Press Release

26 July 2024

Half year results for the six months ended 30 June 2024

Key points

Strong investment performance across our diversified range of investment strategies and solutions

- Positive investment performance of $11.1 billion, or +2.1% relative to peers[KPI]
- Net inflows of $0.9 billion, 1.8% ahead of the industry[KPI]
- AUM[1] of $178.2 billion as at 30 June 2024 (31 December 2023: $167.5 billion)

Core management fee EPS growth[KPI] of 26%, highlighting the strength of our business model

- Run-rate net management fees of $1,128 million as at 30 June 2024 (31 December 2023: $1,087 million)
- Core performance fees of $170 million from both alternative and long-only strategies
- Statutory EPS (diluted) of 13.8¢ and core EPS (diluted) of 17.1¢[KPI]

Robust balance sheet and disciplined capital policy to support our long-term growth ambitions

- Net tangible assets of $779 million as at 30 June 2024 (31 December 2023: $782 million)
- Seed investments of $549 million (31 December 2023: $595 million)
- Recommended interim dividend of 5.6¢, in line with previous guidance
- $11 million of the share buyback announced in February 2024 was outstanding at 24 July

Good progress against our multi-year strategic priorities, including:

- Delivered strong growth in liquid credit strategies. US direct lending proceeding in line with expectations
- Launched new initiatives focused on distributing high-quality investment content via the wealth channel
- Completed structural reorganisation around our core competencies of Systematic, Discretionary and Solutions

Robyn Grew, Chief Executive Officer of Man Group, said:

"We have started the year strongly, delivering for our clients in a market environment driven by the evolution of forward interest rates, expectations of technological disruption, and the outcome of elections globally. We generated investment performance of $11.1 billion, with a broad range of our strategies contributing. For context, our flagship multi-strategy alternative offering gained 13.3%. We were also pleased to record net inflows of $0.9 billion during another challenging period for asset raising in the industry. We ended June with AUM of $178.2 billion, and delivered core profit before tax of $257 million in the first half.

"At the beginning of 2024 we outlined our multi-year strategic priorities. We aim to further diversify our investment capabilities, notably in quant equity, credit and solutions; to extend our client reach, with a particular emphasis on North America, wealth and insurance channels; and to leverage our existing strengths and scale. These are not overnight wins, but we are pleased with the progress we have made already and will continue to execute on these objectives.

"While the institutional nature of our business can result in some variability in short term net flows, our business is in great shape going into the second half of the year. We offer a diversified range of investment strategies and solutions, underpinned by our high-quality talent and cutting-edge technology, that are highly relevant to our clients as they try to grapple with volatile markets. I am confident that we will continue to deliver for them."

'Core' measures are alternative performance measures. For a detailed description of our alternative performance measures, including non-core items, please refer to pages 27 to 35.
[KPI] Details of key performance indicators can be found in the 2023 Annual Report.
1. Assets under management. A full definition can be found in the 2023 Annual Report.

Summary financials

$ millions, unless otherwise stated	**Six months to 30 Jun 2024**	Six months to 30 Jun 2023
AUM, end of period	**$178.2bn**	$151.7bn
Core net management fees	551	460
Core performance fees	170	32
Core net revenue[1]	**761**	513
Core profit before tax	**257**	137
Statutory profit after tax	**164**	83
¢		
Core management fee EPS (diluted)	11.0	8.7
Statutory EPS (diluted)	13.8	6.8
Interim dividend per share	5.6	5.6
Financial key performance indicators[KPI]		
Relative investment performance	2.1%	0.6%
Relative net flows	1.8%	2.5%
Core EPS (diluted)	17.1¢	8.9¢
Core management fee EPS growth[2]	26%	(4)%

Dividend

Man Group's ordinary dividend policy is progressive, taking into account the growth in the firm's overall earnings. The firm first takes into account required capital and potential strategic opportunities, and maintains a prudent balance sheet. Our policy is to then distribute available capital to shareholders over time by way of higher dividend payments and/or share repurchases. While the Board considers dividends as the primary method of returning capital to shareholders, it will continue to execute share repurchases when advantageous.

In line with this policy, the Board has declared an interim dividend of 5.6 cents per share (30 June 2023: 5.6 cents). The interim dividend is in line with the guidance communicated that we intend to keep our interim dividend flat until such time as the ratio of interim to final dividend gets closer to 1:2, in line with the broader UK market. We will fix and announce the US dollar to sterling dividend currency conversion rate on 6 September 2024, in advance of payment.

