesave Scheme (audited) – Table R17

	Date of grant	1 January 2021	Number of options			31 December 2021	Option price	Earliest exercise date	Latest exercise date
			Granted during the year	Exercised during the period	Lapsed during the year				
Executive director									
Luke Ellis	Sep-17	11,363	–	–	–	11,363	132.0p	Oct-22	Mar-23
	Sep-19	11,811	–	–	–	11,811	127.0p	Oct-24	Mar-25
Former executive director									
Mark Jones ¹	Sep-17	13,636	–	13,636 ²	–	–	132.0p	Oct-20	Mar-21
	Sep-20	16,822	–	–	–	16,822	107.0p	Oct-23	Mar-24

1 Mark Jones stepped down from the Board on 1 October 2021 but continues to be an employee of Man Group. He has therefore retained options granted to him under the Man Group Sharesave Scheme.

2 Option exercised on 23 March 2021.

3.14 Shareholder voting and engagement

At the AGM held on 7 May 2021, votes cast by proxy and at the meeting in respect of directors' remuneration were as follows:

Table R18

Resolution	Votes for	% for	Votes against	% against	Total votes cast	Votes withheld (abstentions)
Approve the annual report on remuneration	1,024,182,858	91.9	90,034,570	8.1	1,114,217,428	147,613
Approve the Directors' Remuneration Policy	1,013,815,138	91.9	89,889,567	8.1	1,103,704,705	10,660,336

Directors' Remuneration report

4. Implementation of Directors' Remuneration Policy for 2022

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 R19

Base salary at	Luke Ellis	Antoine Forterre ¹
1 January 2021	\$1,100,000	–
1 January 2022	\$1,100,000	\$625,000

¹ Antoine Forterre was appointed to the Board on 1 October 2021.

4.2 Annual bonus for 2022

The following table shows the performance metrics and weightings for the annual bonus in 2022. The Committee considers that the disclosure of detailed performance targets in advance for 2022 would be commercially sensitive and they are not, therefore, disclosed here.

Table R20

Metrics	Weighting %
Relative Net Flows, growth %	30%
Core Management Fee EPS	20%
Core EPS	20%
Strategic and Personal	15%
ESG objectives	15%
Total	100%

4.3 Long-Term Incentive Plan for 2022

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 R21

Metrics	Threshold	Target	Maximum	Weighting %
Relative Investment Performance	0%	3%	6%	20%
Relative TSR vs FTSE 250	Median	Mid-point between Median and Upper Quartile	Upper Quartile	20%
3-year Cumulative Core Management Fee EPS, cents	46¢	51¢	56¢	10%
3-year Cumulative Core EPS, cents	58¢	76¢	95¢	30%
Cumulative Relative Net Flows	0%	9%	18%	10%
ESG scorecard ¹				10%
Total				100%

¹ The ESG scorecard metric includes the following equally weighted objectives: To increase the number of women in senior positions (threshold 27.5%, target 28.75% and maximum 30%), to reduce scope 1 to 3 emissions per FTE (threshold 5.07 MTCO₂e, target 4.76 MTCO₂e and maximum 4.32 MTCO₂e) and to grow the percentage of ESG-integrated AUM excluding market beta (threshold 24%, target 36% and maximum 48%).

4.4 Non-executive directors' Remuneration Policy for 2022

There have been no changes to the fees for the Chair or non-executive directors since last year.

Non-executive directors' fees for 2022 – Table R22

Position (all figures in GBP)	2022	2021	% change
Chair of the Board ¹	350,000	350,000	–
Board fee ²	75,000	75,000	–
Senior Independent Director	15,000	15,000	–
Audit and Risk Committee Chair	35,000	35,000	–
Other Audit and Risk Committee members	15,000	15,000	–
Employee Engagement NEDs	7,500	7,500	–
Remuneration Committee Chair	30,000	30,000	–
Other Remuneration Committee members	10,000	10,000	–

¹ Chair does not receive Board or Committee membership fees.

² Includes Nomination Committee membership where appropriate.

5. Remuneration Committee

5.1 Membership and attendance

The Committee met seven times during 2021 with attendance by members as indicated on page 68. All members held office throughout the year. In addition, certain urgent proposals relating to the retention of awards by good leavers were circulated and agreed by email in between meetings.

Committee meetings are regularly attended by the CEO and, where appropriate, by the CFO at the invitation of the Chair. The Committee is supported by the Senior Reward Executive, who routinely attends, as do the Heads of HR for UK and EEA and Rest of World (RoW). Other members of the Legal, Compliance and Executive Incentive Plans teams attend meetings when required to provide information and advice on remuneration, regulatory and executive incentive plan matters. The Company Secretary acts as Secretary to the Committee.

At the end of each meeting there is an opportunity for private discussion between Committee members without the presence of executive directors and management.

Roles and responsibilities

The Committee's principal responsibilities are to:

- Determine the Company's remuneration philosophy and the principles and structure of its Remuneration Policy, ensuring that these support and promote the long-term sustainable success of the Company and are in line with the Company's purpose and values, business strategy, objectives, risk appetite and long-term interests and comply with all regulatory requirements and promote long-term shareholder and other stakeholder interests.
- Recommend to the Board the specific Remuneration Policy for the executive directors, for approval by shareholders, and make remuneration decisions within that approved policy.
- Approve the total annual compensation for individual executive directors based on their achievement against objectives set by the Committee and Board at the start of the year for the short-term annual bonus and at the start of the relevant performance period for the LTIP.
- Recommend to the Board the remuneration of the Board Chair.
- Approve the total annual compensation for Executive Committee members, the Company Secretary and Remuneration Code staff.
- Review and consider shareholder and proxy voting agencies feedback and agree the approach to ongoing engagement.

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.

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 2021 were £110,000 (ex. VAT) on the basis of agreed fixed fees. The Committee also received legal advice from Herbert Smith Freehills LLP on compliance with legislation and regulations relating to remuneration matters.

Directors' Remuneration report

5. Remuneration Committee continued

5.3 Committee activities during 2021 and the early part of 2022

The summary below sets out the main issues considered and decisions made by the Committee in the period following the publication of the 2020 Directors' Remuneration report up to the current date.

Chair's fee

- Reviewed the fee level of the Chair in the context of benchmarking of similar roles in broadly equivalent-sized companies in the financial services sector and of the demands of the role and recommended to the Board that this should remain unchanged.

Executive director compensation

- Reviewed the Directors' Remuneration Policy as set out in detail in the Chair's statement.
- Established the total remuneration arrangements for the new CFO ahead of his appointment.
- 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 2021 performance, against the financial and non-financial metrics of the annual bonus, of the CEO and both CFOs who served during the year 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.
- Reviewed the peer group used for benchmarking the CEO and CFO roles as set out in more detail in section 5.5.
- To provide the business context for all the above reward decisions, reviewed the available benchmarking for the CEO and CFO roles within the selected peer group.

Shareholder engagement and reporting

- Reviewed shareholder voting and feedback on the 2021 AGM resolutions for the DRR and Directors' Remuneration Policy renewal, noting the substantial level of support.
- Consulted with the top 21 shareholders, representing almost 60% of the shareholder base, and the main proxy advisory groups as part of the consideration of the new Directors' Remuneration Policy.
- Reviewed the 2021 DRR taking account of best practice recommendations and institutional shareholder guidelines.

Compensation below Board level

- Reviewed, challenged and approved the 2021 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 2021 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 \$1million, taking account of the CEO's appraisal of their performance for 2021 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 pages 116 and 117).

Financial regulation and governance

- Reviewed ongoing regulatory developments on remuneration and their implications for the Company's business, including the new MIFIDPRU Remuneration Code introduced by IFPR.
- Reviewed the Company's FCA Remuneration Policy Statement and the Company's Remuneration Policy.
- Approved the list of Remuneration Code staff for 2022.

5.4 2021 Committee evaluation

Following a mid-year review by the Chair of the 2021 priority actions identified in the Committee's 2020 evaluation, an independent external consultant undertook a full-year evaluation of the operation and effectiveness of the Committee during 2021. The topics covered included progress on the priorities for 2021 and the conduct and outcomes of specific areas of Committee activity and focus during the year, including the support and advice available to the Committee.

In the evaluation feedback, the Committee again acknowledged the quality of the advice provided by its advisers and the thorough and professional papers delivered to the Committee to support its decision-making. The following specific areas of focus were agreed for 2022:

- Deliver the 2021 DRR.
- Continue the Committee's engagement with shareholders as appropriate.
- Keep under review the ESG-related metrics to be introduced into the bonus and LTIP to ensure they are incentivising appropriate behaviours and performance.
- Further deepen the Committee's understanding of compensation below the Board and build on previous 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.
- Continue to maintain the Committee's oversight of the implementation by the Company of the MIFIDPRU Remuneration Code introduced on 1 January 2022 by the Investment Firms Prudential Regime.
- Keep the remuneration advice and industry knowledge available to the Committee under review as a matter of ongoing good governance.

5.5 Benchmarking and peer groups

Benchmarking is one of several factors considered by the Committee in its deliberations on remuneration as it is important that the Committee understands the level of remuneration paid by Man Group's competitors for similar positions and which they may be offering in the marketplace. The 2020 DRR set out the Committee's intention to undertake a review of the peer group during 2021 with a view to considering whether there are any other competitors with similar characteristics to Man Group plc, especially in Europe. This review has now been completed and the Committee concluded that the most relevant peers continued to be those UK and US listed companies, set out below.

Although the review identified a small group of European companies that Man Group would regard as competitors for talent, the combination of their different business models and the lack of availability of comparative compensation data means that the Committee did not think it was appropriate to include them in the peer group at this stage. It will, however, periodically review the peer group to ensure it remains relevant and appropriate.

Many of Man Group's senior staff are geographically mobile, particularly between London and New York, and an explicit consideration of remuneration levels in both geographies is highly relevant. Man Group is one of the few listed companies anywhere in the world that operates in the liquid alternative investment industry. Most businesses in this industry are privately owned and systematic remuneration data is not publicly available; consequently, the Committee decided, as part of its review for benchmarking purposes, to remove those unlisted companies it had previously identified formally as part of the peer group. 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 page 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 183 to 187.

For and on behalf of the Board

Anne Wade

Chair of the Remuneration Committee

28 February 2022

Directors' Remuneration report

6. Directors' Remuneration Policy

6.1 Executive directors' Remuneration Policy

This section of the report sets out the Remuneration Policy for executive and non-executive directors which will be put to shareholders for approval and, if approved, be effective from the conclusion of the 2022 AGM on 6 May 2022 for the following three years.

Aligning the interests of the executive directors with those of shareholders and with Man Group's strategic goals is central to Man Group's Remuneration Policy. The current policy has operated broadly as intended and, as set out in the Chair's statement, the Committee is proposing the following changes which it believes will enhance the existing policy:

- Equalise short and long-term incentive opportunities so each represent 300% of salary (currently at 250% and 350% of salary respectively).
- Increase bonus deferral to 55% (currently at 50%).
- Introduce ESG-related objectives and metrics into the bonus and LTIP.

In line with shareholders' interests being managed within a robust governance framework, the Company continues to aim to retain and incentivise high calibre executive directors; it will do this by paying a competitive base salary and benefits, together with a short-term annual bonus, with significant deferral, and a long-term incentive plan collectively linked to a range of financial and non-financial metrics and objectives to deliver the Company's strategy and ensure alignment with shareholder interests.

Decision making process

As described in the Chair's statement, during 2021 the Directors' Remuneration Policy has been reviewed in consultation with some of the Company's shareholders. In October 2021, we wrote to 21 of our largest shareholders and the main shareholder representative bodies to consult on our proposed new policy. Shareholders were offered the opportunity to discuss the changes with the Committee Chair and Senior Reward Executive. We were pleased that the majority of shareholders contacted took the time to engage with us and helped to inform the policy being proposed. The Committee also considered input from management and from its independent advisers, as well as taking account of latest market practice and corporate governance developments. Any potential conflicts of interest were managed by ensuring that no individual was present when their own remuneration arrangements were discussed and that the proposed changes aligned to the firm's strategy, values and culture.

In compliance with the UK Corporate Governance Code (2018) (the Code), we have set out below how the Committee addresses the following factors:

Risk

Inappropriate risk-taking is avoided and good alignment with shareholders is achieved through a number of mechanisms including significant bonus deferral into shares and funds, a three-year performance period for the Long-Term Incentive Plan (the LTIP) with a subsequent two-year post-vesting holding period and shareholding requirements, including for two years after cessation of employment. Before any decisions about incentive outcomes are made, the Audit and Risk Committee reports to the Committee on any specific matters indicating excessive risk-taking or lack of regard for controls and procedures. Malus and clawback provisions apply to the incentives in a range of specified circumstances, as set out in the table on page 129.

Predictability

The charts on page 130 illustrate the potential remuneration outcomes under a range of scenarios (including in the event of a 50% increase in the share price). Each year a detailed review is undertaken in order to set stretching annual and three-year performance targets in the bonus and LTIP respectively.

Proportionality

The link between strategic priorities and incentive metrics is set out in detail in the chart on page 105. The Committee considers wider employee remuneration, holistic business performance and shareholder experience in determining the appropriate level of executive director remuneration.

Alignment to culture

The key principles that underpin our approach to remuneration (and which apply at all levels of the organisation) are:

- remuneration is structured to support corporate strategy and sound risk management;
- employees' interests are aligned with shareholders and the bonus pool is drawn from profit;
- incentives are designed to encourage behaviour focused on longer-term strategic and sustainable performance; and
- our total remuneration is competitive in the talent markets from which we hire.

Simplicity

Incentive schemes are straightforward in their structure and operation with explicit links between strategic priorities, key performance indicators and incentive metrics.

Clarity

The Remuneration Policy is clearly laid out in tabular form in the DRR (summary on page 107 and full policy on pages 127 to 129). Details of the operation of the Remuneration Policy have been explained to the wider workforce, as set out in the Chair's statement.

Executive directors' Remuneration Policy – Table R22

Function	Operation	Opportunity	Performance metrics
<p>Base salary Based on experience and individual contribution to leadership and Company strategy.</p>	Salaries are reviewed annually taking into account market ranges for executives of comparable status, responsibility and skill in companies of similar size and complexity to Man Group with consideration also given to sector relevance.	The maximum salary for an executive director is \$1.1million for the duration of this Remuneration Policy. In reviewing salaries the Remuneration Committee takes into account individual and Company performance, salary increases below Board level, time since the last increase, market practice and total compensation opportunity.	None.
<p>Pension To provide an opportunity for executives to build up income on retirement.</p>	Group Personal Pension (GPP), or a similar contribution to an alternative arrangement is provided. For those exceeding HM Revenue & Customs pension allowances, cash allowances are provided at no additional cost to Man Group.	The maximum employer contribution for executive directors is aligned with the maximum available under the wider employee policy, currently 14% of pensionable base salary. To qualify for the maximum employer contribution level, directors must meet certain service criteria in line with the policy for all employees.	None.
<p>Benefits To provide non-cash benefits which are competitive in the market in which the executive is employed.</p>	<p>Benefits include family private medical insurance, life assurance, permanent health insurance and gym membership subsidy.</p> <p>Flexible benefits can be purchased from base salary.</p> <p>Other ad hoc benefits such as relocation can be offered, depending on personal circumstances.</p> <p>The Company provides Directors' and Officers' liability insurance and may provide indemnities to the fullest extent permitted by relevant legislation.</p>	It is not anticipated that the total benefits for any executive director will normally exceed 10% of salary.	None.
<p>Sharesave To encourage UK-based employees to own Man Group shares.</p>	The Man Group Sharesave Scheme is an all-employee plan. The executive directors who participate in the Sharesave Scheme are granted options over Man Group shares and make monthly savings from their post-tax salary. Options are granted at a 20% discount to market price on the date of grant.	Savings capped at HM Revenue & Customs limits.	None.

Directors' Remuneration report

6. Directors' Remuneration Policy continued

Function	Operation	Opportunity	Performance metrics
<p>Annual bonus</p> <p>To incentivise and reward strong performance against annual financial and non-financial targets. Deferral of a significant proportion of the bonus into shares is designed to align executives' interests with those of shareholders over the long term.</p>	<p>Performance measures and stretching targets are set at the start of the year. At the end of the year, the Remuneration Committee considers the extent to which these have been achieved and sets the award level, taking into account the overall performance context and experience of shareholders.</p> <p>45% of any bonus is delivered upfront in cash and 55% is delivered in shares (or fund awards where the executive director has met the minimum shareholding requirement) deferred for up to three years, released on the first, second and third anniversary of grant in three equal tranches. Retention period may apply where required by regulations.</p> <p>The Committee may award dividend equivalents on deferred shares in respect of dividends declared during the deferral period at the same time as the delivery of vested shares.</p> <p>Malus and clawback provisions apply in certain specified circumstances, further details of which are provided below.</p>	<p>The maximum award is 300% of salary.</p> <p>Threshold performance is 25% and target performance is 50% of the maximum.</p>	<p>The bonus is based on the Remuneration Committee's assessment of executive directors' performance over a financial year against objectives, which are based at least 70% on financial measures which may include, but are not limited to, measures of assets under management, revenue, profit and cash, 15% based on ESG objectives and up to 15% based on individual contribution and medium-term strategic goals.</p> <p>Details of the measures and weightings applicable for the year ending 31 December 2022 are on page 122. Details of the targets will be disclosed retrospectively in next year's annual report on remuneration, when they are no longer deemed commercially sensitive by the Board.</p> <p>The Committee retains the discretion to adjust the bonus if it considers that the formulaic outcome does not reflect underlying business performance.</p> <p>The Committee also retains discretion to make changes to the award if required by regulations.</p>
<p>Long-Term Incentive Plan</p> <p>To engage and motivate executive directors to deliver on KPIs which support implementation of the Company's strategy in order to deliver superior long-term returns to shareholders.</p>	<p>An annual award of Man Group plc shares, subject to performance conditions over a period of at least three years. An additional holding period of at least two years will apply following vesting.</p> <p>Notional dividends accrue on performance share awards to the extent that the performance conditions are met, delivered as shares or cash at the discretion of the Remuneration Committee at the same time as the delivery of vested shares.</p> <p>Malus and clawback provisions apply in certain specified circumstances, further details of which are provided below.</p>	<p>The maximum annual grant is 300% of salary.</p> <p>Threshold performance results in 0% vesting, target performance results in 50% vesting, rising to 100% vesting for maximum performance.</p>	<p>The vesting of awards is linked to a range of measures which may include, but is not limited to:</p> <ul style="list-style-type: none"> – a measure of investment performance; – a profitability measure; – a growth measure (e.g. management fee EPS and/or increase in net flows); – a relative performance measure (e.g. TSR); and – an ESG-related measure. <p>Weightings may vary year-on-year with no individual metric accounting for more than 50% of the overall outcome. Details of the measures for the awards to be made in March 2022 are set out on page 122.</p> <p>The Committee has discretion to amend the performance conditions, in exceptional circumstances, if it considers it appropriate to do so, e.g. in the event of accounting changes, M&A activities and disposals. Any such amendments would be fully explained and disclosed in the next year's annual report on remuneration. The Committee retains discretion to adjust the extent to which an award shall vest if appropriate to reflect the broader financial performance of Man Group. The Committee also retains discretion to make changes to the award if required by regulations.</p>

Function	Operation	Opportunity	Performance metrics
Shareholding requirements	In order to align the interests of executive directors and shareholders, Man Group requires its executive directors to maintain a percentage of salary in Man Group shares.	The Chief Executive Officer is required to maintain a shareholding of 300% of base salary. Other executive directors are required to maintain a shareholding of 200% of base salary.	Executive directors are required to build up this shareholding progressively. Incumbents will build up to the prescribed shareholdings with vested shares where not already at or above this level. The full requirement, or the actual holding on departure if lower, must be retained for two years after departure from Man Group.
Malus and clawback	<p>The Committee may apply malus and/or clawback to variable pay in certain specified circumstances including:</p> <ul style="list-style-type: none"> (i) where the director fails to meet the required standards of fitness and propriety, (ii) fraud or misconduct, (iii) material misstatement of financial results affecting the assessment of a performance condition, or (iv) where there has been an error or inaccuracy relating to the determination of variable pay. <p>In addition, it can apply malus if the director participates in, or was responsible or accountable for, (i) a material error, (ii) a material downturn in financial performance, (iii) a material failure of risk management, (iv) censure by any regulatory authority or, (v) a significant detrimental impact on the Company's reputation.</p> <p>Malus applies until the end of the vesting period with clawback applying until the end of any applicable retention period.</p>		The Committee retains discretion to make changes to the malus and clawback provisions if required by regulations.