Dates for the 2024 interim dividend

Ex-dividend date	8 August 2024
Record date	9 August 2024
Final election date for Dividend Reinvestment Plan (DRIP)[3]	30 August 2024
Sterling conversion date	6 September 2024
Payment date	20 September 2024

Forward-looking statements and other important information

This document contains forward-looking statements with respect to the financial condition, results, and business of Man Group plc. By their nature, forward-looking statements involve risk and uncertainty and there may be subsequent variations to estimates. Man Group plc's actual future results may differ materially from the results expressed or implied in these forward-looking statements.

The content of the websites referred to in this announcement is not incorporated into and does not form part of this announcement. Nothing in this announcement should be construed as or is intended to be a solicitation for or an offer to provide investment advisory services or to invest in any investment products mentioned herein.

[KPI] Details of key performance indicators can be found in the 2023 Annual Report.
1. Includes core gains/(losses) on investments and core rental income.
2. Growth measured against comparative prior period.
3. A DRIP is provided by Equiniti Financial Services Limited. The DRIP enables shareholders to elect to have their cash dividend payments used to purchase shares. More information can be found at www.shareview.co.uk/info/drip.

Conference call and presentation for investors and analysts

A conference call with management including an opportunity to ask questions will commence at 08.00am (London) on 26 July 2024. A copy of the presentation will be available on the Investor Relations section of www.man.com from 07.55am. Please note: We recommend connecting to the meeting 5-10 minutes prior to the start time. To ask a question during the Q&A session you will need to access the meeting via the link below.

The conference call can be accessed at:
https://mangroup.webex.com/mangroup/j.php?MTID=ma25eee711016b09c1c53fdb678a14fc8

Webinar number:
2369 975 9177

Webinar password:
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+1 631 267 4890 USA/Canada toll
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Enquiries

Karan Shirgaokar
Head of Investor Relations
+44 20 7144 1434
investor.relations@man.com

Georgiana Brunner
Head of Communications
+44 20 7144 1000
media@man.com

Neil Doyle
FTI Consulting
+44 77 7197 8220
man@fticonsulting.com

About Man Group

Man Group is a global alternative investment management firm focused on pursuing outperformance for sophisticated clients via our Systematic, Discretionary and Solutions offerings. Powered by talent and advanced technology, our single and multi-manager investment strategies are underpinned by deep research and span public and private markets, across all major asset classes, with a significant focus on alternatives. Man Group takes a partnership approach to working with clients, establishing deep connections and creating tailored solutions to meet their investment goals and those of the millions of retirees and savers they represent.

Headquartered in London, we manage $178.2[1] billion and operate across multiple offices globally. Man Group plc is listed on the London Stock Exchange under the ticker EMG.LN and is a constituent of the FTSE 250 Index. Further information can be found at www.man.com.

1. As at 30 June 2024. All investment management and advisory services are offered through Man Group affiliated regulated investment managers.

Assets under management

AUM movements for the six months ended 30 June 2024

$bn	AUM at 31 Dec 2023	Net flows	Investment performance	Other[1]	AUM at 30 Jun 2024
Absolute return	**47.7**	(1.6)	2.5	0.6	**49.2**
Total return	**42.5**	1.7	1.4	(0.6)	**45.0**
Multi-manager solutions	**19.4**	(2.7)	0.2	(0.8)	**16.1**
Alternative	**109.6**	**(2.6)**	**4.1**	**(0.8)**	**110.3**
Systematic long-only	**36.5**	(0.4)	5.2	(0.1)	**41.2**
Discretionary long-only	**21.4**	3.9	1.8	(0.4)	**26.7**
Long-only	**57.9**	**3.5**	**7.0**	**(0.5)**	**67.9**
Total	**167.5**	**0.9**	**11.1**	**(1.3)**	**178.2**

AUM movements for the three months ended 30 June 2024

$bn	AUM at 31 Mar 2024	Net flows	Investment performance	Other[1]	AUM at 30 Jun 2024
Absolute return	**50.3**	(0.3)	(0.5)	(0.3)	**49.2**
Total return	**43.3**	2.0	0.1	(0.4)	**45.0**
Multi-manager solutions	**17.7**	(1.1)	0.0	(0.5)	**16.1**
Alternative	**111.3**	**0.6**	**(0.4)**	**(1.2)**	**110.3**
Systematic long-only	**39.7**	0.0	1.5	0.0	**41.2**
Discretionary long-only	**24.7**	1.9	0.2	(0.1)	**26.7**
Long-only	**64.4**	**1.9**	**1.7**	**(0.1)**	**67.9**
Total	**175.7**	**2.5**	**1.3**	**(1.3)**	**178.2**

1. Includes the impact of foreign currency exchange rate fluctuations, performance-linked leverage movements, distributions and realisations (proceeds from maturities or disposals) across real estate and US direct lending strategies, and capital returned to investors from CLO strategies.