Notes to the policy table:

In implementing the above Remuneration Policy, the Remuneration Committee shall have regard to all relevant legal and regulatory requirements, including the principles and provisions of the UK Corporate Governance Code (2018), the Listing Rules, the Financial Conduct Authority Remuneration Codes and to leading investor representative body guidelines.

Any commitments made prior to, but due to be fulfilled after, the approval and implementation of the revised Remuneration Policy approved by shareholders (including under any previously approved policy) will be honoured. In particular, awards which vest under the DEIP will be satisfied in accordance with the DEIP rules. In addition to the elements of remuneration detailed in the policy table, the Remuneration Committee may consider it appropriate to grant an award under a different structure in order to facilitate the recruitment of an individual (see details in the paragraph 'Approach to recruitment remuneration').

Where employees hold units in funds managed by Man Group, the fund may rebate fees to the employee.

Directors' Remuneration report

6. Directors' Remuneration Policy continued

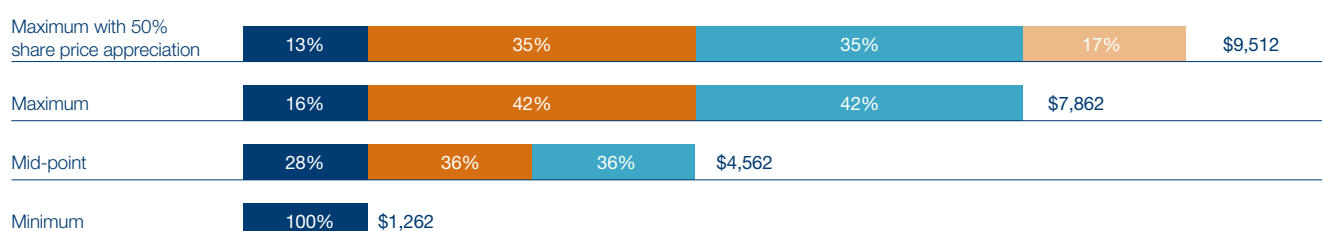
6.2 Illustrative pay for performance scenarios

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 2022 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'.

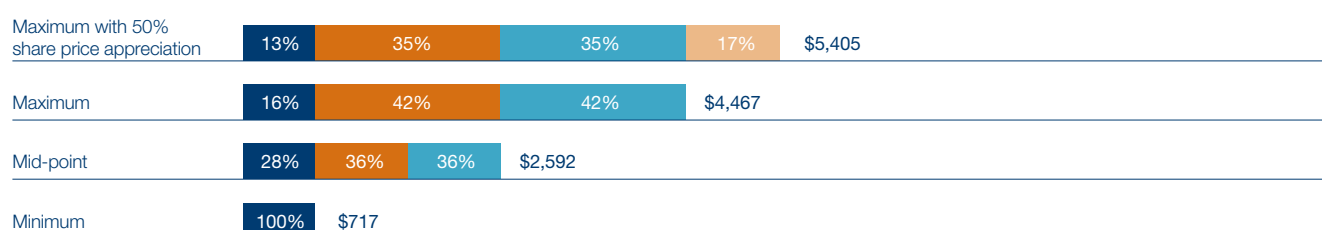
Assumptions used:

- The 'minimum' scenario reflects base salary, pension 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.

CEO (\$'000s)



CFO (\$'000s)



- Salary, benefits and pension
- Annual bonus
- LTIP
- LTIP – illustrative share price growth (assuming 50%)

Benefits are based on actual paid in 2021; for Antoine Forterre his 2021 benefits have been annualised.

6.3 Performance measures selection and approach to target-setting

Annual objectives are set according to immediate priorities identified by the Board and management and will be reviewed and adjusted annually to reflect changing priorities. The long-term performance metrics are in line with the long-term strategic focus of the Company and will be reviewed as required in line with any changes in strategic direction. Targets will be set by reference to internal budgets and strategic plans, industry backdrop and external expectations to ensure they represent appropriately stretching levels of performance.

6.4 Differences between executive directors' and employees' remuneration

Executive Committee members participate in an annual bonus scheme with significant levels of deferral, to align their remuneration with the long-term interests of share and fund holders. However, in line with market practice in alternative investment funds, their incentive payouts are uncapped.

Employee remuneration includes base salary, pension (capped at 14% of salary) and benefits (which include private health, subsidised gym membership, the opportunity to participate in charitable activities during working hours and a range of flexible benefits which can be purchased from salary), an annual performance bonus and, for senior contributors, long-term share and fund-based deferrals. The level of deferral increases as total compensation increases. This provides alignment with shareholders and the future performance of the Company and with the interests of investors in funds managed by the Company.

Sales staff have a specific bonus scheme to incentivise appropriate asset raising and retention, whilst aligning interests on costs.

6.5 Approach to recruitment remuneration

External appointment

Approach to recruitment remuneration – Table R23

Component	Approach	Maximum grant value
Base salary	Base salary will be determined to provide competitive total compensation in relation to relevant market practice, experience and skills of the individual, internal relativities and their current compensation.	\$1.1 million
Pension	Pension contributions or an equivalent cash supplement will be set in line with existing policy, including any service criteria, in line with other employees.	14% of salary ¹
Benefits	Benefits may include (but are not limited to) private medical insurance, life assurance, permanent health insurance, Group income protection and any necessary relocation expenses.	n/a
Sharesave	New appointees will be eligible to participate in any all-employee share schemes the Company offers.	n/a
Annual bonus	The remuneration structure described in the policy table will apply to new appointees with the relevant maximum being pro-rated to reflect the proportion of employment over the year.	300% of salary
Long-Term Incentive Plan	New appointees may be granted awards under the Long-Term Incentive Plan, on the same terms as other executive directors, as described in the policy table, including in respect of the first part-year of service.	300% of salary

¹ The directors' maximum pension contribution is aligned to the maximum available to all employees, currently 14% of salary.

In determining the appropriate remuneration, the Remuneration Committee will take into consideration all relevant factors (including quantum, nature of remuneration and the jurisdiction from which the candidate was recruited) to ensure that arrangements are in the best interests of both Man Group and its shareholders.

With respect to a new appointment, the Remuneration Committee may 'buy out' incentive arrangements, including bonuses, forgone on leaving a previous employer, and awards made under such 'buy out' arrangements may be in addition to the remuneration outlined in the table above. In doing so, the Remuneration Committee will consider relevant factors including any performance conditions attached to those incentive arrangements and the likelihood of those conditions being met. In defining the size of this 'buy out' award, the Remuneration Committee would ensure that its fair value is no higher than the fair value of the incentive arrangements forgone. The Remuneration Committee may also consider it appropriate to structure any such 'buy out' award differently to the structure described in the policy table including whether appropriate performance conditions should apply, exercising the discretion available under the Listing Rules.

The Remuneration Committee does not intend that such 'buy out' awards will be made as a matter of routine; on the contrary, although the Remuneration Committee cannot anticipate every circumstance which it might face in the future, it is expected that any such awards will only be contemplated in exceptional circumstances, will be reviewed and approved by the full Board and described fully in the subsequent year's DRR.

Internal appointment

For the appointment of a new executive director by way of internal promotion, the Remuneration Committee's approach will be consistent with the policy for external appointees detailed above. Where an individual has contractual commitments made prior to their promotion to the Board, the Company will continue to honour these commitments.

Directors' Remuneration report

6. Directors' Remuneration Policy continued

6.6 Service contracts and exit payment policy

Service contracts – Table R24

Element	Condition
Contract dates	Luke Ellis: 1 September 2016
	Antoine Forterre: 1 October 2021
Current appointment	No fixed term
Notice period (by either Company or director)	Luke Ellis: 12 months
	Antoine Forterre: 6 months
	The Company's policy is that notice periods will not exceed 12 months
Provisions for contract termination	Under all contracts the Company can opt to terminate immediately by making a payment in lieu of the notice period or part of it. Luke Ellis' contract requires payment of base salary only in lieu. Antoine Forterre's contract requires payment of base salary plus a cash sum in lieu of pension contributions and other insured benefits. Payments in lieu are to be made in monthly instalments unless the Company and the executive director agree otherwise. Unless the Company decides otherwise, the executive directors have a duty to mitigate their losses arising from termination of their employment in which case any replacement earnings earned in what would otherwise have been the notice period would reduce the obligation on the Company to make payments in lieu.
Annual bonus	The service contracts do not oblige the Company to pay any bonus to executive directors and bonuses are awarded at the Remuneration Committee's discretion. Payment of any bonus is conditional upon the executive director being in employment and not under notice at the payment date, except in certain 'good leaver' circumstances. Where the director is deemed to be a 'good leaver', deferred bonus awards are retained by participants and release would follow the normal vesting schedule (except in the case of death where the Remuneration Committee may allow early vesting). The treatment will be decided by the Committee taking into account the circumstances of the departure including the performance of the executive director. Good leaver reasons include death, retirement on terms agreed with the Company, ill-health, injury or disability and sale of the company or business in which the individual was employed. The Remuneration Committee may also decide, in its discretion, to grant good leaver status in other exceptional circumstances.
Long-Term Incentive Plan	<p>The treatment of long-term awards is governed by the relevant Plan rules, as approved by shareholders. Where an individual's employment terminates, the LTIP rules provide for unvested long-term incentive awards to lapse except as set out below:</p> <ul style="list-style-type: none"> – Under the LTIP rules, where an individual is deemed to be a 'good leaver', unvested long-term incentive awards will vest at the normal vesting date subject to performance against applicable performance conditions and, unless the Committee determines otherwise, pro-rating for time. Any Committee determination will take into account a number of considerations, in particular performance and other circumstances relating to their termination of employment. – Good leaver reasons include death, retirement, ill-health, injury or disability, redundancy, sale of the company or business in which the individual was employed and cessation of employment on terms agreed with the Company. The Remuneration Committee may also decide, in its discretion, to grant good leaver status in other circumstances and will take into account the reason for leaving and the executive director's performance up to the date employment ceases. <p>Where the post-departure shareholding requirements have not been met at the date of departure, after exit post-vesting holding periods will continue to apply.</p> <p>The treatment in relation to DEIP awards is as set out in the policy approved in 2015. Good leaver reasons in the DEIP are: death, retirement, ill health, injury or disability, redundancy, their office or employment being with either a company which ceases to be a Group Member or relating to a business or part of a business which is transferred to a person who is not a Group Member, cessation with the agreement of their employer provided that such participant has organised and performed an orderly handover procedure to the satisfaction of the Committee, or for any other exceptional reason, if the Committee so decides.</p>

To protect Man Group's business interests, the executive directors' service contracts contain covenants which restrict the executives' ability to solicit or deal with clients and their ability to solicit senior employees. Both directors have also entered into a broader non-compete covenant for an agreed period post termination.

Executive directors' service contracts are available to view at the Company's registered office.

6.7 External appointments

With the approval of the Board in each case, and subject to the overriding requirements of the Company, executive directors may accept a limited number of external appointments as non-executive directors of other companies and retain any fees received. Details of external directorships held by executive directors, including associated fees, are provided in the Directors' Remuneration report for the relevant year.

6.8 Non-executive directors' Remuneration Policy

Non-executive directors have formal letters of appointment. The Chair has a contract with the Company which provides that his appointment is terminable on six months' notice. The letters of appointment of the non-executive directors, except for Richard Berliand and Dev Sanyal, contain a three-month notice period. The letters of appointment of Richard Berliand and Dev Sanyal do not contain any notice provisions or provision for compensation in the event of early termination. It is intended that the letters of appointment of all future non-executive directors will contain a three-month notice period. The Board's policy is to appoint non-executive directors for an initial three-year term, subject to retirement and reappointment by shareholders annually at the AGM, which may be followed by a further three years by mutual agreement. Any further extension will be subject to rigorous review. The initial dates of appointment of the non-executive directors to the Board are shown on pages 72 to 73 of this 2021 Annual Report, and their current fee levels are provided in the DRR on page 122. Non-executive directors are encouraged to build a shareholding in the Company.

Letters of appointment for the non-executive directors are available to view at the Company's registered office.

Details of the policy on fees paid to our non-executive directors are set out in the table below.

Non-executive directors' Remuneration Policy – Table R25

Function	Operation	Opportunity
<p>Fees To attract and retain non-executive directors of the highest calibre and experience relevant to Man Group.</p>	<p>Fees are reviewed annually by the Board at the year-end taking into account market benchmarks for non-executives of companies of similar size and complexity to Man Group with consideration of sector relevance.</p> <p>The Chair's remuneration is recommended by the Remuneration Committee and approved by the Board. Neither the Chair nor the non-executive directors take part in discussions or vote on their own remuneration.</p> <p>Non-executive directors are reimbursed for expenses, such as travel and subsistence costs, incurred in connection with the carrying out of their duties. Any tax costs associated with these benefits are paid by the Company.</p>	<p>Fee levels will take account of any significant change in the scope of the role or time commitment required and are set by reference to an appropriate comparator group.</p> <p>Non-executive directors receive a base fee for Board service, including Nomination Committee membership where appropriate. Additional fees are payable for acting as Senior Independent Director, as a member or Chair of the Audit and Risk or Remuneration Committees or for other responsibilities, including those relating to employee engagement. They do not participate in any share option or share incentive plans.</p>

6.9 Recruitment of non-executive directors

When recruiting a new non-executive director, the Board will utilise the policy as set out in table R25 above. A base fee in line with the prevailing fee schedule would be payable for Board membership, with additional fees payable for acting as Senior Independent Director, as a member or Chair of a Board Committee or for other responsibilities, including those relating to employee engagement.

6.10 Consideration of conditions elsewhere in the Company

In assessing executive director remuneration, internal relativities within the Company are reviewed by the Remuneration Committee. These internal reviews cover the individual elements of base salaries, benefits and total compensation. The Committee has shared with all employees a simple document explaining how the remuneration of the executive directors is determined and how that links to the way in which employees are remunerated. A dedicated email address has been established to provide employees with a quick and easy way to raise any questions with the Remuneration Committee. The Committee has not, however, formally consulted with employees during its review of the Directors' Remuneration Policy.

6.11 Consideration of shareholder views

The Remuneration Committee values engagement with shareholders and their representative bodies and consulted extensively before proposing this policy, on which it will be seeking shareholder approval at the 2022 AGM. The detailed discussions we had with a number of shareholders on the introduction of the ESG metrics and objectives, in particular, were invaluable and have informed our final approach to this important change.

For and on behalf of the Board

Anne Wade

Chair of the Remuneration Committee
28 February 2022

Directors' report

The Directors present their report, together with the audited consolidated financial statements, for the year ended 31 December 2021.

Man Group plc is incorporated as a public limited company and is registered in Jersey with the registered number 127570. The Company's registered office is 22 Grenville Street, St Helier, Jersey, JE4 8PX.

Although the Company is subject to Jersey law, the following report also includes certain disclosures required for a UK incorporated company under the UK Companies Act 2006 in the interests of good governance.

The Directors' report comprises pages 134 to 135 and the other sections and pages of the Annual Report and Accounts cross referenced below which are incorporated by reference. The Corporate Governance statement comprises pages 68 to 136. In line with common practice, certain disclosures normally included in the Directors' report have instead been integrated into the Strategic Report (pages 1 to 67) and Governance report (pages 68 to 136):

Disclosure	Location	Page(s)
Business relationships, stakeholders and their effect on decisions	Strategic report Governance report	10-11 78-85
Directors' responsibility statement including disclosure of information to the auditor	Directors' responsibility statement	136
Employment policies including disability and equal opportunities and employee involvement	Strategic report and Governance report	38-43 63-67 81
Financial risk management	Notes 11 and 16	155, 160
Financial instruments	Note 15	159
Future developments in the business	Strategic report	12-19
Greenhouse gas emissions, energy consumption and energy efficiency	Strategic report	46-53
Internal control and risk management	Strategic report Audit and Risk Committee report	30-37 90-96
Research and development activities	Strategic report	14-19
Subsidiary undertakings listing	Note 34	180-181
Going concern disclosure	Note 2	150

Directors

Details of the directors, with their biographies, can be found on pages 72 to 73. The following director changes occurred during 2021:

Mark Jones	Stepped down from the Board on 1 October 2021
Antoine Forterre	Appointed to the Board on 1 October 2021

Dev Sanyal and Zoe Cruz who have served as non-executive directors of the Company since 2013 and 2018 respectively, will be retiring from the Board at the conclusion of the AGM on 6 May 2022. Jackie Hunt was appointed to the Board on 28 February 2022.

Details of the directors' interests in the Company's shares are given on page 118.

Powers of directors

The Board is responsible for the management of the business of the Company and may exercise all the powers of the Company subject to the provisions of relevant statutes and the Company's Articles of Association (the Articles). A copy of the Articles is available on the Company's website and by request from the registered office of the Company. The Articles may be amended by a special resolution of the shareholders.

Appointment, retirement and replacement of directors

The appointment, retirement and replacement of directors are governed by the Articles, the 2018 UK Corporate Governance Code and the Companies (Jersey) Law 1991. Under the Articles, the Board has the power to appoint further directors during the year, but any director so appointed must stand for reappointment at the next Annual General Meeting (AGM). In accordance with the Articles, one-third of the Board must retire by rotation at each AGM and may stand for reappointment. In practice, and in accordance with the UK Corporate Governance Code, all Board members retire and offer themselves for reappointment at each AGM.

The Articles give each director the power to appoint any person to be his/her alternate, such appointment being subject to Board approval where the proposed alternate is not an existing director of the Company.

Directors' indemnities and insurance cover

The Company has maintained third-party indemnity provisions for the benefit of Man Group plc and its subsidiary directors, 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 law, 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)

Significant votes against at the 2021 AGM

In accordance with the UK Corporate Governance Code, the Board notes that at the Company's 2021 AGM, 74.65% of shareholders voted for and 25.35% voted against Resolution 20 which related to the disapplication of pre-emption rights in connection with the issue of shares for the purpose of an acquisition or specified capital investment. The resolution was in line with the Investment Association's Share Management Guidelines and the Pre-Emption Group's Statement of Principles. However, as a special resolution requiring a 75% majority, Resolution 20 did not receive sufficient support to be passed.

Although the Company sought, and received approval of, the same authority in previous years, we understand from discussions with some of the shareholders that did not support this resolution that they may prefer to have the opportunity to vote on specific proposals for a transaction requiring this level of pre-emptive issue. We have continued our dialogue with these shareholders and will take their views into account when considering our future plans.

2022 AGM

The 2022 AGM of Man Group plc will be held at Riverbank House, 2 Swan Lane, London EC4R 3AD on Friday 6 May 2022 at 10am.

Shares

Share capital

The issued share capital as at 25 February 2022 consisted of 1,473,107,813 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 27 to the financial statements.

Authority to purchase own shares

At the 2021 AGM, the Company was authorised by its shareholders to purchase up to a maximum of 145,399,026 of its ordinary shares. Details of shares purchased under this authority by the Company during the year are detailed in Note 27 to the financial statements.

Substantial interests

As at 31 December 2021, the Company had been notified of the following voting interests in the ordinary share capital of the Company in accordance with DTR 5 of the FCA's Disclosure Guidance and Transparency Rules. Percentages are shown as notified, calculated with reference to the Company's latest total voting rights announcement prior to the date of the movement triggering the notification.

It should be noted that these holdings are likely to have changed since the Company was notified. However, notification of any change is not required until the next notifiable threshold is crossed.

Shareholder	Number of shares notified to the Company	Percentage of issued share capital	Date of notification
Silchester International Investors LLP	131,297,253	8.52%	29 May 2019
Tameside MBC re Greater Manchester Pension Fund	69,772,603	4.93%	21 October 2021
BlackRock, Inc.	67,208,295	Below 5%	22 March 2021

No changes to the above were disclosed to the Company in accordance with DTR 5 during the period 1 January to 25 February 2022 inclusive, being the latest practicable date prior to the publication of this report.

Dividend information

The directors recommend a final dividend of 8.4 cents per share in respect of the year ended 31 December 2021. Payment of this dividend is subject to approval at the Company's 2022 AGM. Further details on the proposed dividend payment, together with the Company's dividend policy and dividend payment methods, can be found in the Shareholder Information section on pages 188 to 189. Details of dividends waived by Man Group plc's Employee Trust can be found in Note 25 to the financial statements.

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 hedge the Company's exposure to such grants, the Company has established the Employee Trust, which assumes the obligation to deliver shares (and satisfy other fund-based forms of remuneration) to employees. To enable the Employee Trust to meet these obligations, Man Group provides funds by contributions or loans. Although the Employee Trust has independent trustees and its assets are held separately from those of Man Group, it is consolidated into the Group financial statements given its nature as a structured entity, which takes on the obligation to deliver deferred compensation awards to employees. The shares it holds are treated for accounting purposes as though they were treasury shares. These shares remain, however, in issue as trust assets and, under the Employee Trust deed, the trustees have discretion to vote, or abstain from voting, on resolutions put to shareholders. Further details regarding deferred compensation arrangements can be found in Notes 25 and 26 to the financial statements.