AUM by product category

$bn	30 Jun 2023	30 Sep 2023	31 Dec 2023	31 Mar 2024	30 Jun 2024
Absolute return	**47.3**	**48.0**	**47.7**	**50.3**	**49.2**
Institutional solutions[1]	14.7	15.5	16.2	17.4	17.1
Traditional trend-following	10.4	10.1	9.5	9.6	9.5
Multi-strategy quant	6.0	5.8	6.0	6.5	6.3
Alternative trend-following	5.3	5.4	5.4	5.3	4.8
Discretionary equity	4.7	4.5	4.4	4.6	4.5
Other[2]	6.2	6.7	6.2	6.9	7.0
Total return	**29.4**	**39.6**	**42.5**	**43.3**	**45.0**
Multi-asset risk parity	13.2	12.4	14.2	15.2	16.2
Alternative risk premia	8.9	9.2	9.9	10.3	11.4
US direct lending	-	10.7	10.8	10.7	10.3
CLOs and other	3.5	3.7	4.0	3.8	3.8
Real estate	3.2	3.1	3.1	3.0	3.0
Emerging markets fixed income	0.6	0.5	0.5	0.3	0.3
Multi-manager solutions	**20.3**	**20.3**	**19.4**	**17.7**	**16.1**
Infrastructure and direct access	12.7	12.8	12.8	12.0	11.5
Segregated	7.0	6.9	6.1	5.3	4.3
Diversified and thematic FoHF	0.6	0.6	0.5	0.4	0.3
Systematic long-only	**35.7**	**34.0**	**36.5**	**39.7**	**41.2**
Global equity	19.2	18.4	20.2	22.5	23.7
Emerging markets equity	7.7	7.3	8.0	8.4	8.9
International equity	7.5	7.1	7.0	7.8	7.2
US equity	1.3	1.2	1.3	1.0	1.4
Discretionary long-only	**19.0**	**19.3**	**21.4**	**24.7**	**26.7**
Credit and convertibles	6.6	6.6	8.1	9.6	10.7
Japan equity	4.8	5.3	5.3	6.3	6.3
UK equity	3.9	3.8	4.1	4.4	5.0
Europe ex-UK equity	1.3	1.2	1.3	1.9	1.8
Emerging markets fixed income	1.0	0.9	1.0	0.9	0.9
Other[3]	1.4	1.5	1.6	1.6	2.0
Total	**151.7**	**161.2**	**167.5**	**175.7**	**178.2**

1. Includes AHL Institutional Solutions, which invests into a range of AHL strategies including AHL Alpha, AHL Dimension and AHL Evolution, as well as other absolute return strategies.
2. Includes other AHL, Numeric and Discretionary credit absolute return strategies.
3. Includes other equity and multi-asset strategies.