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 27 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; 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.
- Jonathan Sorrell (former President of Man Group) stepped down as an executive director on 11 September 2019 and left the business on 31 December 2019. In accordance with the Directors' Remuneration Policy in operation at the time, he was required to hold shares in Man Group plc representing at least 200% of salary while employed by the firm and retain a shareholding for two years following departure, with 100% of the requirement retained for the first year and at least 50% for a further year. As a result, he was required to retain shares in Man Group plc until 31 December 2021.
- The Board may decline to register a transfer of any share which is not a fully paid share. In addition, registration of a transfer of an uncertificated share may be refused in the circumstances set out in The Companies (Uncertificated Securities) (Jersey) Order 1999 and where the number of joint holders exceeds four.

Change of control

The Company is not party to any significant agreements that take effect, alter or terminate upon a change of control following a takeover bid except for the Company's \$500 million revolving credit facility originally dated 9 December 2019 and amended and restated on 3 December 2021 which could, under specific circumstances, become repayable following a relevant change of control. The Company's employee share and fund product incentive schemes contain provisions whereby, upon a change of control of the Company, outstanding options and awards will vest and become exercisable, subject to any pro-rating that may be applicable. If a change of control of the Company relates to an internal reorganisation, the Board may determine, with the consent of the new controlling company, that in the case of share awards the outstanding options and awards will not vest and will be automatically surrendered in consideration for the grant of new equivalent awards or options in the new controlling company and that fund product awards will not vest but will continue to subsist.

Independent auditor

The Company's 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 2022 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.

For and on behalf of the Board

Elizabeth Woods
Company Secretary
28 February 2022

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 2021, 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.

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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 2021 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 statement of changes in equity;
- the group cash flow statement; and
- the related notes 1 to 34.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that the non-audit services prohibited by the FRC's Ethical Standard were not provided to the group.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matter The key audit matter that we identified in the current year was the accuracy of performance fees.

Within this report, key audit matters are identified as follows:

 Newly identified

 Increased level of risk


 Similar level of risk

 Decreased level of risk

Materiality The materiality that we used for the group financial statements was \$18.30m (2020: \$15.24m) 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 28 (2020: 29) subsidiaries and audits of specified account balances within a further seven (2020: eight) subsidiaries across nine (2020: eight) geographic locations.

Together, this accounts for 99% (2020: 98%) of the group's revenue, 98% (2020: 98%) of the group's profit before tax and 98% (2020: 98%) of the group's total assets.

Significant changes in our approach  The valuation of investment property: right-of-use lease asset was a key audit matter in the prior period due to estimation uncertainty in the central London property market resulting from COVID-19. In the current year, this has ceased to be a key audit matter as the market has somewhat stabilised reducing the level of estimation uncertainty.

Valuation of GPM goodwill and intangible assets ceased to be a key audit matter in the current year due to the write off of GPM goodwill in the prior year leaving only the GPM intangible assets, which are not material.

There were no other significant changes in our approach apart from in relation to these key audit matters.

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 year end cash balance of £387m explained in note 11 and assessing how this is forecast to fluctuate over the coming 12 months in line with management's forecasted performance. This analysis includes assessing the amount of headroom in the forecasts considering cash and regulatory liquidity requirements;
- Assessing the nature and terms of the financing facilities available to the group;
- Testing of clerical accuracy and assessing the sophistication of the model used to prepare the forecasts; and
- Assessing the reasonableness of the assumptions used in the forecasts and assessing the historical accuracy of forecasts prepared by management alongside the historical conversion of accounting profits to cash in the business.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually

or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether to fraud or not) that we identified. These matters include those which have the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

The key audit matter below was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on key audit matters.

Accuracy of performance fees

Key audit matter description

At \$567m (2020: \$177m) performance fee revenue is a material revenue balance, and has increased significantly on prior year.

The measurement of performance fee revenue requires the accurate implementation of methodologies as set out in investment management agreements which are often bespoke for each client or fund.

Performance fees are manually calculated, are performed less frequently based on the crystallisation dates specified in the agreements (generally once or twice during the year), and are more complicated than management fee calculations, increasing the relative risk of misstatement.

The performance fee calculation requires the use of estimated valuations which can change after the period end. There is a fraud risk associated with the accuracy of revenue due to this balance's importance to stakeholders and link to long term incentives. Given the complexity of the calculations and level of judgement involved in determining if the revenue has crystallised, accuracy of performance fees is deemed to be a key audit matter.

The accounting policy for performance fees is detailed in note 4.

How the scope of our audit responded to the key audit matter

Our procedures included:

Assessing related controls: We obtained an understanding of the relevant controls over performance fees, and tested these controls over the accuracy of performance fees. We placed reliance on these controls as a part of our audit approach. We also obtained an understanding of the relevant controls at service organisations.

Tests of detail: We independently agreed a sample of calculation methodologies to investment management agreements and source documentation, verified the calculation methodology and the accuracy of the inputs used in the calculation (for example, fee rates, crystallisation dates, fund product profit and relevant benchmarks), tested the arithmetic accuracy of the underlying calculation of the performance fees and challenged any judgements when interpreting governing documents. For estimates subsequently finalised and invoiced after the year end, we assessed the amounts invoiced against the accrued estimate at the year end in mid-February.

Key observations

Based on our work, performance fees are appropriately recorded.

Independent auditor's report to the members of Man Group plc continued

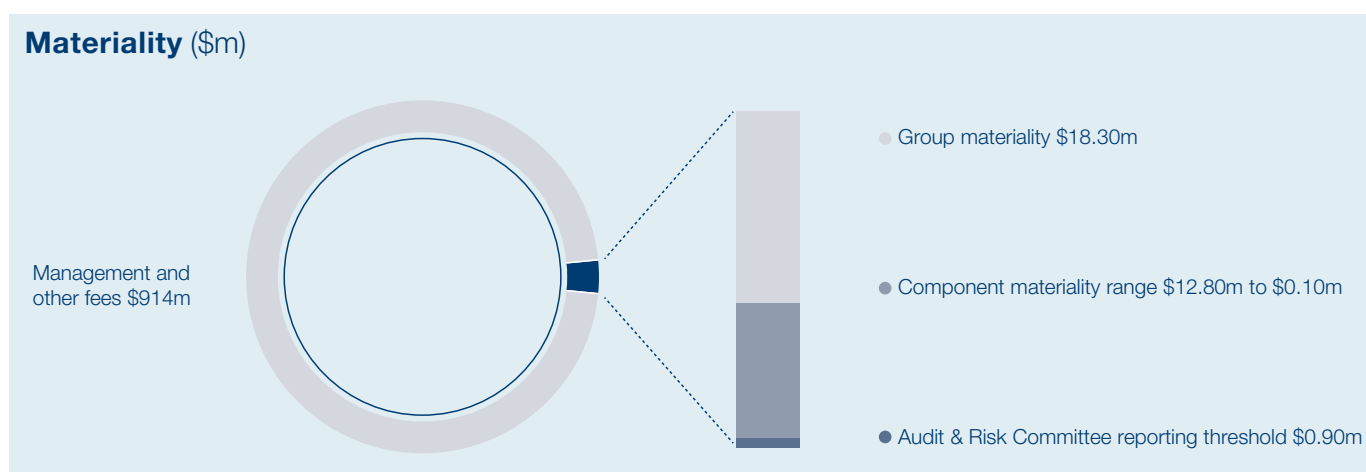
6. Our application of materiality

6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Group financial statements	
Materiality	\$18.30m (2020: \$15.24m)
Basis for determining materiality	2% of management and other fees (2020: 2% of management and other fees)
Rationale for the benchmark applied	We have determined management and other fees, excluding performance fees, to be an appropriate basis for calculating materiality as it is statutory in nature, and reflects current year performance whilst being relatively stable compared to other benchmarks. Excluding performance fees from our materiality calculation avoids undue fluctuations in materiality that would result due to year-on-year variability in performance fees if total revenues, or a profit measure, were used instead.



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 2021 audit (2020: 70%).

When considering performance materiality we have considered our past experience of the audit, and our accumulated understanding of the entity and its environment. In particular, we took into account the reliability of the entity's internal controls over financial reporting and that we were able to rely on controls for a number of business processes. We also took into account the level of corrected and uncorrected misstatements identified in prior periods, and allowed for a degree of unpredictability of the full year result as at the time of planning our audit.

6.3 Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of \$900k (2020: \$762k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1 Identification and scoping of components

The group operates across nine 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, we considered each entity with reference to both quantitative and qualitative factors. Our quantitative assessment was primarily based on each entity's profit before tax and revenue, though we also considered the overall coverage obtained. For qualitative factors, our assessment included current-year events and any significant risks or management interest, including management's strategy for the group.

Based on that assessment, which is broadly consistent with the prior year, we focused our group audit scope primarily on the audit work at eight geographical locations. This included the full audit of 28 (2020: 29) subsidiaries across the UK, the US, Switzerland, Jersey, Japan, Ireland, Australia, the Cayman Islands and Channel Islands. A further 7 (2020: 8) subsidiaries across the US, Hong Kong and Jersey 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 of the materiality of the group's operations at those locations. All other subsidiaries were subject to analytical review procedures.

These nine (2020: eight) geographical locations represent the principal business units and account for 98% (2020: 98%) of the group's total assets, 99% (2020: 98%) of the group's revenue and 98% (2020: 98%) of the group's profit before tax on an absolute basis. They were also selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified above. Our audit work at the 35 (2020: 37) subsidiaries was executed at levels of materiality applicable to each individual entity which were lower than group materiality and ranged from \$0.10m to \$12.80m (2020: \$0.10m to \$9.16m).

In the past, the group audit team has implemented a programme of planned visits so that the Senior Statutory Auditor or a senior member of the group audit team visited each of the locations where the group audit scope is focused on a rotational basis. During the current year and prior year, no visits were made to individual locations. This was replaced with video conference calls that including screen sharing to allow for similar interactions and assurance. Regular communications were maintained with all geographical locations. Books and records for subsidiaries located within Ireland, the Cayman Islands, Australia and the Channel Islands are maintained within the UK and are audited by the group audit team.

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 GPM. We also tested relevant controls over distribution costs, fixed compensation, asset servicing and investment in fund product plans. Where we placed reliance on service organisations reports specifically at administrators and transfer agents, we have obtained an understanding of the controls provided within the service organisation reports and tested any complementary controls performed by the group.

We have performed general IT controls testing over the group's financial reporting processes and the key IT systems for management fees, performance fees, distribution costs and compensation. In addition, we performed tests over manual relevant controls which complement these where needed.

7.3 Our consideration of climate-related risks

In planning our audit, we considered the potential financial impacts on the group and its financial statements of climate change and the transition to a low carbon economy. We considered management's own assessment of the related risks and opportunities as described on page 30, 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 of the business and the financial statements.

Independent auditor's report to the members of Man Group plc continued



7.4 Working with other auditors

All work was performed by the group audit team with the exception of specified audit procedures being performed by the US and Swiss teams largely over local payroll and cash balances. Components were supervised by the group audit team. Regular calls were held with components during the audit to discuss progress and provide updates relevant to the group audit.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

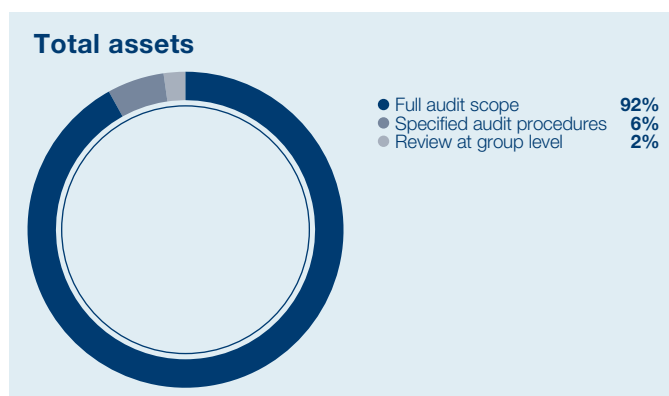
If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal controls 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;
- 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).

Independent auditor's report to the members of Man Group plc continued

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 this key audit matter. In addition to the above, our procedures to respond to 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, 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 significant 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 125.

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 150;
- 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 31;
- the directors' statement on fair, balanced and understandable set out on page 136;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 33;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 32 and 33; and
- the section describing the work of the Audit and Risk Committee set out on pages 90 to 96.

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 8 years, covering the years ending 31 December 2014 to 31 December 2021.

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 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 Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.14R, these financial statements form part of the European Single Electronic Format (ESEF) prepared Annual Financial Report filed on the National Storage Mechanism of the UK FCA in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditor's report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS. We have been engaged to provide assurance on whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS and will report separately to the members on this.

Bevan Whitehead (FCA)

For and on behalf of Deloitte LLP

Recognised Auditor

London

28 February 2022

Group income statement

For the year to 31 December

	Note	2021 \$m	2020 \$m
Management and other fees	4	914	762
Performance fees	4	567	177
Revenue		1,481	939
Income or gains on investments and other financial instruments	14	42	40
Third-party share of gains relating to interests in consolidated funds	14	(3)	(17)
Sub-lease rental and lease surrender income	18	6	25
Distribution costs	5	(40)	(34)
Net revenue		1,486	953
Asset servicing costs	6	(58)	(55)
Compensation costs	7	(596)	(451)
Other costs	8	(165)	(150)
Finance income	9	1	2
Finance expense	9	(14)	(16)
Revaluation of contingent consideration	15	2	22
Impairment of right-of-use lease assets – investment property	18	(3)	(25)
Amortisation of acquired intangible assets	19	(61)	(63)
Impairment of GPM goodwill	19	–	(55)
Recycling of FX revaluation to the Group income statement on liquidation of subsidiaries	16	–	17
Share of post-tax loss of associate	23	(2)	–
Statutory profit before tax		590	179
Tax expense	10	(103)	(41)
Statutory profit attributable to owners of the Company		487	138
Statutory earnings per share	27		
Basic		34.7¢	9.5¢
Diluted		33.8¢	9.3¢

Group statement of comprehensive income

For the year to 31 December

	Note	2021 \$m	2020 \$m
Statutory profit attributable to owners of the Company		487	138
Other comprehensive income/(expense):			
Remeasurements of post-employment benefit obligations	24	22	(15)
Current tax credited on pension plans		4	4
Deferred tax debited on pension plans		(7)	–
Items that will not be reclassified to profit or loss		19	(11)
Cash flow hedges:	16		
Valuation gains taken to equity		9	6
Realised gains transferred to Group income statement		(8)	(3)
Deferred tax credited on cash flow hedge movements		–	1
Net investment hedge	16	3	(4)
Recycling of FX revaluation to the Group income statement on liquidation of subsidiaries	16	–	(17)
Foreign currency translation		(6)	10
Items that may be reclassified to profit or loss		(2)	(7)
Other comprehensive income/(expense) (net of tax)		17	(18)
Total comprehensive income attributable to owners of the Company		504	120

Group balance sheet

At 31 December

	Note	2021 \$m	2020 \$m
Assets			
Cash and cash equivalents	11	387	351
Fee and other receivables	12	485	386
Investments in fund products and other investments	14	974	787
Leasehold improvements and equipment	17	43	30
Leasehold property – right-of-use lease assets	18	61	74
Investment property – right-of-use lease assets	18	77	78
Goodwill and acquired intangibles	19	678	742
Other intangibles	20	45	39
Deferred tax assets	21	128	119
Investment in associate	23	18	–
Pension asset	24	27	2
Total assets		2,923	2,608
Liabilities			
Trade and other payables	13	702	574
Provisions	22	14	9
Current tax liabilities	10	15	12
Third-party interest in consolidated funds	14	254	219
Lease liability	18	250	272
Deferred tax liabilities	21	37	25
Total liabilities		1,272	1,111
Net assets		1,651	1,497
Equity			
Capital and reserves attributable to owners of the Company		1,651	1,497

The financial statements were approved by the Board of Directors on 28 February 2022 and signed on its behalf by:

Luke Ellis
Chief Executive Officer

Antoine Forterre
Chief Financial Officer

Group cash flow statement

For the year to 31 December

	Note	2021 \$m	2020 \$m
Cash flows from operating activities			
Statutory profit		487	138
Adjustments for:			
Share-based payment charge	7	39	20
Fund product-based payment charge	7	54	54
Net finance expense	9	13	14
Tax expense	10	103	41
Revaluation of contingent consideration	15	(2)	(22)
Depreciation of leasehold improvements and equipment	17	13	12
Depreciation of right-of-use lease assets	18	17	22
Impairment of right-of-use lease assets – investment property	18	3	25
Amortisation of acquired intangible assets	19	61	63
Impairment of GPM goodwill	19	–	55
Amortisation of other intangibles	20	16	14
Share of loss from associate	23	2	–
Recycling of FX revaluation to the Group income statement on liquidation of subsidiaries	16	–	(17)
Foreign exchange movements		9	(16)
Realised gains on cash flow hedges		(8)	(3)
Funding of defined benefit pension plan	24	(3)	–
Other non-cash movements		(7)	(8)
		797	392
Changes in working capital ¹ :			
(Increase)/decrease in fee and other receivables		(102)	50
(Increase)/decrease in other financial assets ²		(163)	31
Increase/(decrease) in trade and other payables		49	(30)
Cash generated from operations		581	443
Interest paid	9	(2)	(2)
Unwind of lease liability discount	18	(12)	(12)
Tax paid		(83)	(37)
Cash flows from operating activities		484	392
Cash flows from investing activities			
Interest received	9	1	2
Purchase of leasehold improvements and equipment: leasehold property	17	(26)	(12)
Purchase of leasehold improvements and equipment: right-of-use lease asset – investment property	18	(5)	–
Purchase of other intangible assets		(18)	(18)
Payment of acquisition-related contingent consideration	15	–	(2)
Purchase of interest in associate	23	(19)	–
Cash flows used in investing activities		(67)	(30)
Cash flows from financing activities			
Repayments of principal lease liability	18	(21)	(22)
Purchase of own shares by the Employee Trust and Partnerships		(18)	(21)
Proceeds from sale of Treasury shares in respect of Sharesave		2	–
Share repurchase programmes (including costs)	27	(180)	(107)
Dividends paid to Company shareholders	28	(160)	(147)
Cash flows used in financing activities		(377)	(297)
Net increase in cash and cash equivalents		40	65
Cash and cash equivalents at the beginning of the year		351	281
Effect of foreign exchange movements		(4)	5
Cash and cash equivalents at year end³	11	387	351

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 14.2) or are adjusted elsewhere in the Group cash flow statement, such as movements relating to the fund product-based payment charge (within operating activities) and the share repurchase liability (within financing activities).

2 Includes \$2 million (2020: \$1 million) of restricted net cash inflows relating to consolidated fund entities (Note 14.2).

3 Includes \$64 million (2020: \$62 million) of restricted cash relating to consolidated fund entities (Note 14.2).

Group statement of changes in equity

At 31 December	2021 \$m	2020 \$m
Share capital and capital reserves	(1,633)	(1,635)
Revaluation reserves and retained earnings	3,284	3,132
Capital and reserves attributable to owners of the Company	1,651	1,497

Share capital and capital reserves

\$m	Share capital	Share premium account	Capital redemption reserve	Merger reserve	Reorganisation reserve	Total
At 1 January 2020	53	–	–	–	(1,688)	(1,635)
At 31 December 2020	53	–	–	–	(1,688)	(1,635)
At 1 January 2021	53	–	–	–	(1,688)	(1,635)
Transfer from Treasury shares: Partnership Plans and Sharesave	–	2	–	–	–	2
Cancellation of Treasury shares	(2)	–	2	–	–	–
At 31 December 2021	51	2	2	–	(1,688)	(1,633)

Revaluation reserves and retained earnings

\$m	Profit and loss account	Own shares held by Employee Trust	Treasury shares	Cumulative translation adjustment	Cash flow hedge reserve	Total
At 1 January 2020	3,322	(66)	(52)	55	–	3,259
Statutory profit	138	–	–	–	–	138
Other comprehensive income/(expense)	(11)	–	–	(11)	4	(18)
Total comprehensive income attributable to owners of the Company	127	–	–	(11)	4	120
Share-based payment charge	20	–	–	–	–	20
Purchase of own shares by the Employee Trust	–	(21)	–	–	–	(21)
Disposal of own shares by the Employee Trust	(26)	27	–	–	–	1
Share repurchases	(100)	–	–	–	–	(100)
Transfer to Treasury shares	107	–	(107)	–	–	–
Transfer from Treasury shares	(11)	–	11	–	–	–
Dividends paid	(147)	–	–	–	–	(147)
At 31 December 2020	3,292	(60)	(148)	44	4	3,132
At 1 January 2021	3,292	(60)	(148)	44	4	3,132
Statutory profit	487	–	–	–	–	487
Other comprehensive income/(expense)	19	–	–	(3)	1	17
Total comprehensive income attributable to owners of the Company	506	–	–	(3)	1	504
Share-based payment charge	39	–	–	–	–	39
Current tax credited on share-based payments	1	–	–	–	–	1
Deferred tax credited on share-based payments	10	–	–	–	–	10
Purchase of own shares by the Employee Trust	–	(18)	–	–	–	(18)
Disposal of own shares by the Employee Trust	(17)	17	–	–	–	–
Share repurchases	(225)	–	–	–	–	(225)
Transfer to Treasury shares	180	–	(180)	–	–	–
Transfer from Treasury shares	(6)	–	5	–	–	(1)
Disposal of Treasury shares for Sharesave	–	–	2	–	–	2
Cancellation of Treasury shares	(143)	–	143	–	–	–
Dividends paid	(160)	–	–	–	–	(160)
At 31 December 2021	3,477	(61)	(178)	41	5	3,284

The proposed 2021 final dividend would reduce shareholders' equity by \$115 million (2020: \$81 million) subsequent to the balance sheet date (Note 28). Further details of Man Group's share capital and reserves are included in Note 27.

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. 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.

For consolidated entities with a USD functional currency, monetary assets and liabilities denominated in foreign currencies are translated at each balance sheet date rate. 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. 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 balance sheet date rate. Income and expenses are translated at the average rate for the period in which the transactions occur. Resulting exchange differences 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 2021 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 between our entities 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 (Note 25).

Business combinations are accounted for using the acquisition method from the date on which we effectively obtain control of the acquiree. The cost of an acquisition is measured as the fair value at the acquisition date of assets transferred, liabilities incurred and equity instruments issued by Man Group. The fair value of an acquisition is calculated at the acquisition date by recognising the acquiree's identifiable assets and liabilities at their fair values at that date, and costs relating to acquisitions are recognised in the Group income statement as incurred. Any contingent consideration is recognised at fair value at the acquisition date, with any subsequent changes to the fair value recognised in the Group income statement.

Impact of new accounting standards

A number of new or amendments to existing accounting standards and interpretations have been issued by the International Accounting Standards Board (IASB).

The following accounting standards relevant to our operations were effective for the first time in the year to 31 December 2021. Their adoption has not had a significant impact on these financial statements:

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).

The following standards are relevant to our operations and have been issued by the IASB but are not yet mandatory and have not been early adopted:

- Amendments to IAS 1 'Presentation of Financial Statements': classification of liabilities as current or non-current;
- Amendments to IAS 1 and IFRS Practice Statement 2: disclosure of accounting policies;
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors': definition of accounting estimates;
- Amendments to IAS 12 'Income Taxes': deferred tax related to assets and liabilities arising from a single transaction;
- Amendments to IAS 16 'Property, Plant and Equipment': property, plant and equipment – proceeds before intended use; and
- Annual Improvements to IFRS Standards 2018-2021 Cycle: amendments to IFRS 1 'First-time Adoption of International Financial Reporting Standards', IFRS 9 'Financial Instruments', IFRS 16 'Leases' and IAS 41 'Agriculture'.

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

2. Going concern

Despite the ongoing volatility seen across financial markets as a result of the COVID-19 pandemic, including inflationary pressures and monetary and fiscal policies, we have continued to operate substantially as normal. Management fee profitability has continued to grow and performance fee earnings for the year are strong. Although COVID-19 has not had a significant or ongoing adverse impact on us to date, its impact on our operating arrangements, including access to capital and liquidity, is subject to ongoing review by the directors and senior management. This includes assessment of our medium-term financial plan and capital and liquidity plan, which are built by aggregating expected business performance, including rigorous downside scenario testing. We continue to have a strong cash (Note 11) and capital position, and our business typically has good conversion of profits into cash flows, which helps protect the business in stressed scenarios. Further discussion in relation to COVID-19 is included in the Chief Executive Officer's review and the Risk management and People and culture sections of the Strategic report on pages 16, 31 and 38 respectively.

The directors consider that we are well placed to manage business and financial risks in the current economic environment and have concluded that there is a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Group financial statements have been prepared on a going concern basis.

3. Judgemental areas and accounting estimates

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. We continually evaluate our estimates and judgements based on historical experience and expectations of future events that are considered reasonable in the circumstances. These judgements and estimates are an area of focus for the Board and, in particular, the Audit and Risk Committee.

Critical judgements

Man Group acts as the investment manager/adviser to fund entities. The most significant area of judgement is whether we control certain of those fund entities to which we are exposed via either direct investment holdings, total return swaps, or sale and repurchase arrangements. We assess such relationships on an ongoing basis to determine whether we control each fund entity and therefore consolidate them into our results (Note 14).

Critical accounting estimates

The directors have considered the estimates and assumptions used in the preparation of the Group financial statements, which include estimates and assumptions used in the assessment for impairment of goodwill, right-of-use lease assets, pension and deferred tax assets, and in the valuation of certain tax liabilities and provisions. The directors have also considered the possible impact of climate change on such estimates and assumptions, as detailed in the TCFD sub-section of the Our policies and practices section and the Responsible business section of the Strategic report. Other than the valuation of the net pension asset (Note 24), the directors have concluded 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 our assets and liabilities within the next financial year.

4. Revenue

Accounting policy

Fee income is our primary source of revenue, which is derived from the investment management agreements that we have in place with the fund entities or the accounts that we manage.

Management and other fees (net of rebates), which include all non-performance related fees, are recognised in the period in which contractual investment management services are provided and do not include any other performance obligations. Fees are generally based on an agreed percentage of NAV or AUM and are typically charged in arrears and receivable within one month.

Performance fees (net of rebates) relate to the performance of the funds or managed accounts managed during the year and are recognised when the performance obligation has been met, whereby the fee has crystallised and can be reliably estimated. This is generally at the end of the performance period or upon early redemption by an investor. Until the performance period ends, market movements could significantly move the NAV of the fund products. 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, at which point an investor's investment surpasses the high-water mark. For long-only strategies, performance fees are 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 period in which the associated fees for services are provided. Rebates are presented net within management and other fees and performance fees in the Group income statement.

Management and other fees for the period increased to \$914 million from \$762 million in 2020, driven by strong performance and positive net AUM flows.

Performance fee revenue was \$567 million compared to \$177 million in 2020, driven by strong performance in the year across a range of strategies.

5. Distribution costs

Accounting policy

Distribution costs, which are paid to external intermediaries for marketing and investor servicing, largely in relation to retail investors, are variable with AUM and the associated management fee revenue. Distribution costs are expensed over the period in which the service is provided.

6. Asset servicing costs

Accounting policy

Asset servicing includes custodial, valuation, fund accounting, registrar, research and administration functions performed by third parties under contract to Man Group, on behalf of the funds or managed accounts, as well as market data required to perform those services. 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.

Notes to the Group financial statements continued

7. Compensation costs

Accounting policy

Compensation is our largest cost and an important component of our ability to retain and attract talent. In the short term, the variable component of compensation adjusts with revenues and profitability.

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.

Compensation can be deferred by way of both equity-settled share-based payment schemes as well as fund product-based compensation arrangements. Details of share-based deferred compensation are set out in Note 26. Where deferred compensation is invested in fund products managed by us, 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 grant to vest period, with a corresponding liability. We generally elect to separately purchase the equivalent fund investments at grant date to offset any associated change in the deferred compensation due (Note 14), and at 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 an award is forfeited, the cumulative charge recognised in the Group income statement is reversed in full. Details of our hedge accounting arrangements relating to deferred fund product awards are provided in Note 16.

Pension costs relate to our defined contribution and defined benefit plans (Note 24).

	2021 \$m	2020 \$m
Salaries	169	163
Variable cash compensation	266	167
Deferred compensation: share-based payment charge (Note 26)	39	20
Deferred compensation: fund product-based payment charge	54	54
Social security costs	54	34
Pension costs (Note 24)	14	13
Total compensation costs	596	451
Made up of:		
Fixed compensation: salaries and associated social security costs, and pension costs	208	194
Variable compensation: variable cash compensation, deferred compensation and associated social security costs	388	257

Total compensation costs have increased by 32% compared to 2020 due to the higher levels of management and performance fee revenues year on year, which drove increased variable cash compensation.

The increase in salaries was driven by the less favourable sterling (GBP) to USD achieved exchange rates, which averaged 1.38 compared with 1.29 in 2020 and increased these by around \$9 million.

The share-based payment charge increased by \$19 million in the year, predominantly due to accelerated vesting charges for certain performance-linked share awards.

The unamortised deferred compensation at year end is \$52 million (2020: \$66 million) and has a weighted average remaining vesting period of 1.4 years (2020: 1.8 years).

Average headcount

The table below provides average headcount by function, including directors, employees, partners and contractors.

	2021	2020
Investment management	388	379
Sales and marketing ¹	218	196
Technology and infrastructure ^{1,2}	847	881
Average headcount	1,453	1,456
Headcount at 31 December	1,498	1,444

Notes:

- Staff performing client service and portfolio analysis functions have been included within sales and marketing in the year ended 31 December 2021. Previously these staff were included within technology and infrastructure headcount.
- Includes all staff performing technology-based roles, including those supporting the investment management side of our business.

8. Other costs

	2021 \$m	2020 \$m
Technology and communications	22	25
Audit, tax, legal and other professional fees	21	20
Occupancy	18	14
Staff benefits	14	14
Temporary staff, recruitment, consultancy and managed services	13	9
Insurance	7	5
Marketing and sponsorship	4	2
Travel and entertainment	2	2
Other cash costs, including irrecoverable VAT	18	11
Total other costs before depreciation and amortisation	119	102
Depreciation of leasehold improvements and equipment, and amortisation of other intangibles	29	26
Depreciation of right-of-use lease assets (Note 18)	17	22
Total other costs	165	150

Other costs, before depreciation and amortisation, increased by \$17 million in 2021. Higher levels of hiring, partly due to growth in the business, saw an increase in recruitment and temporary staff costs, and occupancy costs rose due to the additional costs incurred in relation to the vacant sub-let space in our London office (see further details in Note 18.2). Costs were further impacted by the less favourable GBP to USD achieved exchange rates (see Note 7), which increased 2021 other costs comparatively by around \$5 million.

Auditor's remuneration, including professional services, is disclosed in the Audit and Risk Committee report on page 95.

9. Finance expense and finance income

	2021 \$m	2020 \$m
Finance expense:		
Unwind of lease liability discount (Note 18)	(12)	(12)
Unwind of contingent consideration discount (non-core item per page 183)	-	(2)
Other finance expense	(2)	(2)
Total finance expense	(14)	(16)
Finance income:		
Interest on cash deposits	1	2
Total finance income	1	2
Net finance expense	(13)	(14)

Notes to the Group financial statements continued

10. 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. Further details of our deferred tax expense, assets and liabilities are included in Note 21.

	2021 \$m	2020 \$m
Current tax		
UK corporation tax on profits	86	39
Foreign tax	14	2
Adjustments to tax charge in respect of previous years	(1)	1
Current tax expense	99	42
Deferred tax		
Origination and reversal of temporary differences	5	(1)
Adjustments to tax charge in respect of previous years	(1)	–
Deferred tax expense (Note 21)	4	(1)
Total tax expense	103	41

What factors affect the tax expense for the year?

The majority of our profits in the period were earned in the UK, Switzerland and the US. Our tax expense is lower (2020: higher) than the amount that would arise using the theoretical tax rate applicable to our profits as follows:

	2021 \$m	2020 \$m
Profit before tax	590	179
Theoretical tax expense at UK rate: 19% (2020: 19%)	112	34
Effect of:		
Overseas tax rates compared to UK	1	(1)
Adjustments to tax charge in respect of previous years	(2)	1
(Recognition)/derecognition of US deferred tax assets (Note 21)	(2)	8
Impact of change in UK tax rate	(4)	–
Other	(2)	(1)
Tax expense	103	41

Except for the above items, our current effective tax rate of 17% (2020: 23%) is broadly consistent with our earnings profile.

What factors affect our future tax charges?

The principal factors which may influence our future tax rate are changes in tax regulation in the territories in which we operate, the mix of income and expenses earned and incurred by jurisdiction, and the consumption of available deferred tax assets.

The OECD has published a draft Inclusive Framework to support the introduction of global minimum tax rates. Governments are consulting on how to implement the Framework with the expectation that legislation and regulations will take effect in 2023. Pending further guidance on the potential outcomes of the consultation, it is not currently practicable to assess the impact of the Framework on our future tax charges.

11. Cash and liquidity

Accounting policy

Cash and cash equivalents comprise cash and short-term investments in money market funds or bank deposits with an original maturity of three months or less. Cash and cash equivalents are measured at amortised cost, which is approximately equal to fair value. Cash is invested in accordance with strict limits consistent with the Board's risk appetite, which consider both the security and availability of liquidity. Accordingly, cash is held in on-demand and short-term bank deposits and money market funds, and at times invested in short-term US Treasury bills (which meet the definition of cash). 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.

	2021 \$m			2020 \$m		
	Less than 1 year	Greater than 1 year	Total	Less than 1 year	Greater than 1 year	Total
Cash and cash equivalents	387	–	387	351	–	351
Cash held by consolidated fund entities (Note 14.2)	(64)	–	(64)	(62)	–	(62)
Available cash and cash equivalents	323	–	323	289	–	289
Undrawn committed revolving credit facility	–	500	500	–	500	500
Total liquidity	323	500	823	289	500	789

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.

Cash and cash equivalents

Available cash and cash equivalents of \$323 million (2020: \$289 million) at 31 December 2021 comprise cash at bank of \$189 million (2020: \$161 million), short-term deposits of \$24 million (2020: \$128 million) and investments in money market funds of \$110 million (2020: nil), and include \$29 million (2020: \$32 million) of cash ring-fenced for regulated entities. At 31 December 2021, the \$323 million available cash and cash equivalents balance is held with 14 banks (2020: \$289 million with 15 banks). The single largest counterparty bank exposure of \$85 million is held with an AA- rated bank (2020: \$103 million with an A rated bank). At 31 December 2021, balances with counterparties in the AAA, AA and A ratings bands aggregate to \$51 million (2020: nil), \$154 million (2020: \$7 million) and \$118 million (2020: \$282 million) respectively.

Committed revolving credit facility

Our \$500 million committed revolving credit facility (RCF), which incorporates an ESG target-linked interest rate component and does not include financial covenants in order to maintain maximum flexibility, was undrawn at 31 December 2021 (2020: undrawn), having been drawn for a period of a month in May 2021. The RCF was put in place in December 2019 as a five-year facility but has since been extended and, due to the exercise of the final one-year extension option in 2021, is now scheduled to mature in December 2026.

Intra-day and overnight credit facilities

We guarantee the obligations under the \$100 million intra-day (2020: \$100 million) and \$25 million overnight credit facilities (2020: \$25 million) used to settle the majority of our banking arrangements. At 31 December 2021, the exposures under both the intra-day and overnight facilities are nil (2020: nil). The fair value of these commitments has been determined to be nil (2020: nil).

Notes to the Group financial statements continued

12. Fee and other receivables

Accounting policy

Fee and other receivables are initially recorded at fair value and subsequently measured at amortised cost using the effective interest rate method, except for derivatives (measured at fair value through profit and loss) and prepayments. Fee receivables and accrued income relate to management and performance fees and are received in cash following finalisation of the NAVs of the underlying funds or managed accounts. The majority of fees are deducted from the NAVs of the respective funds by the independent administrators and therefore the credit risk of fee receivables is minimal.

	2021 \$m	2020 \$m
Fee receivables	18	16
Accrued income	355	238
Collateral posted with derivative counterparties	29	27
Receivables from Open Ended Investment Collective (OEIC) funds ¹	25	33
Prepayments	16	15
Other fund receivables	11	17
Derivative financial instruments (Note 16)	5	4
Sub-lease rental income receivable	2	5
Receivables relating to consolidated fund entities (Note 14.2)	5	4
Other receivables	19	27
	485	386

Note:

¹ For the OEIC funds businesses we act as the intermediary for the collection of subscriptions due from customers and payable to the funds, and for redemptions receivable from funds and payable to customers. The unsettled fund payable is recorded in trade and other payables (Note 13).

The increase in accrued income in 2021 largely relates to the year-on-year increase in performance fee revenues which crystallised at 31 December, with the associated balance at year end of \$241 million compared to \$141 million in 2020.

No balances are overdue and, under the expected credit loss model of IFRS 9 'Financial Instruments', no impairment has been recognised at 31 December 2021 (2020: nil). Included in fee and other receivables at 31 December 2021 are balances of \$3 million (2020: \$4 million) which are expected to be settled after more than 12 months.

13. Trade and other payables

Accounting policy

Trade and other payables are initially recorded at fair value, which is usually the invoiced amount, and subsequently measured at amortised cost using the effective interest rate method, except for derivatives which are measured at fair value through profit and loss.

	2021 \$m	2020 \$m
Trade payables	5	7
Accruals	453	326
Share repurchase liability	109	64
Payables under repo arrangements	64	56
Payables to OEIC funds ¹	25	33
Derivative financial instruments (Note 16)	5	18
Tax and social security	5	13
Other fund payables	-	5
Contingent consideration	-	2
Payables relating to consolidated fund entities (Note 14.2)	19	27
Other payables	17	23
	702	574

Note:

¹ For the OEIC funds businesses we act as the intermediary for the collection of subscriptions due from customers and payable to the funds, and for redemptions receivable from funds and payable to customers. The unsettled fund receivable is recorded in fee and other receivables (Note 12).

The increase in accruals in 2021 is driven by the higher levels of performance fee revenues which crystallised at 31 December, which drove an increase in associated variable compensation cost accruals at year end of \$373 million compared to \$253 million in 2020.

Payables under repo arrangements relate to obligations to repurchase seed investments as detailed in Note 14.1. The share repurchase liability is the remaining liability relating to the first tranche of the share repurchase announced in December 2021 (2020: announced in September 2020), as detailed in Note 27.

Included in trade and other payables at 31 December 2021 are balances of nil (2020: \$3 million) which are expected to be settled after more than 12 months.

14. Investments in fund products and other investments

Accounting policy

Investments in fund products are classified at fair value through profit or loss, with net gains due to movements in fair value recognised through income or gains on investments and other financial instruments. The fair values of investments in fund products are typically derived from the reported NAVs of each of the fund products, which in turn are based upon the value of the underlying assets held within each of the fund products. 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. Whilst these valuations are performed independently of Man Group, we have established oversight procedures and due diligence processes to ensure that the NAVs reported by the external valuation service providers are reliable and appropriate. Purchases and sales of investments are recognised on trade date.

Our holdings in collateralised loan obligation (CLO) risk retention assets are priced using a bottom-up valuation method. We use third-party valuations to price the securities within the underlying portfolios and then apply these valuations in proportion to the percentage of the CLO notes we hold. Holdings in subordinated tranches of CLOs are valued using an average of third-party valuations.

The fair value hierarchy of financial assets is disclosed in Note 15.

Seed 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 (Note 13). Under a TRS arrangement we are under no form of repayment obligation and have no ownership interest (or voting rights) in the underlying investment. In exchange for the returns on the underlying seed investments, we pay a floating rate of interest.

Consolidation

The control considerations under IFRS 10 'Consolidated Financial Statements' apply to fund product investments, including those underlying our repo and TRS instruments, and therefore we may similarly be required to consolidate them.

Having considered all significant aspects of our relationships with fund entities, although we manage the assets of certain fund entities, we only obtain more than limited exposure to the variable returns of those fund entities, and thus the characteristics of control are only met, where we either hold an investment in the fund entity or receive the returns on 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/adviser; the influence of investors; limited exposure to variable returns; and the arm's length nature of our contracts with the fund entities, indicate that we do not control them, and their associated assets, liabilities and results should not be consolidated into the Group financial statements.

Fund entities deemed to be controlled (Note 14.2) are consolidated on a line-by-line from the date control commences until it ceases. Where we are not deemed to control the fund, the investment in the fund is classified within investments in fund products (Note 14.1).

Fund investments held for deferred compensation arrangements

Fund product investments related to deferred compensation arrangements are held to offset any change in deferred compensation over the vesting period, and at vesting the value of the fund investment is delivered to the employee. Fund product investments are recorded at fair value. Any gains or losses during the vesting period are recognised as income or gains on investments and other financial instruments in the Group income statement, or alternatively these are accounted for as cash flow hedges as outlined in Note 16. These include balances held by the Employee Trust (Note 25).

	Note	2021 \$m	2020 \$m
Financial assets at fair value through profit or loss			
Investments in fund products	14.1	422	332
Investments in consolidated funds: transferrable securities	14.2	549	452
Other investments		3	3
Investments in fund products and other investments		974	787
Less:			
Fund investments held for deferred compensation arrangements		(119)	(119)
Investments in consolidated funds: exclude consolidation gross-up of net investment	14.2	(204)	(180)
Other investments		(3)	(3)
Seeding investments portfolio		648	485

Notes to the Group financial statements continued

14. Investments in fund products and other investments continued

14.1. Investments in fund products

At 31 December 2021, exposure to fund products via repo arrangements (included within investments in fund products above, with an offsetting repayment obligation included within trade and other payables in Note 13) was \$64 million (2020: \$56 million), and additional exposure via TRS was \$108 million (2020: \$50 million). The largest single investment in fund products at 31 December 2021 was \$45 million (2020: \$48 million). The exposure to market risk on these investments is outlined in Note 16.

Income or gains on investments and other financial instruments comprises the following:

	Note	2021 \$m	2020 \$m
Net gains on seeding investments portfolio		24	21
Consolidated fund entities: gross-up of net gains on investments (see core reclassification per page 186)	14.2	12	26
Unrealised foreign exchange gain/(loss) on lease liabilities, pension and associated deferred tax (non-core item per page 183)		3	(6)
Net gains/(losses) on fund investments held for deferred compensation and other investments		3	(1)
Income or gains on investments and other financial instruments		42	40

14.2. Consolidation of investments in funds

In 2021, 26 (2020: 19) funds in which we have an investment meet the control criteria and have therefore been consolidated on a line-by-line basis.

The investments relating to consolidated funds are included within the Group balance sheet and income statement as follows:

	2021 \$m	2020 \$m
Balance sheet		
Cash and cash equivalents	64	62
Transferable securities ¹	549	452
Fees and other receivables	5	4
Trade and other payables	(19)	(27)
Net assets of consolidated fund entities	599	491
Third-party interest in consolidated funds	(254)	(219)
Net investment held by Man Group	345	272
Income statement		
Net gains on investments ²	32	53
Management fee expenses ³	(3)	(2)
Performance fee expenses ³	(2)	(2)
Other costs	(4)	(5)
Net gains of consolidated fund entities	23	44
Third-party share of gains relating to interests in consolidated funds	(3)	(17)
Gains attributable to net investment held by Man Group	20	27

Notes:

1 Included within investments in fund products and other investments.

2 Included within income or gains on investments and other financial instruments.

3 Relate to management and performance fees paid by the funds to Man Group during the year, which are eliminated within management and other fees and performance fees respectively in the Group income statement.

15. 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).

A transfer into Level 3 would be deemed to occur where the level of prolonged activity, as evidenced by subscriptions and redemptions, is deemed insufficient to support a Level 2 classification. This, as well as other factors such as a deterioration of liquidity in the underlying investments, would result in a Level 3 classification.

The fair value of our financial assets and liabilities which are held at fair value through profit and loss can be analysed as follows:

	2021 \$m				2020 \$m			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets held at fair value:								
Investments in fund products and other investments (Note 14)	3	243	179	425	3	170	162	335
Investments in consolidated funds (Note 14)	–	538	11	549	–	435	17	452
Derivative financial instruments (Note 12)	–	5	–	5	–	4	–	4
	3	786	190	979	3	609	179	791
Financial liabilities held at fair value:								
Derivative financial instruments (Note 13)	–	5	–	5	–	18	–	18
Contingent consideration (Note 13)	–	–	–	–	–	–	2	2
	–	5	–	5	–	18	2	20

During the year, there were no significant changes in the business or economic circumstances that affected the fair value of our financial assets and no significant transfers of financial assets or liabilities held at fair value between categories. For investments in fund products, Level 2 investments 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, as described in Note 14. The material holdings within the Level 3 category relate to CLO risk retention assets and subordinated tranches of CLOs which are priced in accordance with the methodologies set out in Note 14 and rely, in part, on unobservable input valuations. The effect of using reasonably possible alternative input assumptions would not result in a significant change to the carrying value.

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

	2021 \$m		2020 \$m	
	Assets	Liabilities	Assets	Liabilities
Level 3 financial assets/(liabilities) held at fair value through profit or loss				
At beginning of the year	179	(2)	204	(24)
Transfers into Level 3	9	–	–	–
Purchases	17	–	–	–
(Charge)/credit to Group income statement	(7)	2	10	20
Sales or settlements	(2)	–	(17)	2
Change in consolidated fund entities held	(6)	–	(18)	–
At year end	190	–	179	(2)

The revaluation of contingent consideration in the Group income statement is an adjustment to the fair value of acquisition earn-out payments.

Notes to the Group financial statements continued

16. Market risks and derivatives

Accounting policy

Derivatives

We use derivative financial instruments in certain circumstances to manage market risk. These are measured at fair value through profit and loss and included in derivative financial instruments within fee and other receivables (Note 12) and trade and other payables (Note 13), including any unrealised gains and losses on these derivatives. These consist primarily of market risk hedges on some of our seeding positions (Note 14) and foreign exchange contracts.

Hedge accounting

We have elected to apply cash flow hedge accounting to fund investments held for deferred fund product awards (Note 14) granted from 1 January 2020, whereby the offsetting gains or losses on these fund products are matched against the corresponding fund product-based payment compensation charge in the Group income statement pro rata over the vesting period (Note 7). Unmatched gains or losses are recognised through other comprehensive income and held within the cash flow hedge reserve in equity until they are recycled over the vesting period into the Group income statement.

We apply net investment hedge accounting to hedge the net assets of material subsidiaries that have a functional currency other than USD, whereby gains or losses on derivative financial instruments are recycled from the Group income statement through other comprehensive income to the foreign currency translation reserve in equity to offset any currency translation of the net assets of these subsidiaries.

As in 2020, all derivatives are held with counterparties with ratings of A or higher and mature within one year.

How do we manage market risk arising from investments in funds?

Investments in fund products (Note 14) expose us to market risk and therefore this process is subject to 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 using a 95% confidence interval and one-year time horizon. The value at risk is estimated to be \$42 million at 31 December 2021 (2020: \$24 million).

During the year, there were \$9 million net realised and unrealised losses arising from market risk hedges (2020: \$10 million), and the notional value of market risk derivative financial assets and liabilities held at 31 December 2021 is \$148 million (2020: \$33 million) and \$112 million (2020: \$131 million) respectively.

For deferred fund product-based compensation, we generally hold an investment in the associated fund product to hedge the market movement from grant to vest.

How do we manage foreign exchange rate risk?

We are subject to risk from changes in foreign exchange rates on monetary assets and liabilities. In certain circumstances, we use derivative financial instruments, specifically forward foreign exchange contracts, to hedge our risk associated with foreign exchange movements.

During the year, there were \$3 million of net realised and unrealised foreign exchange gains (2020: \$6 million net realised and unrealised losses) recognised in the Group income statement through income or gains on investments and other financial instruments, which include the netting effects of hedging outlined below. This primarily comprises a \$2 million unrealised gain (2020: \$7 million unrealised loss) relating to the revaluation of our \$238 million (2020: \$255 million) unhedged GBP lease liability (Note 18), in addition to those unrealised foreign exchange movements in the pension and associated deferred tax (a non-core item on page 183).

During the year there were \$13 million net realised and unrealised gains arising from foreign exchange hedges (2020: \$23 million losses) and the notional value of foreign exchange derivative financial assets and liabilities held at 31 December 2021 is \$123 million (2020: \$417 million) and \$364 million (2020: \$400 million) respectively.

In addition, in 2020 we recognised a non-cash gain of \$17 million in relation to the liquidation of non-USD functional currency subsidiaries, whereby the related movements in the cumulative translation adjustment reserve within equity are recycled to the Group income statement upon disposal.

The table below reflects the currency profile of our significant foreign currency (non-USD) monetary assets and liabilities after the impact of hedging:

	2021 \$m	2020 \$m
Sterling	(208)	(257)

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 \$21 million (2020: \$23 million), with a corresponding impact on equity. This exposure is based on our USD balances held by non-USD functional currency entities and non-USD balances held by USD functional currency entities at 31 December.

How do we manage interest rate risk?

We are subject to risk from changes in interest rates on monetary assets and liabilities. In respect of our monetary assets and liabilities which earn/incur interest indexed to floating rates, as at 31 December 2021 a 50 basis point increase/decrease in these rates, with all other variables held constant, would have resulted in a \$1 million increase/decrease (2020: \$1 million) in net interest income.

17. 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 over the shorter of the life of the lease and the improvement (up to 24 years) and for equipment is between three and ten years. Leasehold improvements relating to right-of-use lease assets classified as investment property are presented within Note 18.

	2021 \$m			2020 \$m		
	Leasehold improvements	Equipment	Total	Leasehold improvements	Equipment	Total
Cost at beginning of the year	58	59	117	41	100	141
Additions	14	12	26	4	8	12
Disposals	–	(7)	(7)	–	(49)	(49)
Transfer from investment property to leasehold improvements	–	–	–	16	–	16
Transfer from leasehold improvements to investment property	(2)	–	(2)	(3)	–	(3)
Cost at year end	70	64	134	58	59	117
Accumulated depreciation and impairment at beginning of the year	(44)	(43)	(87)	(29)	(83)	(112)
Disposals	–	7	7	–	48	48
Transfer from investment property to leasehold improvements	–	–	–	(14)	–	(14)
Transfer from leasehold improvements to investment property	2	–	2	3	–	3
Depreciation	(3)	(10)	(13)	(4)	(8)	(12)
Accumulated depreciation and impairment at year end	(45)	(46)	(91)	(44)	(43)	(87)
Net book value at beginning of the year	14	16	30	12	17	29
Net book value at year end	25	18	43	14	16	30

18. Leases

18.1. Man Group as lessee

Accounting policy

Our lease arrangements 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.

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 (Note 8). 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 that are due over the lease term, discounted using our incremental cost of borrowing at the lease commencement or modification date (being the rate we would have to pay to finance a similar asset). 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 (Note 9).

Cash payments in relation to leases, which reduce the lease liability recognised on the Group balance sheet, are presented as unwind of lease liability discount (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.

Notes to the Group financial statements continued

18. Leases continued

18.1. Man Group as lessee

Right-of-use lease assets

	2021 \$m			2020 \$m		
	Leasehold property	Investment property	Total	Leasehold property	Investment property	Total
Cost at beginning of the year	168	240	408	137	305	442
Additions	4	5	9	3	–	3
Disposals	(15)	–	(15)	(2)	–	(2)
Transfer from leasehold property to investment property	(9)	9	–	(12)	12	–
Transfer from investment property to leasehold property	–	–	–	64	(64)	–
Transfer from investment property to leasehold improvements (Note 17)	–	–	–	–	(16)	(16)
Transfer from leasehold improvements to investment property (Note 17)	–	2	2	–	3	3
Early exercise of break clause ¹	–	–	–	(22)	–	(22)
Remeasurement of lease liability	(2)	–	(2)	–	–	–
Cost at year end	146	256	402	168	240	408
Accumulated depreciation and impairment at beginning of the year	(94)	(162)	(256)	(58)	(164)	(222)
Disposals	14	–	14	2	–	2
Transfer from leasehold property to investment property	4	(4)	–	5	(5)	–
Transfer from investment property to leasehold property	–	–	–	(31)	31	–
Transfer from investment property to leasehold improvements (Note 17)	–	–	–	–	14	14
Transfer from leasehold improvements to investment property (Note 17)	–	(2)	(2)	–	(3)	(3)
Impairment	–	(3)	(3)	–	(25)	(25)
Depreciation (Note 8)	(9)	(8)	(17)	(12)	(10)	(22)
Accumulated depreciation and impairment at year end	(85)	(179)	(264)	(94)	(162)	(256)
Net book value at beginning of the year	74	78	152	79	141	220
Net book value at year end	61	77	138	74	78	152

Note:

¹ Due to the lease surrender and exit of our principal sub-tenant from our main London leased premises in 2020, we exercised a break clause on our secondary London premises in order to bring all our London staff together in one location from 2021. This lease modification had the impact of reducing the right-of-use lease asset in 2020 in line with the associated reduction in lease liability, as included in the lease liability movements below.

Lease liability

The maturity of our contractual undiscounted cash flows for the lease liability is as follows:

	2021 \$m	2020 \$m
Within one year	25	32
Between one and five years	103	105
Between five and ten years	138	122
Between ten and 15 years	105	111
After 15 years	5	–
Undiscounted lease liability at year end	376	370
Discounted lease liability at year end	250	272

At 31 December 2021 \$236 million (2020: \$253 million) of our total discounted lease liability relates to our main premises in London (expiring in 2035) and is denominated in GBP. The revaluation of this GBP lease liability (which is unhedged as outlined in Note 16) into USD, the lessee's functional and Man Group's presentation currency, may result in large unrealised gains or losses in the Group income statement and therefore these non-cash movements have been classified as a non-core item (see page 183).

Movements in our lease liability are as follows:

	2021 \$m	2020 \$m
At beginning of the year	272	307
Additions	4	2
Disposals	(1)	–
Cash payments	(33)	(34)
Unwind of lease liability discount (Note 9)	12	12
Early exercise of break clause	–	(22)
Remeasurement	(2)	–
Unrealised foreign exchange (gain)/loss	(2)	7
At year end	250	272

18. Leases continued

18.2. Man Group as lessor (investment property)

Accounting policy

Man Group acts as lessor in respect of certain ROU lease assets which are in turn sub-let (investment property ROU lease assets), which are classified as operating leases under IFRS 16 '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 for 2021 was \$6 million (2020: \$7 million). In June 2020 the principal sub-tenant of our main London office paid us cash of \$26 million in order to terminate their lease early, which was offset by an associated non-cash deferred rent write-off of \$8 million and resulted in a net accounting gain on lease surrender of \$18 million. The surrender gain represented payment for sub-lease rental risk and other costs taken on as a result of this agreement. The portion of this gain relating to future lost sub-lease rental income was deferred from 2020 to 2021 through non-core items (see page 183).

Operating expenses of \$6 million (2020: \$3 million) arising from investment property that did not generate rental income during the period are included within other costs (Note 8).

At 31 December 2021, the contractual undiscounted operating lease payments receivable from the sub-leases of our investment property ROU lease assets are as follows:

	2021 \$m	2020 \$m
	Total	Total
Within one year	6	7
Between one and two years	6	6
Between two and three years	6	6
Between three and four years	5	6
Between four and five years	–	5
	23	30

Fair value of investment property and impairment

Investment property ROU lease assets with a carrying value of \$77 million at 31 December 2021 (2020: \$78 million) have a fair value of \$94 million (2020: \$86 million), which is equivalent to their value in use. The increase in fair value is largely due to the vacancy-related costs incurred in 2021 no longer being included in the forecast period.

At 31 December 2020, we assessed our investment property ROU lease asset for impairment as a result of the sub-let vacancy created by the lease surrender of our principal sub-tenant coinciding with the London commercial property market uncertainty due to COVID-19. The value in use calculations used cash flow projections out to the end of the head lease, based on current sub-lease agreements and estimates for future rentals. The assumptions applied in the value in use calculations were derived from past experience and assessment of current market inputs, with the market property yield discount rate then applied to the modelled cash flows. The assessment resulted in an impairment of our investment property ROU lease assets of \$25 million at 31 December 2020.

Due to our exit from occupying the remaining portion of the space available for sub-lease during 2021, the associated ROU lease asset and leasehold improvements were reclassified as investment property. This also resulted in the recognition of a further \$3 million impairment of our ROU lease asset during the year. There are no other indicators of impairment which would change our previous recoverability assessment.

Notes to the Group financial statements continued

19. Goodwill and acquired intangibles

Accounting policy

Goodwill

Goodwill represents the excess of consideration transferred over the fair value of identifiable net assets of the acquired business at the date of acquisition. Goodwill is carried on the Group balance sheet at cost less accumulated impairment, has an indefinite useful life, is not subject to amortisation and is tested for impairment annually, or whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment expense is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amounts of our cash-generating units (CGUs) or groups of CGUs are assessed each year using a value in use calculation.

Goodwill does not generate cash flows independently of other groups of assets and thus is assigned to a CGU or group of CGUs for the purposes of impairment testing. The groups of CGUs are based upon how management monitors the business and represent the lowest level to which goodwill can be allocated on a reasonable basis. For impairment review purposes, from 31 December 2021 we have identified one group of CGUs, comprising the aggregate of the AHL, GLG, Numeric and FRM CGUs. The combination of these CGUs for the purpose of goodwill impairment testing reflects the completed integration of legacy acquisitions and the cohesion of our liquid investment offerings, which aligns with how management now consider the value and goodwill in the business. Our private markets CGU (GPM) no longer has any goodwill allocated to it as a result of the full impairment of this balance in 2020.

The value in use calculation at 31 December 2021 uses cash flow projections based on the Board-approved financial plan for the year to 31 December 2022 and a further two years of projections (2023 and 2024), plus a terminal value. The valuation analysis is based on best practice guidance whereby a terminal value is calculated at the end of a short 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 2024 and applying the mid-point of a range of historical multiples to the forecast cash flows associated with management and performance fee profits.

The value in use calculation is presented on a post-tax basis, consistent with the prior year, given most comparable market data is available on a post-tax basis. This is not significantly different to its pre-tax equivalent.

Acquired intangibles

Following initial recognition, acquired intangibles are held at cost less accumulated amortisation and impairment. Acquired intangibles comprise investment management agreements and related client relationships (IMAs), distribution channels and brand names acquired in a business combination, and are initially recognised at fair value based on the present value of the expected future cash flows and are amortised on a straight-line basis over their expected useful lives, which are between three and 13 years (IMAs and brands), and eight and 12 years (distribution channels). Acquired intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Disposals of acquired intangibles are recognised in the year the related cash inflows cease.

	2021 \$m					2020 \$m				
	Goodwill	IMAs	Distribution channels	Brand names	Total	Goodwill	IMAs	Distribution channels	Brand names	Total
Cost at beginning of the year	2,429	857	58	41	3,385	2,422	857	58	41	3,378
Disposals	-	(19)	(2)	(1)	(22)	-	-	-	-	-
Currency translation	(4)	-	-	-	(4)	7	-	-	-	7
Cost at year end	2,425	838	56	40	3,359	2,429	857	58	41	3,385
Accumulated amortisation and impairment at beginning of the year	(1,837)	(721)	(47)	(38)	(2,643)	(1,781)	(664)	(43)	(36)	(2,524)
Amortisation	-	(56)	(4)	(1)	(61)	-	(57)	(4)	(2)	(63)
Impairment	-	-	-	-	-	(55)	-	-	-	(55)
Disposals	-	19	2	1	22	-	-	-	-	-
Currency translation	1	-	-	-	1	(1)	-	-	-	(1)
Accumulated amortisation and impairment at year end	(1,836)	(758)	(49)	(38)	(2,681)	(1,837)	(721)	(47)	(38)	(2,643)
Net book value at beginning of the year	592	136	11	3	742	641	193	15	5	854
Net book value at year end	589	80	7	2	678	592	136	11	3	742

19. Goodwill and acquired intangibles continued

Goodwill impairment: what assumptions have we used?

The recoverable amount of each CGU or group of CGUs (the value in use) to which goodwill has been allocated has been assessed at each year end. The key assumptions applied to the value in use calculations are provided below.

There were no indicators of impairment of our liquid manager CGUs at 31 December 2021. The combination of these CGUs from 31 December 2021 for the purpose of impairment testing, as outlined on page 164, does not impact the level of impairment recognised in the year.

Key assumptions at 31 December 2021:	Liquid managers
Compound average annualised growth in AUM (over three years)	6%
Discount rate	
– Management fees ¹	11%
– Performance fees ²	17%
Terminal value (mid-point of range of historical multiples) ³	
– Management fees	13.0x
– Performance fees	5.5x

Notes:

- The pre-tax equivalent of the net management fees discount rate is 14%.
- The pre-tax equivalent of the net performance fees discount rate is 21%.
- The implied terminal growth rate is 4%. The terminal value is added to cash flow projections based on the Board-approved financial plan for the year to 31 December 2022 and a further two years of projections (2023 and 2024), and discounted.

Key assumptions at 31 December 2020:	AHL	GLG	Numeric	FRM	GPM
Compound average annualised growth in AUM (over three years)	10%	4%	2%	(3%)	13%
Discount rate					
– Management fees ¹	11%	11%	11%	11%	15%
– Performance fees ²	17%	17%	17%	17%	21%
Terminal value (mid-point of range of historical multiples) ³					
– Management fees	13.0x	13.0x	13.0x	5.9x	16.8x
– Performance fees	5.5x	5.5x	5.5x	3.9x	5.5x

Notes:

- The pre-tax equivalent of the net management fees discount rate is 14%, 13%, 14%, 14% and 18% for each of the AHL, GLG, Numeric, FRM and GPM CGUs, respectively.
- The pre-tax equivalent of the net performance fees discount rate is 21%, 21%, 22%, 22% and 26% for each of the AHL, GLG, Numeric, FRM and GPM CGUs, respectively.
- The implied terminal growth rates are 4%, 3%, 4%, -10%, and 9% for each of the AHL, GLG, Numeric, FRM and GPM CGUs, respectively. The terminal value is added to cash flow projections based on the Board-approved financial plan for the year to 31 December 2021 and a further two years of projections (2022 and 2023), and discounted.

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 actions that management would take if such market conditions persisted.

Annual assessment

The value in use calculation of our liquid managers at 31 December 2021 indicates a value of \$4.1 billion, with around \$3.4 billion of headroom over the carrying value of the business. Therefore, no impairment charge is deemed necessary at 31 December 2021.

Sensitivity analysis:	Compound average annualised growth in AUM			Discount rates (post-tax)		Multiples (post-tax)	
				Management fee/ performance fee	Management fee/ performance fee	Management fee/ performance fee	Management fee/ performance fee
Key assumption stressed to:	6%	4%	(4)% ¹	10%/16%	12%/18%	14.0x/6.5x	12.0x/4.5x
Modelled headroom/(impairment) (\$m)	3,380	2,940	1,340	3,480 ²	3,280 ²	3,690 ³	3,070 ³

Notes:

- Stressed by 10%, as opposed to the point of impairment, given an impairment scenario is not reasonably foreseeable.
- An increase/decrease in the value in use calculation of \$100 million.
- An increase/decrease in the value in use calculation of \$310 million.

Notes to the Group financial statements continued

19. Goodwill and acquired intangibles continued

Prior year assessment

An impairment expense of \$55 million was recognised for the year to 31 December 2020, reflecting the 30 June 2020 impairment of the GPM CGU goodwill balance in full.

AHL CGU

Sensitivity analysis:	Compound average annualised growth in AUM			Discount rates (post-tax)		Multiples (post-tax)	
				Management fee/performance fee		Management fee/performance fee	
Key assumption stressed to:	10%	8%	0% ¹	10%/16%	12%/18%	14.0x/6.5x	12.0x/4.5x
Modelled headroom/(impairment) (\$m)	2,080	1,840	890	2,141 ²	2,019 ²	2,280 ³	1,880 ³

Notes:

- 1 Stressed by 10%, as opposed to the point of impairment, given an impairment scenario is not reasonably foreseeable.
- 2 An increase/decrease in the value in use calculation of \$61 million.
- 3 An increase/decrease in the value in use calculation of \$200 million.

GLG CGU

Sensitivity analysis:	Compound average annualised growth in AUM			Discount rates (post-tax)		Multiples (post-tax)	
				Management fee/performance fee		Management fee/performance fee	
Key assumption stressed to:	4%	2%	2% ¹	10%/16%	12%/18%	14.0x/6.5x	12.0x/4.5x
Modelled headroom/(impairment) (\$m)	21	–	–	23 ²	19 ²	30 ³	12 ³

Notes:

- 1 Stressed in a downside scenario to determine the point at which headroom would be reduced to nil, after which impairment would arise.
- 2 An increase/decrease in the value in use calculation of \$2 million.
- 3 An increase/decrease in the value in use calculation of \$9 million.

Numeric CGU

Sensitivity analysis:	Compound average annualised growth in AUM			Discount rates (post-tax)		Multiples (post-tax)	
				Management fee/performance fee		Management fee/performance fee	
Key assumption stressed to:	2%	0%	(8%) ¹	10%/16%	12%/18%	14.0x/6.5x	12.0x/4.5x
Modelled headroom/(impairment) (\$m)	332	306	204	346 ²	318 ²	369 ³	295 ³

Notes:

- 1 Stressed by 10%, as opposed to the point of impairment, given an impairment scenario is not reasonably foreseeable.
- 2 An increase/decrease in the value in use calculation of \$14 million.
- 3 An increase/decrease in the value in use calculation of \$37 million.

FRM CGU

Sensitivity analysis:	Compound average annualised growth in AUM			Discount rates (post-tax)		Multiples (post-tax)	
				Management fee/performance fee		Management fee/performance fee	
Key assumption stressed to:	(3%)	(5%)	(13%) ¹	10%/16%	12%/18%	6.9x/4.9x	4.9x/2.9x
Modelled headroom/(impairment) (\$m)	14	10	–	15 ²	13 ²	17 ³	11 ³

Notes:

- 1 Stressed to determine the point at which headroom would be reduced to nil, after which impairment would arise.
- 2 An increase/decrease in the value in use calculation of \$1 million.
- 3 An increase/decrease in the value in use calculation of \$3 million.

GPM CGU

Our value in use assessment at 30 June 2020 indicated an impairment of \$55 million which impaired the goodwill balance in full, driven by slower growth than planned and future fundraising delays due to COVID-19 which led to a reassessment of the forecast growth of the GPM business. The GPM value in use calculation run at 31 December 2020 indicated a value of around \$14 million, with \$2 million of headroom over the remaining carrying value.

Sensitivity analysis:	Compound average annualised growth in AUM			Discount rates (post-tax)		Multiples (post-tax)	
				Management fee/performance fee		Management fee/performance fee	
Key assumption stressed to:	13%	11%	3% ¹	14%/20%	16%/22%	17.8x/6.5x	15.8x/4.5x
Modelled headroom/(impairment) (\$m)	2	(5)	(12)	3 ²	1 ²	3 ³	1 ³

Notes:

- 1 Stressed by 10% to indicate a possible downside scenario.
- 2 An increase/decrease in the value in use calculation of \$1 million.
- 3 An increase/decrease in the value in use calculation of \$1 million.

20. Other intangibles

Accounting policy

Other intangibles relate to capitalised computer software. Following initial recognition, other intangibles are held at cost, which includes costs that are directly associated with the procurement or development of identifiable and unique software products which will generate economic benefits exceeding costs beyond one year, less accumulated amortisation and impairment. Capitalised computer software is amortised on a straight-line basis over its estimated useful life (three years), with amortisation expense included within other costs in the Group income statement. Capitalised computer software is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Additions relate to the continued investment in our operating platforms.

	2021 \$m	2020 \$m
Cost at beginning of the year	112	98
Additions	22	22
Disposals	(4)	(8)
Cost at year end	130	112
Accumulated amortisation at beginning of the year	(73)	(67)
Amortisation	(16)	(14)
Disposals	4	8
Accumulated amortisation at year end	(85)	(73)
Net book value at beginning of the year	39	31
Net book value at year end	45	39

21. 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.

Details of estimation and future tax rate uncertainty are included in Note 10.

	2021 \$m	2020 \$m
Deferred tax asset		
At beginning of the year	119	120
Charge to the Group income statement (Note 10)	–	(2)
Credit to other comprehensive income and equity	7	1
Transfer to deferred tax liabilities	4	–
Other balance sheet movements	(2)	–
At year end	128	119
Deferred tax liability		
At beginning of the year	(25)	(28)
(Charge)/credit to the Group income statement (Note 10)	(4)	3
Charge to other comprehensive income and equity	(4)	–
Transfer from deferred tax assets	(4)	–
At year end	(37)	(25)

The deferred tax asset Group income statement charge of nil (2020: \$2 million) is net of a \$2 million credit relating to the incremental recognition (2020: \$14 million expense relating to derecognition) of US deferred tax assets held on the Group balance sheet, which is explained further on page 168. The net credit to other comprehensive income and equity of \$3 million (2020: \$1 million) relates to the defined benefit pension plan (Note 24) and employee share-based payment schemes (Note 26).

The deferred tax liability of \$37 million (2020: \$25 million) largely relates to temporary differences in respect of partnership interests, unrealised gains on investments and acquired intangible assets.

Notes to the Group financial statements continued

21. Deferred tax continued

The deferred tax asset comprises:

	2021 \$m	2020 \$m
Deferred compensation	52	24
Accumulated operating losses	29	41
Tax allowances over depreciation	22	12
Future amortisation of goodwill and acquired intangible assets	14	26
Other	11	16
Deferred tax asset	128	119

Deferred tax assets arise on deferred compensation in relation to current year compensation charges which are not deductible for tax purposes until future periods. Tax allowances over depreciation relate to deferred tax on depreciation charged on qualifying tangible assets and ROU lease assets.

The gross amount of UK non-trading losses for which a deferred tax asset has not been recognised is \$25 million (2020: \$25 million). These losses are not subject to an expiration period. The gross amount of other future taxable income deductions for which a deferred tax asset has not been recognised is \$62 million (2020: \$95 million), which expire in 2024.

As set out below, we have recognised accumulated deferred tax assets in the US of \$74 million (2020: \$81 million) that will be available to offset future taxable profits. As the result of an increase in forecast future taxable profits in the US, we recognised an additional \$2 million of the available deferred tax assets in relation to state and city tax losses in 2021 (2020: derecognised \$14 million). At 31 December 2021, the unrecognised available US deferred tax assets relate to state and city tax losses for which we do not expect to realise sufficient future taxable profits to utilise before they expire. We do not currently expect to pay federal tax on any profits we may earn in the US until 2024 and accordingly any movements in the US deferred tax asset in the Group income statement are classified as a non-core item (see page 187).

US net deferred tax assets	2021 \$m	2020 \$m
Recognised		
At beginning of the year	81	89
Credit/(charge) to Group income statement:		
Recognition/(derecognition) of available tax assets	2	(14)
Other movements: (consumption)/generation	(12)	6
Credit to equity	5	–
Other balance sheet movements	(2)	–
At year end	74	81
Unrecognised		
At beginning of the year	14	–
(Credit)/charge to Group income statement (as above):		
(Recognition)/derecognition of available tax assets	(2)	14
Other movements	(1)	–
At year end	11	14

The gross amount of US non-trading losses for which a deferred tax asset has not been recognised is \$158 million (2020: \$197 million).

22. 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.

	2021 \$m	2020 \$m
At beginning of the year	9	8
Charged to the income statement	6	1
Utilised during the year	(1)	–
Unused amounts reversed	–	(1)
Additional provisions	–	1
At year end	14	9

Provisions relate to ongoing claims as well as leasehold property dilapidations.

23. Investment in associate

Accounting policy

Associates are entities in which Man Group holds an interest and over which we have significant influence but not control and are accounted for using the equity method. In assessing significant influence, we consider the investment held and its power to participate in the financial and operating policy decisions of the investee through its voting or other rights.

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.

On 30 June 2021, we acquired a 23% interest in Hub Platform Technology Partners Ltd (HUB), a company incorporated and operating in England and Wales. HUB will provide a cloud-based operating platform aimed at transforming the operations technology available to asset managers. In the early years of operation HUB will be in the development phase and therefore is expected to be loss-making. Therefore the equity accounted losses are not considered an indicator of impairment. Our \$20 million investment in HUB was comprised of \$19 million of cash and \$1 million of non-cash consideration. We have not provided any financial support to HUB during the year.

	2021 \$m
At beginning of the year	–
Acquisitions	20
Share of post-tax loss	(2)
At year end	18

Notes to the Group financial statements continued

24. Pension

Accounting policy

We operate 12 (2020: 12) defined contribution plans and two (2020: two) funded defined benefit plans.

Defined contribution plans

We pay contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. We have no further payment obligation once the contributions have been paid.

Defined benefit plans

A defined benefit plan creates a financial obligation to provide funding to the pension plan to provide a retired employee with pension benefits usually dependent on one or more factors such as age, years of service and compensation. As with the vast majority of similar arrangements, we ultimately underwrite the risks related to the defined benefit plans. The risks to which this exposes us include:

- Uncertainty in benefit payments: the value of our liabilities for post-retirement benefits will ultimately depend on the amount of benefits paid out. This in turn will depend on the level of inflation (for those benefits that are subject to some form of inflation protection) and how long individuals live.
- Volatility in asset values: we are exposed to future movements in the values of assets held in the plans to meet future benefit payments.
- Uncertainty in cash funding: movements in the values of the obligations or assets may result in us being required to provide higher levels of cash.

The two defined benefit plans operated are the Man Group plc Pension Fund in the UK (the UK Plan) and the Man Group Pension Plan in Switzerland (the Swiss Plan).

– The UK Plan

The UK Plan is operated separately from Man Group and managed by independent trustees. The trustees are responsible for payment of the benefits and management of the UK Plan's assets. Under UK regulations, Man Group and the trustees of the UK Plan are required to agree a funding strategy and contribution schedule for the UK Plan. We have concluded that we have no requirement to adjust the balance sheet to recognise either a current surplus or a minimum funding requirement on the basis that we have an unconditional right to a refund of a current or projected future surplus at some point in the future.

The UK Plan was closed to new members in May 1999 and to future accrual in May 2011. Employed members of the UK Plan retain enhanced benefits, including a link to salary, on their accrued benefits in the Plan, with future benefits provided via a defined contribution plan.

– The Swiss Plan

In Switzerland, we operate a retirement foundation with assets which 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 costs totalled \$12 million for the year to 31 December 2021 (2020: \$12 million) and are recognised as pension costs within compensation in the Group income statement when they are due (Note 7).

Defined benefit plans

At 31 December 2021, the UK Plan comprised 94% (31 December 2020: 94%) of our total defined benefit pension obligations.

	2021 \$m	2020 \$m
Present value of funded obligations	(444)	(490)
Fair value of plan assets	473	492
Surplus	29	2
Amount not recognised due to asset ceiling (Swiss Plan)	(2)	–
Net pension asset	27	2

The increase in the net pension asset in 2021 is driven primarily by the UK Plan. This is largely as a result of an increase in the liability discount rate assumption, as well as plan funding contributions paid in 2021, which are partially offset by a rise in inflation expectations and assets performing below the liability growth rate (discount rate) and an increase in life expectancy rates.

As a result of completion of the triennial valuation as at 31 December 2020 during the year, plan funding contributions of \$3 million were made to the UK Plan in the year to 31 December 2021 (2020: nil). The next actuarial valuation has an effective date of 31 December 2023, whereby a new recovery plan may be agreed.

24. Pension continued

Impact on the Group financial statements

Changes in the present value of the defined benefit obligations are as follows:

	2021 \$m	2020 \$m
Present value of funded obligations at beginning of the year	490	422
Group income statement:		
Current service cost to employer	2	1
Interest cost	6	8
Currency translation difference	(5)	18
Amounts recognised in other comprehensive income:		
Remeasurements due to:		
– changes in financial assumptions	(36)	54
– changes in demographic assumptions	6	2
– experience adjustments	(2)	(1)
Employee contributions	1	1
Actual benefit payments	(18)	(15)
Present value of funded obligations at year end	444	490

The allowance for the estimated cost of removing Guaranteed Minimum Pension inequalities in the UK Plan of \$1 million at 31 December 2021 is unchanged from 31 December 2020.

Changes in the fair value of plan assets are as follows:

	2021 \$m	2020 \$m
Fair value of plan assets at beginning of the year	492	439
Group income statement:		
Interest income on plan assets	6	8
Currency translation difference	(5)	19
Amounts recognised in other comprehensive income:		
Actual return on plan assets less interest on plan assets: other comprehensive income	(8)	39
Employer contributions (including plan funding)	5	1
Employee contributions	1	1
Benefits paid	(18)	(15)
Fair value of plan assets at year end	473	492

Changes in the net pension asset are as follows:

	2021 \$m	2020 \$m
Net pension asset at beginning of the year	2	16
Group income statement:		
Pension costs (Note 7)	(2)	(1)
Currency translation difference	–	1
Other comprehensive income (including asset ceiling adjustment on page 170)	22	(15)
Employer contributions (including plan funding)	5	1
Net pension asset at year end	27	2

Notes to the Group financial statements continued

24. Pension continued

What actuarial assumptions have we used?

The most significant actuarial assumptions used in the valuations of the two plans are as follows:

	UK Plan		Swiss Plan	
	2021 % p.a.	2020 % p.a.	2021 % p.a.	2020 % p.a.
Discount rate	1.9	1.3	0.4	0.2
Price inflation	3.4	3.0	1.0	1.1
Future salary increases	3.4	3.0	1.0	1.1
Pension payment increases	3.8	3.6	–	–
Deferred pensions increases	5.0	5.0	–	–
Interest crediting rate	–	–	0.4	0.2
Social security increases	–	–	1.0	1.0

At 31 December 2021, mortality rates in the UK Plan are assumed to be in line with 100% of the S3NA Very Light tables for high earners (all members with pensions of more than £50,000 p.a. at 31 December 2020), and S3NA tables for all other members (2020: same but based on the S2NA tables, and Light for high earners).

These mortality tables are assumed to be projected by year of birth with allowance for future improvements in longevity in line with the 2020 CMI projections with a long-term rate of improvement of 1.25% p.a. for males and females, a smoothing parameter of 7, an initial improvements parameter of 0.50% p.a. for high earners and 0.25% p.a. for all other members and a nil weighting to 2020 mortality data (2020: same as at 31 December 2021 but using the 2019 CMI projections).

At 31 December 2021, mortality rates in the Swiss Plan are assumed to be in line with the Swiss BVG 2020 generational tables (2020: BVG 2015 generational tables).

Illustrative life expectancies are set out in the table below.

Years	UK Plan		Swiss Plan	
	2021	2020	2021	2020
Life expectancy of male aged 60 at year end	27.1	26.8	27.6	27.6
Life expectancy of male aged 60 in 20 years	28.6	28.3	30.0	29.3
Life expectancy of female aged 60 at year end	29.5	29.0	29.4	29.8
Life expectancy of female aged 60 in 20 years	30.8	30.6	31.5	31.5

The duration of a pension plan is the average term over which the plan's benefits are expected to fall due, weighted by the present value of each expected benefit payment. The duration of the UK Plan is approximately 16 years, and the duration of the Swiss Plan is approximately 13 years.

Sensitivity analysis

The table below illustrates the impact on the assessed value of the benefit obligations from changing the most sensitive actuarial assumptions in isolation. The calculations to produce the below figures have been carried out using the same method and data as our pension figures. Each assumption has been varied individually and a combination of changes in assumptions could produce a different result.

At 31 December 2021:

	Increase in obligation \$m	
	UK Plan	Swiss Plan
Discount rate decreased by 0.1% p.a.	6	–
Inflation rate increased by 0.1% p.a.	2	–
One year increase in assumed life expectancy	20	–

24. Pension continued

Pension asset investments

The assets held by the two plans at 31 December 2021 are as follows:

	UK Plan		Swiss Plan	
	\$m	%	\$m	%
Absolute return bonds	109	25	–	–
Diversified growth funds	106	24	–	–
Liability-driven investments (LDI)	104	23	–	–
Man Alternative Risk Premia	56	13	–	–
Index-linked government bonds	45	10	–	–
Swiss bonds	–	–	9	30
Non-Swiss equities	–	–	8	27
Non-Swiss bonds	–	–	4	14
Property	–	–	3	10
Swiss equities	–	–	3	10
Hedge funds	–	–	1	3
Cash	23	5	1	3
Other	–	–	1	3
Total assets	443	100	30	100

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 Alternative Risk Premia. The matching portfolio is invested primarily in government and corporate bonds (the latter through the absolute return bonds holdings), and LDI funds. The UK Plan investment strategy hedges around 100% of the movement in the 'technical provisions' funding measure (as opposed to the IAS 19 accounting measure) for both interest rate and inflation expectation changes.

Part of the investment objective of the UK Plan is to minimise fluctuations in the UK Plan's funding levels due to changes in the value of the liabilities. This is primarily achieved using the LDI funds, which aim to hedge movements in the pension liability due to changes in interest rate and inflation expectations. LDI primarily involves the use of government bonds (including repurchase agreements) and derivatives such as interest rate and inflation swaps. There are no annuities or longevity swaps. These instruments are typically priced and collateralised daily by the UK Plan's LDI manager and/or central clearing houses. Given that the purpose of LDI is to hedge corresponding liability exposures, the main risk is that the investments held move differently to the liability exposures. This risk is managed by the trustees, their advisers and the UK Plan's LDI manager, who regularly assess the position.

The government bond assets and diversified growth funds have prices quoted in active markets and the absolute return bonds, LDI and Man Alternative Risk Premia fund are primarily unquoted. At 31 December 2021, around 35% of the UK Plan assets relate to those with quoted prices and 65% with unquoted prices (2020: around 25% quoted and 75% unquoted). The UK Plan does not invest directly in property occupied by Man Group or our shares.

Notes to the Group financial statements continued

25. Employee Trust

Accounting policy

The Employee Trust, which is consolidated into Man Group as outlined in Note 1, has the obligation to deliver deferred share-based and fund product-based compensation which has been granted to employees (see Note 7 and Note 26), and accordingly holds shares and fund investments to deliver against these future obligations. Shares held by the Employee Trust are accounted for as outlined in Note 27.

In 2021, we funded \$33 million via contribution or loan (2020: \$42 million) to enable the Employee Trust to meet its current period obligations. At 31 December 2021, the net assets of the Employee Trust amounted to \$103 million (2020: \$105 million). These assets include 30,611,905 (2020: 31,529,719) ordinary shares in the Company (Note 27), and \$41 million of fund product investments (2020: \$43 million) which are included within investments in fund products (Note 14).

During the year, the trustees of the Employee Trust waived all of the interim dividend for the year ended 31 December 2021 on each of the 30,699,189 ordinary shares registered in its name at the relevant eligible date (2020 interim dividend: waived on all 31,567,105 shares) and all of the final dividend for the year ended 31 December 2020 on each of the 31,626,264 ordinary shares (2019 final dividend: waived on all 31,553,308 shares).

26. 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 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 (Note 7), with the corresponding credit recognised in equity, and is determined by reference to the fair value of the share awards/options at grant date.

We calculate the fair value of share options using the Black-Scholes valuation model, which takes into account the effect of both financial and demographic assumptions. Forfeiture and early vesting assumptions are based on historical observable data. Changes to the original estimates, if any, are included in the Group income statement, with a corresponding adjustment to equity.

Share awards

The fair values of share awards granted in the year and the assumptions used in the calculations are as follows:

Deferred share plan

Grant dates	12/03/2021 – 29/09/2021	13/03/2020 – 13/11/2020
Share awards granted in the year	11,648,047	19,829,902
Weighted average fair value per share award granted (\$)	2.2	1.3

Executive directors' long-term incentive plans

Grant dates	12/03/2021	13/03/2020
Share awards granted in the year	2,798,475	4,718,626
Weighted average fair value per share award granted (\$)	2.2	1.3

Movements in the number of share awards outstanding are as follows:

	2021	2020
Share awards outstanding at beginning of the year	40,284,892	35,600,270
Granted	14,446,522	24,548,528
Forfeited	(1,277,288)	(1,437,310)
Exercised	(10,852,007)	(18,426,596)
Share awards outstanding at year end	42,602,119	40,284,892
Share awards exercisable at year end	43,077	43,590

26. Share-based payment schemes continued

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:

	07/09/2021	07/09/2020
Grant date		
Weighted average share price at grant date (\$)¹	3.0	1.6
Weighted average exercise price at grant date (\$)²	2.4	1.4
Share options granted in the period	938,879	4,313,479
Vesting period (years)	3–5	3–5
Expected share price volatility (%)	30	30
Dividend yield (%)	6	6
Risk-free rate (%)	0.2	(0.1)
Expected option life (years)	3.4	3.4
Number of options assumed to vest	715,196	3,289,641
Average fair value per option granted (\$)	0.5	0.2

Notes:

1 Sterling share price at grant date each year of £2.15 and £1.18, respectively.

2 Sterling exercise price each year of £1.71 and £1.07, 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.

Movements in the number of share options outstanding are as follows:

	2021		2020	
	Number	Weighted average exercise price¹ (\$ per share)	Number	Weighted average exercise price¹ (\$ per share)
Share options outstanding at beginning of the year	33,501,391	3.4	43,754,176	3.8
Granted	938,879	2.3	4,313,479	1.5
Forfeited	(1,031,477)	1.7	(1,859,636)	1.7
Expired	(25,776,840)	–	(12,523,057)	–
Exercised²	(1,410,897)	1.7	(183,571)	1.3
Share options outstanding at year end	6,221,056	1.6	33,501,391	3.4
Share options exercisable at year end	127,826	1.9	26,857,475	4.1

Notes:

1 Calculated at 31 December exchange rates each year.

2 The weighted average share price of options exercised was \$2.18 (2020: \$1.71).

The share options outstanding at year end have a weighted average exercise price and expected remaining life as follows:

Range of exercise prices (\$ per share)	2021			2020		
	Number of share options	Weighted average exercise price (\$ per share)	Weighted average expected remaining life	Number of share options	Weighted average exercise price (\$ per share)	Weighted average expected remaining life
0.00–3.00	6,221,056	1.6	2.3	7,724,551	1.6	2.5
3.01–5.00	–	–	–	25,776,840	4.2	0.2
	6,221,056			33,501,391		

Notes to the Group financial statements continued

27. Share capital, Treasury share reserve and earnings per share (EPS)

Accounting policy

Share capital and Treasury share reserve

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Share repurchases are accounted for at the point we are committed, recognising a liability 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.

Treasury shares and own shares held by the Employee Trust (Note 25) 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.

EPS

The calculation of basic EPS is based on statutory profit and the weighted average number of ordinary shares in issue during the period, excluding Treasury shares and the shares owned by the Employee Trust (Note 25).

For diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares in relation to our share-based payment schemes (Note 26).

Ordinary shares have a par value of 3³/₇¢ per share (2020: 3³/₇¢ per share) and represent 100% of issued share capital. 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. Ordinary shareholders have the right to receive notice of, attend, vote and speak at general meetings. A holder of ordinary shares is entitled to one vote per ordinary share held when a vote is taken on a poll and one vote only when a vote is taken on a show of hands. Treasury shares are ordinary shares previously repurchased by the Company but not cancelled (and therefore deducted from equity and included within the Treasury share reserve) and, as they are no longer outstanding, they are excluded for earnings per share and voting rights purposes.

During the year ended 31 December 2021, the Company cancelled 68,686,957 ordinary shares of 3³/₇¢ per share which were held in Treasury. Shares cancelled during the year represent 5% of issued share capital (excluding Treasury shares) as at 31 December 2021.

During the year ended 31 December 2021, \$180 million (2020: \$107 million) of ordinary shares were repurchased at an average price of 199.9 pence (2020: 122.8 pence), buying back 66 million shares (2020: 69 million shares), which had an accretive impact on earnings per share of 1.7% (2020: 2.6%). This relates to the completion of the remaining \$64 million of the share repurchase programme announced in September 2020, the completion of the \$100 million share repurchase announced in July 2021 and \$16 million of the initial committed \$125 million tranche of the \$250 million share repurchase announced in December 2021. The share buyback is to be conducted in more than one tranche, providing flexibility over capital usage. The purpose of the share repurchases was to deliver returns to shareholders and all repurchased shares were held in Treasury. Further detail on Man Group's approach to capital management and shareholder returns can be found on page 29. Shares repurchased during the year represent 4.7% of issued share capital (excluding Treasury shares) as at 31 December 2021. At 25 February 2022, we had an unexpired authority to repurchase up to 64,868,693 of our ordinary shares. A special resolution will be proposed at the forthcoming Annual General Meeting (AGM), pursuant to which the Company will seek authority to repurchase up to 136,949,799 ordinary shares, representing 10% of the issued share capital (excluding Treasury shares) as at 25 February 2022.

Details of movements in the number of ordinary shares and the shares used to calculate basic and diluted EPS are provided below.

	2021			2020		
	Total number	Weighted average	Nominal value \$m	Total number	Weighted average	Nominal value \$m
Number of shares at beginning of year	1,541,794,770	1,541,794,770	53	1,541,794,770	1,541,794,770	53
Cancellation of own shares held in Treasury	(68,686,957)	(9,611,929)	(2)	–	–	–
Number of shares at period end	1,473,107,813	1,532,182,841	51	1,541,794,770	1,541,794,770	53
Shares held in Treasury reserve	(79,040,317)	(98,674,820)		(86,156,381)	(56,589,026)	
Shares owned by Employee Trust (Note 25)	(30,611,905)	(31,044,822)		(31,529,719)	(30,913,017)	
Basic number of shares	1,363,455,591	1,402,463,199		1,424,108,670	1,454,292,727	
Dilutive impact of employee share awards		35,415,800			23,875,394	
Dilutive impact of employee share options		2,165,726			174,183	
Dilutive number of shares		1,440,044,725			1,478,342,304	
		2021			2020	
Statutory profit (\$m)		487			138	
Basic EPS		34.7¢			9.5¢	
Diluted EPS		33.8¢			9.3¢	

28. 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, if required, approved by the Company's shareholders. Details of our dividend policy are included in the Shareholder information section on page 188. The number of dividends waived in the period are included in Note 25.

	2021 \$m	2020 \$m
Ordinary shares		
Final dividend paid for the year to 31 December 2020: 5.7¢ (2019: 5.1¢)	81	75
Interim dividend paid for the six months to 30 June 2021: 5.6¢ (2020: 4.9¢)	79	72
Dividends paid	160	147
Proposed final dividend for the year to 31 December 2021: 8.4¢ (2020: 5.7¢)	115	81

29. Segmental analysis

Accounting policy

The criteria for identifying an operating segment is that it is a component of Man Group whose results are regularly reviewed by the Board and the Senior Executive Committee to make decisions about resources to be allocated to the segment and to assess its performance.

Management information regarding revenues, net management fee margins and investment performance relevant to the operation of the investment managers, products and the investor base are reviewed by the Board and Senior Executive Committee. A centralised shared infrastructure for operations, product structuring, distribution and support functions for the investment management styles which Man Group incorporates means that operating costs are not allocated to constituent parts of the investment management business. As a result, performance is assessed, resources are allocated, and other strategic and financial management decisions are determined by the Board and Senior Executive Committee on the basis of our investment management business as a whole. Accordingly, we operate and report as a single segment investment management business, together with relevant information regarding AUM flows and net margins, to allow for analysis of the direct contribution of products and the respective investor base.

30. Geographical disclosure

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 other acquired intangible assets, other intangibles, leasehold improvements and equipment, and right-of-use lease assets. For goodwill and other acquired intangible assets, we consider that the location of the intangibles is best reflected by the location of the individuals managing those assets.

	2021 \$m		2020 \$m	
	Revenues by fund location	Non-current assets	Revenues by fund location	Non-current assets
Cayman Islands	701	–	384	–
Ireland	241	–	195	–
United Kingdom and the Channel Islands	189	693	158	727
United States of America	204	202	104	224
Other countries	146	9	98	12
	1,481	904	939	963

Revenue from one fund marginally exceeded 10% of total annual revenue, driven by high levels of performance fees crystallising during the year. Excluding performance fees, revenue from no single fund exceeded 10% of revenue for the year.

Notes to the Group financial statements continued

31. Related party transactions

Accounting policy

Related parties comprise key management personnel, associates and fund entities which we are deemed to control (see Note 14). All transactions with related parties were carried out on an arm's length basis.

Management fees earned from fund entities which we are deemed to control are detailed in Note 14.2. Details of transactions with associates are included in Note 23.

The Executive Committee, together with the non-executive directors, are considered to be our key management, being those directors, partners and employees having authority and responsibility for planning, directing and controlling our activities.

Key management compensation	2021 \$m	2020 \$m
Salaries and other short-term employee benefits ¹	64	32
Share-based payment charge	25	10
Fund product-based payment charge	15	13
Pension costs (defined contribution)	1	1
Total	105	56

Note:

¹ Includes salary, benefits and cash bonus.

We paid £35,000 to the Standards Board for Alternative Investments Limited during the year, which is considered a related party.

32. 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 directors do not expect such matters to have a material adverse effect on our financial position.

33. 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'.

As with structured 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.

The key considerations in assessing whether we control a structured entity, and therefore whether it should be consolidated into the Group financial statements, are outlined in Note 14. Consolidated structured entities are included within Note 14.2.

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:

	Total AUM (\$bn)	Less infrastructure mandates and consolidated fund entities ¹ (\$bn)	Total AUM unconsolidated structured entities (\$bn)	Number of funds	Net management fee margin ² (%)	Fair value of investment held (\$m)	Fee receivables and accrued income (\$m)	Maximum exposure to loss (\$m)
2021								
Alternative								
Absolute return	41.2	0.2	41.0	97	1.19	121	235	356
Total return	35.4	0.1	35.3	70	0.62	222	39	261
Multi-manager solutions	15.0	8.9	6.1	53	0.22	2	20	22
Long-only								
Systematic	36.1	0.1	36.0	67	0.27	8	58	85
Discretionary	20.9	0.2	20.7	58	0.58	67	18	66
Total	148.6	9.5	139.1	345		420	370	790

	Total AUM (\$bn)	Less infrastructure mandates and consolidated fund entities ¹ (\$bn)	Total AUM unconsolidated structured entities (\$bn)	Number of funds	Net management fee margin ² (%)	Fair value of investment held (\$m)	Fee receivables and accrued income (\$m)	Maximum exposure to loss (\$m)
2020								
Alternative								
Absolute return	34.0	0.1	33.9	103	1.18	98	175	273
Total return	29.0	0.1	28.9	60	0.62	184	29	213
Multi-manager solutions	14.2	7.1	7.1	71	0.24	1	7	8
Long-only								
Systematic	27.8	0.2	27.6	71	0.30	9	25	34
Discretionary	18.6	0.1	18.5	50	0.62	37	16	53
Total	123.6	7.6	116.0	355		329	252	581

Notes:

- For infrastructure mandates where we do not act as investment manager or adviser, Man Group's role in directing investment activities is diminished and therefore these are not considered structured entities.
- Net management fee margins are the categorical weighted average. Performance fees can only be earned after a high-water mark is achieved. For performance-fee-eligible funds, performance fees are within the range of 10% to 20%.

On occasion, we agree to purchase illiquid investments from the funds at market rates in order to facilitate investor withdrawals. We have not provided any other non-contractual support to unconsolidated structured entities. Further information about market risks on our investments in fund products is included in Note 16. Risks relating to investment funds can be found in the Risk management section of the Strategic report on pages 30 to 37.

Notes to the Group financial statements continued

34. Group investments

Details of the Company's subsidiaries are provided below. The list excludes consolidated structured entities (Note 14.2) 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, the year end is 31 December, and the effective Group interest represents both the percentage held and voting rights of ordinary shares or common stock (or the local equivalent thereof), unless otherwise stated.

Parent company

Company name	Registered address	Country of incorporation
Man Group plc	22 Grenville Street, St Helier, Jersey, JE4 8PX	Jersey

Subsidiaries

Company name	Registered address	Direct or indirect	Country of incorporation	Effective Group interest %
Man Group Treasury Limited	22 Grenville Street, St Helier, Jersey, JE4 8PX	Direct	Jersey	100
Aalto Invest Cayman Limited	PO Box MP10085, 3rd Floor Zephyr House, 122 Mary Street, George Town, Grand Cayman, KY1-1001	Indirect	Cayman	100
AHL Partners LLP ^{1,2}	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
FA Sub 2 Limited	Ritter House, Wickhams Cay II, Road Town, Tortola, VG1110	Indirect	BVI	100
FA Sub 3 Limited	Ritter House, Wickhams Cay II, Road Town, Tortola, VG1110	Indirect	BVI	100
Financial Risk Management Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
FRM Holdings Limited	Gaspé House, 66-72 Esplanade, St Helier, JE2 3QT	Indirect	Jersey	100
FRM Investment Management GP (USA) LLC ⁵	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
FRM Investment Management Limited	PO Box 186, Royal Chambers, St. Julian's Avenue, St Peter Port, GY1 4HP, Guernsey	Indirect	Guernsey	100
FRM Investment Management (USA) LLC ⁵	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
GLG Holdings Limited	Wickhams Cay, PO Box 662, Road Town, Tortola	Indirect	BVI	100
GLG LLC ⁵	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
GLG Partners Hong Kong Limited	Unit 2206-2207, 22/F Man Yee Building, No. 68 Des Voeux Road Central	Indirect	Hong Kong	100
GLG Partners Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
GLG Partners LP ²	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Asset Management (Cayman) Limited	PO Box 309, Ugland House, South Church Street, George Town, Grand Cayman, KY1-1104	Indirect	Cayman	100
Man Asset Management (Ireland) Limited	70 Sir John Rogerson's Quay, Dublin 2	Indirect	Ireland	100
Man Australia GP Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Australia LP ²	Level 28, Chifley Tower, 2 Chifley Square, Sydney, NSW 2000	Indirect	Australia	100
Man (Europe) AG	Austrasse 56, 9490, Vaduz, Liechtenstein	Indirect	Liechtenstein	100
Man Fund Management (Guernsey) Limited	PO Box 186, Royal Chambers, St. Julian's Avenue, St Peter Port, GY1 4HP, Guernsey	Indirect	Guernsey	100
Man Fund Management Netherlands BV	Beurs – World Trade Center, Beursplein 37, 3011 AA, Rotterdam	Indirect	Netherlands	100
Man Fund Management UK Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man GLG Partners LLP ^{1,2}	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Global Private Markets (UK) Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Global Private Markets (USA) Inc.	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
Man Global Private Markets SLP LLC ⁵	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
Man Group Holdings Limited ⁹	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

34. Group investments continued

Subsidiaries continued

Company name	Registered address	Direct or indirect	Country of incorporation	Effective Group interest %
Man Investments Holdings Inc	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
Man Investments Holdings (Jersey) Limited (formerly E D & F Man Investments Limited)	15 Esplanade, St Helier, JE1 1RB	Indirect	Jersey	100
Man Investments Holdings (Netherlands) B.V. (formerly E.D.& F. Man Investments B.V.)	Beurs – World Trade Center, Beursplein 37, 3011 AA, Rotterdam	Indirect	Netherlands	100
Man Investments Holdings Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Investments (Hong Kong) Limited	Unit 2206-2207, 22/F Man Yee Building, No.68 Des Voeux Road Central	Indirect	Hong Kong	100
Man Investments Inc.	15 North Mill Street, Nyack, NY 10960, United States	Indirect	US	100
Man Investments Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Investment Management (Shanghai) ⁶ Co., Ltd	Room 1817 Bund Centre, No. 222 Yan An East Road, Shanghai, 200002	Indirect	China	100
Man Investments (Shanghai) Limited ⁶	Room 1818, Bund Centre, No. 222 Yan An East Road, Shanghai, 200002	Indirect	China	100
Man Investments (USA) Corp.	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
Man Investments USA Holdings Inc.	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
Man Mash Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Principal Strategies Corp	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
Man Property Holdings Limited	22 Grenville Street, St Helier, Jersey, JE4 8PX	Indirect	Jersey	100
Man Solutions Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Solutions (USA) LLC ⁵	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
Man Strategic Holdings Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Valuation Services Limited	Riverbank House, 2 Swan Lane, London, EC4R 3AD	Indirect	UK	100
Man Worldwide Operations Management Limited	22 Grenville Street, St Helier, Jersey, JE4 8PX	Indirect	Jersey	100
Mount Granite Limited	Wickhams Cay, PO Box 662, Road Town, Tortola	Indirect	BVI	100
Net Zero Energy GP Inc.	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
Numeric Holdings LLC ⁵	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
Numeric Investors LLC ⁵	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
Numeric Midco LLC ⁵	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
RBH Holdings (Jersey) Limited	IFC 5, St Helier, JE1 1ST, Jersey	Indirect	Jersey	100
RMF Co-Investment Limited ⁴	PO Box 309, Ugland House, South Church Street, George Town, Grand Cayman, KY1-1104	Indirect	Cayman	100
Silvermine Capital Management LLC ⁵	4001 Kennett Pike, Suite 302, Wilmington DE 19807	Indirect	US	100
GLG Partners UK Group Ltd (in liquidation)	Kings Orchard, 1 Queen Street, Bristol, BS2 0HQ	Indirect	UK	100
GLG Partners UK Holdings Ltd (in liquidation)	Kings Orchard, 1 Queen Street, Bristol, BS2 0HQ	Indirect	UK	100
Man Fund Management Limited (in liquidation)	Cranford Centre, Stillorgan Road, Dublin 4	Indirect	Ireland	100
Man UK Strategies Limited (in liquidation)	Kings Orchard, 1 Queen Street, Bristol, BS2 0HG	Indirect	UK	100

Notes:

- 1 The financial year end is 31 March.
- 2 Partnership interest.
- 3 Holdings comprise ordinary shares and deferred shares.
- 4 Holdings comprise ordinary shares and preference shares.
- 5 Member interest.
- 6 Equity interest.

Five-year record

Unaudited

	2021 \$m	2020 \$m	2019 \$m	2018 \$m	2017 \$m
Income statement					
Core net management fee revenue ¹	877	730	751	777	711
Core performance fees ¹	569	179	325	127	289
Core profit before tax ¹	658	284	384	237	359
Core management fee profit before tax ¹	266	180	170	203	178
Core performance fee profit before tax ¹	392	104	214	34	181
Core profit ¹	557	240	325	204	315
Statutory profit before tax	590	179	307	278	272
Statutory profit	487	138	285	273	255
Statutory EPS (diluted)	33.8¢	9.3¢	18.4¢	17.0¢	15.3¢
Core EPS ¹	38.7¢	16.2¢	21.0¢	12.7¢	18.9¢
Core management fee EPS ¹	15.7¢	10.3¢	9.7¢	11.0¢	9.4¢
Balance sheet					
Net cash	387	351	281	220	229
Net assets	1,651	1,497	1,624	1,593	1,716
Net financial assets ¹	907	716	674	644	443
Other metrics					
Cash flow from operating activities before working capital movements ¹	700	341	385	311	431
Ordinary dividends per share	14.0¢	10.6¢	9.8¢	11.8¢	10.8¢
Assets under management (\$bn)	148.6	123.6	117.7	108.5	109.1
Average headcount ²	1,453	1,456	1,413	1,376	1,313
USD/GBP exchange rates					
Average	0.7267	0.7789	0.7830	0.7489	0.7759
Year-end	0.7390	0.7315	0.7544	0.7837	0.7396

Notes:

1 See pages 183 to 187 for details of our alternative performance measures.

2 The average headcount includes directors, employees, partners and contractors.

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. The rationale for using core measures is explained below. The APMs we use may not be directly comparable with similarly titled measures used by other companies.

The directors consider that, in order to assess operating performance period on period, our statutory results are most meaningful when considered together with an alternative 'core' basis which excludes profits or losses generated outside of our investment management business, acquisition and disposal-related items (including non-cash items such as amortisation of acquired intangible assets), impairment of assets, costs relating to substantial restructuring plans, unrealised foreign exchange movements on lease liabilities, pension and associated deferred tax and certain significant event-driven gains or losses, or allocates them to the appropriate time period, which therefore reflects the revenues and costs that drive our cash flows and inform the basis on which our variable compensation is assessed. All income and expenses relating to our consolidated fund entities are also reclassified to core gains on investments in order to better reflect these as part of our seed book programme. Tax on non-core items and movements in deferred tax relating to the consumption or recognition of tax assets in the US are similarly excluded from core profit in order to best reflect cash taxes paid. The directors expect to apply their approach to the classification of non-core items consistently from period to period, maintaining an appropriate symmetry between losses and gains and the reversal of any amounts previously classified as non-core.

In addition to core profit and related core measures, we previously reported adjusted profit and related adjusted measures. Adjusted profit was defined as core profit plus revenue relating to legacy guaranteed products. Due to the roll-off of revenues from these products in 2019, core and adjusted profit and their related measures became equivalent in 2020, and therefore we now report our APMs on a core basis only.

Core profit and non-core items

Core profit is the key measure of Man Group's performance as driven by our core operations and cash flows. Core profit flows directly into core EPS (see page 187), which is a KPI (page 22).

The reconciliation of statutory profit before tax to core profit is shown below.

	Note to the Group financial statements	2021 \$m	2020 \$m
Statutory profit before tax		590	179
<i>Non-core items:</i>			
<i>Acquisition and disposal related:</i>			
Unwind of contingent consideration discount	9	–	2
Revaluation of contingent consideration	15	(2)	(22)
Amortisation of acquired intangible assets	19	61	63
Impairment of GPM goodwill	19	–	55
Share of post-tax loss of associate	23	2	–
Impairment of right-of-use lease assets – investment property	18	3	25
Lease surrender income relating to future periods	18	7	(7)
Unrealised foreign exchange (gain)/loss on lease liabilities, pension and associated deferred tax		(3)	6
Recycling of FX revaluation on liquidation of subsidiaries	16	–	(17)
Non-core items		68	105
<i>Reclassification of amounts relating to consolidated fund entities to within core gains on investments:</i>			
Net gains on investments	14.2	(32)	(53)
Management fee expenses	14.2	3	2
Performance fee expenses	14.2	2	2
Other costs	14.2	4	5
Third-party share of gains relating to interest in consolidated funds	14.2	3	17
Reclassification to core gains on investments (gains attributable to net investment held by Man Group)	14.2	20	27
		–	–
Core profit before tax		658	284
Core tax expense (see page 187)		(101)	(44)
Core profit		557	240

Non-core items are included within various lines in the Group income statement. Further details on non-core items are included within the related notes to the Group financial statements as outlined above, and the underlying core results measures within this are explained further on the following pages.

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:

2021 \$m	Per Group income statement	Reclassification of amounts relating to consolidated fund entities	Non-core items	Core equivalent
Management and other fees ^[APM]	914	3	–	917
Distribution costs	(40)	–	–	(40)
Net management fee revenue^[APM]	874	3	–	877
Performance fees ^[APM]	567	2	–	569
Income or gains on investments and other financial instruments ^[APM]	42	(12)	(3)	27
Third-party share of gains relating to interests in consolidated funds	(3)	3	–	–
Sub-lease rental and lease surrender income ^[APM]	6	–	7	13
Net revenue^[APM]	1,486	(4)	4	1,486
Asset servicing costs	(58)	–	–	(58)
Compensation	(596)	–	–	(596)
Other costs ^[APM]	(165)	4	–	(161)
Net finance expense ^[APM]	(13)	–	–	(13)
Revaluation of contingent consideration	2	–	(2)	–
Impairment of right-of-use lease asset – investment property	(3)	–	3	–
Amortisation of acquired intangible assets	(61)	–	61	–
Share of post-tax loss of associate	(2)	–	2	–
Profit before tax^[APM]	590	–	68	658
Tax expense ^[APM]	(103)	–	2	(101)
Profit^[APM]	487	–	70	557

2020 \$m	Per Group income statement	Reclassification of amounts relating to consolidated fund entities	Non-core items	Core equivalent
Management and other fees ^[APM]	762	2	–	764
Distribution costs	(34)	–	–	(34)
Net management fee revenue^[APM]	728	2	–	730
Performance fees ^[APM]	177	2	–	179
Income or gains on investments and other financial instruments ^[APM]	40	(26)	6	20
Third-party share of gains relating to interests in consolidated funds	(17)	17	–	–
Sub-lease rental and lease surrender income ^[APM]	25	–	(7)	18
Net revenue^[APM]	953	(5)	(1)	947
Asset servicing costs	(55)	–	–	(55)
Compensation	(451)	–	–	(451)
Other costs ^[APM]	(150)	5	–	(145)
Net finance expense ^[APM]	(14)	–	2	(12)
Impairment of GPM goodwill	(55)	–	55	–
Revaluation of contingent consideration	22	–	(22)	–
Impairment of right-of-use lease asset – investment property	(25)	–	25	–
Amortisation of acquired intangible assets	(63)	–	63	–
Recycling of FX revaluation on liquidation of subsidiaries	17	–	(17)	–
Profit before tax^[APM]	179	–	105	284
Tax expense ^[APM]	(41)	–	(3)	(44)
Profit^[APM]	138	–	102	240

Note:

[APM] The core equivalents of these statutory measures are defined as Alternative Performance Measures.

Core costs comprise asset servicing, compensation costs and core other costs.

Core measures: reconciliation to statutory equivalents continued

The statutory line items within the Group balance sheet can be reconciled to their core equivalents as follows:

2021 \$m	Per Group balance sheet	Reclassification of amounts relating to consolidated fund entities (Note 14.2)	Core equivalent
Assets			
Cash and cash equivalents ^[APM]	387	(64)	323
Fee and other receivables ^[APM]	485	(5)	480
Investments in fund products and other investments ^[APM]	974	(204)	770
Leasehold improvements and equipment	43	–	43
Leasehold property – right-of-use lease assets	61	–	61
Investment property – right-of-use lease assets	77	–	77
Goodwill and acquired intangibles	678	–	678
Other intangibles	45	–	45
Deferred tax assets	128	–	128
Investment in associate	18	–	18
Pension asset	27	–	27
Total assets	2,923	(273)	2,650
Liabilities			
Trade and other payables ^[APM]	702	(19)	683
Provisions	14	–	14
Current tax liabilities	15	–	15
Third-party interest in consolidated funds	254	(254)	–
Lease liability	250	–	250
Deferred tax liabilities	37	–	37
Total liabilities	1,272	(273)	999
Net assets	1,651	–	1,651
2020			
\$m	Per Group balance sheet	Reclassification of amounts relating to consolidated fund entities (Note 14.2)	Core equivalent
Assets			
Cash and cash equivalents ^[APM]	351	(62)	289
Fee and other receivables ^[APM]	386	(4)	382
Investments in fund products and other investments ^[APM]	787	(180)	607
Leasehold improvements and equipment	30	–	30
Leasehold property – right-of-use lease assets	74	–	74
Investment property – right-of-use lease assets	78	–	78
Goodwill and acquired intangibles	742	–	742
Other intangibles	39	–	39
Deferred tax assets	119	–	119
Investment in associate	–	–	–
Pension asset	2	–	2
Total assets	2,608	(246)	2,362
Liabilities			
Trade and other payables ^[APM]	574	(27)	547
Provisions	9	–	9
Current tax liabilities	12	–	12
Third-party interest in consolidated funds	219	(219)	–
Lease liability	272	–	272
Deferred tax liabilities	25	–	25
Total liabilities	1,111	(246)	865
Net assets	1,497	–	1,497

Note:

[APM] The core equivalents of these statutory measures are defined as Alternative Performance Measures.

Alternative performance measures continued

Core management fee and core performance fee profit

Core profit comprises both core management fee profit, a steadier earnings stream, and core performance fee profit, the more variable earnings stream. This split therefore facilitates analysis of our profitability drivers.

2021 \$m	Per Group income statement	Reclassification of amounts relating to consolidated fund entities	Non-core items	Core equivalent
Net management fee revenue	874	3	–	877
Sub-lease rental and lease surrender income	6	–	7	13
Asset servicing costs	(58)	–	–	(58)
Compensation (management fee)	(393)	–	–	(393)
Other costs	(165)	4	–	(161)
Net finance expense (management fee)	(12)	–	–	(12)
Management fee profit before tax	252	7	7	266
Tax expense				(39)
Management fee profit				227
Performance fees	567	2	–	569
Income or gains on investments and other financial instruments	42	(12)	(3)	27
Compensation (performance fee)	(203)	–	–	(203)
Net finance expense (performance fee)	(1)	–	–	(1)
Performance fee profit before tax	405	(10)	(3)	392
Tax expense				(62)
Performance fee profit				330

2020 \$m	Per Group income statement	Reclassification of amounts relating to consolidated fund entities	Non-core items	Core equivalent
Net management fee revenue	728	2	–	730
Sub-lease rental and lease surrender income	25	–	(7)	18
Asset servicing costs	(55)	–	–	(55)
Compensation (management fee)	(357)	–	–	(357)
Other costs	(150)	5	–	(145)
Net finance expense (management fee)	(13)	–	2	(11)
Management fee profit before tax	178	7	(5)	180
Tax expense				(27)
Management fee profit				153
Performance fees	177	2	–	179
Income or gains on investments and other financial instruments	40	(26)	6	20
Compensation (performance fee)	(94)	–	–	(94)
Net finance expense (performance fee)	(1)	–	–	(1)
Performance fee profit before tax	122	(24)	6	104
Tax expense				(17)
Performance fee profit				87

Core gains on investments

We use the measure core gains on investments to better represent the net return we receive on our seed book portfolio. This is defined as income or gains on investments and other financial instruments less unrealised foreign exchange movements on lease liabilities, pension and associated deferred tax (a non-core item per page 183), and after reclassifying the grossed-up amounts relating to consolidated fund entities into this line. Core gains on investments is made up as follows:

	2021 \$m	2020 \$m
Net gains on seeding investments portfolio (see Note 14.1)	24	21
Net gains/(losses) on fund investments held for deferred compensation and other investments (Note 14.1)	3	(1)
Core gains on investments	27	20
<i>Non-core items:</i>		
Consolidated fund entities: gross-up of net gains on investments (Note 14.2)	12	26
Unrealised foreign exchange gain/(loss) on lease liabilities, pension and associated deferred tax (Note 16)	3	(6)
Income or gains on investments and other financial instruments	42	40

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 (Note 21). Therefore, tax on core profit best reflects our cash taxes payable.

The impact of non-core items on our tax expense is outlined below:

	Note to the Group financial statements	2021 \$m	2020 \$m
Statutory tax expense		103	41
<i>Tax on non-core items:</i>			
Amortisation of acquired intangible assets		7	6
Impairment of right-of-use lease asset – investment property		1	4
Unrealised foreign exchange movements on lease liabilities, pension and associated deferred tax		–	1
Non-core tax item on US deferred tax assets	21	(10)	(8)
Non-core tax items		(2)	3
Core tax expense		101	44
<i>Which comprises:</i>			
Tax expense on core management fee profit before tax		39	27
Tax expense on performance fee profit before tax		62	17

The core tax rate is 15% for 2021 (2020: 16%), which has decreased largely due to a lower weighting of profits in the UK where the applicable statutory tax rate is 19%. The non-core tax item on US deferred tax assets comprises the partial recognition of US deferred tax assets in the year of \$2 million (2020: derecognition of \$14 million) offset by the consumption of \$12 million (2020: generation of \$6 million) as set out in Note 21.

Core EPS and core management fee EPS

Core earnings per share (EPS) is calculated as core profit divided by the weighted average diluted number of shares. Core management fee EPS is calculated as core management fee profit divided by the weighted average diluted number of shares (page 176).

The reconciliation from statutory EPS measures (Note 27) to core EPS measures is provided below:

	2021		2020	
	Profits \$m	Diluted EPS ¢	Profits \$m	Diluted EPS ¢
Statutory profit after tax	487	33.8	138	9.3
Non-core items (excluding tax)	68	4.7	105	7.1
Non-core tax items	2	0.2	(3)	(0.2)
Core profit	557	38.7	240	16.2
Less core performance fee profit	(330)	(23.0)	(87)	(5.9)
Core management fee profit	227	15.7	153	10.3

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:

	2021 \$m	2020 \$m
Cash flows from operating activities	484	392
Add back changes in working capital		
Change in receivables	102	(50)
Change in other financial assets	163	(31)
Change in payables	(49)	30
Core cash flows from operations excluding working capital movements	700	341

Net financial assets

Net financial assets is considered a proxy for Group capital, and is equal to our cash and seed book less borrowings, contingent consideration payable and payables under repo arrangements, as follows:

	Note to the Group financial statements	2021 \$m	2020 \$m
Seeding investment portfolio	14	648	485
Available cash and cash equivalents ¹	11	323	289
Payables under repo arrangements	13	(64)	(56)
Contingent consideration payable	15	–	(2)
Net financial assets		907	716

Note:

¹ Available cash and cash equivalents excludes \$64 million (2020: \$62 million) of cash relating to consolidated fund entities (see Note 14.2 to the Group financial statements).

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 2021

8.4¢ per share

The directors have recommended a final dividend of 8.4¢ per share in respect of the year ended 31 December 2021. Payment of this dividend is subject to approval at the 2022 Annual General Meeting (AGM). Key dates relating to this dividend are given below:

Ex-dividend date	7 April 2022
Record date	8 April 2022
DRIP election date	28 April 2022
AGM (to approve final dividend)	6 May 2022
Sterling conversion date	6 May 2022
Payment date	20 May 2022
CREST accounts credited with DRIP shares	25 May 2022
DRIP share certificates received	31 May 2022

Dividend policy

Man Group's ordinary dividend policy is progressive, taking into account the growth in Man Group's overall earnings. In addition, the Group expects to generate significant capital over time. Available capital, after taking into account our required capital and potential strategic opportunities, will be distributed to shareholders over time through higher dividend payments and/or share repurchases.

The Company is currently undertaking a share repurchase programme pursuant to which up to a maximum of \$250 million is being returned to shareholders. Details of the number of shares repurchased during 2021 can be found in Note 27 of the financial statements.

¹ Lines are open from 8.30am to 5.30pm, each business day.

² Please note that a payment charge will be deducted from each individual payment before conversion to your local currency.

The Group will fix the dividend currency conversion rate on 6 May 2022. 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 2112¹ (+44 121 415 7592 if calling from outside the UK), who will be able to assist.
- 2. Overseas payment service²:** 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 2112¹ (+44 121 415 7592 if calling from outside the UK).
- 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 2112¹ (+44 121 415 7592 if calling from outside the UK). 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 2021, EQ must have received your instruction by 5.00pm on 28 April 2022. Instructions received after this date will be applied to the next dividend payment.

Dividend history

To help shareholders with their tax affairs, details of dividends paid in the 2021/22 tax year can be found adjacent. 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 under Investor Relations.

Shareholder information continued

Dividends paid in the 2021/22 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 2021	0/29	3/9/21	4.06	5/8/21	6/8/21	217.857	3/9/21
Final dividend for the year ended 31 Dec 2020	0/28	21/5/21	4.1	8/4/21	9/4/21	175.0289	25/5/21

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 (+44 121 415 7592 if calling from outside the UK), 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.

Company contact details

Registered office

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Website: www.man.com

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Telephone: +44 (0) 20 7144 1000

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Company advisers

Independent auditor

Deloitte LLP

Corporate brokers

Credit Suisse
J.P. Morgan Cazenove

Corporate communications

FTI Consulting

Registrars

EQ

This Annual Report has been prepared for, and only for, the members of the Company, as a body, and no other persons. The Company, its directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed. By their nature, the statements concerning the risks and uncertainties facing the Group in this Annual Report involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this Annual Report and the Company undertakes no obligation to update these forward-looking statements. Nothing in this Annual Report should be construed as a profit forecast.

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

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

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

CLO

Collateralised loan obligations are a security backed by a pool of debt, often corporate loans

Compensation ratio

The compensation ratio is calculated as total compensation costs divided by net revenue

CSR

Corporate Social Responsibility

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

Executive Committee

Committee of executives considered to be the firm's key management, who have authority and responsibility for planning, directing and controlling activities at Man Group

External audit

An external auditor performs an audit, in accordance with specific laws or rules, of the financial statements of an organisation and is independent of the entity being audited

FCA

Financial Conduct Authority

FRC

Financial Reporting Council

GDPR

The General Data Protection Regulation

Global Sustainable Investment Alliance (GSIA)

The Global Sustainable Investment Alliance

High water mark

The value above which performance-fee-eligible AUM accrues performance fees

HMRC

Her 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

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

Glossary continued

Net Asset Value or NAV

Net Asset Value or NAV is the sum total of the market value of all the investment instruments held in the portfolio including cash, less any liabilities held in the portfolio. NAV per share is found by dividing the total number of units outstanding from the NAV

Net management fee margin

Margins are an indication of the management fee revenue margins negotiated with Man Group's clients net of any distribution costs paid to intermediaries. Net management fee margin is calculated as core net management fee revenue divided by AUM

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

Revolving credit facility (RCF)

A line of credit, to an agreed limit, that businesses can access when needed

Run rate net management fee revenue and margin

Run rate net management fee margin is calculated as core net management fee revenue for the last quarter divided by the average AUM for the last quarter on a fund-by-fund basis. Run rate net management fee revenue is calculated as the run rate net management fee margin applied to the closing AUM as at the period end. These measures give the most up-to-date indication of our management fee revenue at a given date

Sale and repurchase agreement

A sale and repurchase agreement (repo) is a short-term borrowing arrangement under which Man Group sells certain of its fund product investments to a third party, with a commitment to repurchase them on a prearranged future date for consideration of the sale proceeds received 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

Senior Executive Committee (Senior ExCo)

Committee of executives within Man Group that work together to advise the CEO and are in charge of specific aspects of the Group

SFDR

Sustainable Finance Disclosure Regulation

SMCR

Senior Managers Certification Regime. New FCA regulation which aims to strengthen market integrity by making senior individuals more accountable for their conduct and competence

Systematic

Systematic investment managers attempt to remove the behavioural component of investing by using computer algorithms to make investment decisions

TCFD

Task Force on Climate-related Financial Disclosures

Total return

Alternative strategies where clients expect the strategy to have some positive exposure to particular risk factors over the course of a market cycle although the level of exposure may vary over time. This includes GLG Global Emerging Markets Debt Total Return, Man GPM, risk premia, and CLO strategies

Total return swap or TRS

A total return swap is a swap agreement in which Man Group receives the return on an underlying fund investment in exchange for an interest payment on the notional investment

Trade execution

The completion of a buy or sell order on a security in the market

TSR

Total shareholder return

UN PRI

The United Nations-supported Principles for Responsible Investment initiative is an international network of investors working together to implement the six Principles for Responsible Investment. Its goal is to understand the implications of sustainability for investors and support signatories to incorporate these issues or implications into their investment decision-making and ownership practices

Weighted average carbon intensity (WACI)

The measurement of a portfolio's exposure to carbon-intensive companies, expressed in tons of CO₂e per million dollars of revenue



Printed in the UK by Pureprint Group, a Carbon Neutral® company. The CO₂ emissions associated with the printing of this publication have been offset. It was printed using vegetable-based inks and a water-based coating. Both the paper mill and printer are registered to the Environmental Management System ISO 14001 and are Forest Stewardship Council® (FSC®) chain-of-custody certified.

Designed and produced by **emperor** 
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