Investment performance

		Return (net of fees)		Annualised return (net of fees)		
		3 months to 30 Jun 2024	6 months to 30 Jun 2024	3 years to 30 Jun 2024	5 years to 30 Jun 2024	Inception to 30 Jun 2024
Absolute return						
AHL Alpha	1	0.7%	7.6%	5.7%	6.9%	10.2%
AHL Dimension	2	0.5%	7.5%	7.2%	4.2%	5.0%
AHL Evolution	3	-6.1%	1.7%	6.2%	6.9%	11.6%
AHL Diversified	4	-0.7%	11.3%	4.7%	7.1%	10.4%
GLG Alpha Select Alternative	5	1.5%	2.8%	8.3%	6.8%	5.0%
GLG Event Driven Alternative	6	-0.5%	0.5%	3.1%	-	5.9%
GLG Global Credit Multi Strategy	7	2.6%*	6.0%*	4.2%*	5.4%*	10.8%*
Man Strategies 1783	8	3.1%	13.3%	10.3%	-	7.5%
Total return						
AHL TargetRisk	9	1.8%	8.7%	3.5%	6.0%	8.1%
Alternative Risk Premia	10	4.1%	11.4%	11.8%	5.7%	5.5%
GLG Global Emerging Markets Debt Total Return	11	1.9%	2.6%	-0.9%	-0.2%	0.7%
Multi-manager solutions						
FRM Diversified II	12	-0.1%	5.6%	5.4%	5.5%	4.2%
Systematic long-only						
Numeric Global Core	13	3.5%	16.1%	9.5%	12.9%	11.3%
Relative return		*0.9%*	*4.4%*	*2.6%*	*1.1%*	*1.0%*
Numeric Europe Core	14	2.5%	12.7%	9.1%	9.8%	9.1%
Relative return		*1.2%*	*3.7%*	*1.7%*	*1.4%*	*2.3%*
Numeric Emerging Markets Core	15	5.1%	12.7%	-2.6%	6.2%	5.6%
Relative return		*0.1%*	*5.2%*	*2.4%*	*3.1%*	*2.5%*
Discretionary long-only						
GLG Continental European Growth	16	-3.7%	7.7%	4.3%	8.9%	9.4%
Relative return		*-3.9%*	*0.6%*	*-2.6%*	*0.4%*	*3.1%*
GLG Japan CoreAlpha Equity	17	-0.5%	19.8%	23.4%	16.7%	6.8%
Relative return		*-2.2%*	*-0.3%*	*7.5%*	*1.3%*	*1.9%*
GLG Undervalued Assets	18	2.8%	7.5%	10.2%	6.2%	7.5%
Relative return		*-0.9%*	*0.1%*	*2.8%*	*0.7%*	*1.7%*
GLG High Yield Opportunities	19	2.9%	6.3%	2.5%	6.5%	7.3%
Relative return		*1.8%*	*3.6%*	*3.4%*	*5.0%*	*4.9%*
GLG Sterling Corporate Bond	20	3.2%	8.7%	-	-	6.8%
Relative return		*3.4%*	*8.8%*	-	-	*11.8%*
Indices						
HFRX Global Hedge Fund Index	21	0.4%	2.9%	0.4%	3.2%	
HFRI Fund of Funds Conservative Index	21	0.9%	3.5%	3.6%	4.9%	
HFRI Equity Hedge (Total) Index	21	1.0%	6.1%	1.9%	7.8%	
HFRX EH: Equity Market Neutral Index	21	1.3%	4.2%	2.3%	0.9%	
Barclay BTOP 50 Index	22	-2.2%	7.1%	7.8%	7.2%	

*Estimated

Past or projected performance is no indication of future results. Financial indices are used for illustrative purposes only and are provided for the purpose of making a comparison to general market data as a point of reference and should not be construed as a true comparison to the strategy.

The information herein is being provided solely in connection with this press release and is not intended to be, nor should it be construed or used as, investment, tax or legal advice, any recommendation or opinion regarding the appropriateness or suitability of any investment or strategy, or an offer to sell, or a solicitation of an offer to buy, an interest in any security, including an interest in any fund or pool described herein.

1. Represented by AHL Alpha plc from 17 October 1995 to 30 September 2012, and by AHL Strategies PCC Limited: Class Y AHL Alpha USD Shares from 1 October 2012 to 30 September 2013. The representative product was changed at the end of September 2012 due to the provisioning of fund liquidation costs in October 2012 for AHL Alpha plc, which resulted in a tracking error compared with other Alpha Programme funds. Both funds are valued weekly; however, for comparative purposes, statistics have been calculated using the best quality price that is available at each calendar month end, using estimates where a final price is unavailable. Where a price, either estimate or final is unavailable on a calendar month end, the price on the closest date prior to the calendar month end has been used. Both track records have been adjusted to reflect the fee structure of AHL Alpha (Cayman) Limited - USD Shares. From 30 September 2013, the actual performance of AHL Alpha (Cayman) Limited - USD Shares is displayed.
2. Represented by AHL Strategies PCC Limited: Class B AHL Dimension USD Shares from 3 July 2006 to 31 May 2014, and by AHL Dimension (Cayman) Ltd - F USD Shares Class from 1 June 2014 until 28 February 2015 when AHL Dimension (Cayman) Ltd - A USD Shares Class is used. Representative fees of 1.5% Management Fee and 20% Performance Fee have been applied.
3. Represented by AHL Evolution Limited adjusted for the fee structure (2% p.a. management fee and 20% performance fee) from September 2005 to 31 October 2006; and by AHL Strategies PCC: Class G AHL Evolution USD from 1 November 2006 to 30 November 2011; and by the performance track record of AHL Investment Strategies SPC: Class E AHL Evolution USD Notes from 1 December 2011 to 30 November 2012. From 1 December 2012, the track record of AHL (Cayman) SPC: Class A1 Evolution USD Shares has been shown. All returns shown are net of fees.
4. Represented by Man AHL Diversified plc from 26 March 1996 to 29 October 2012, and by Man AHL Diversified (Guernsey) USD Shares – Class A from 30 October 2012 to date. The representative product was changed at the end of October 2012 due to legal and/or regulatory restrictions on Man AHL Diversified plc preventing the product from accessing the Programme's revised target allocations. Both funds are valued weekly; however, for comparative purposes, statistics have been calculated using the best quality price that is available at each calendar month end, using estimates where a final price is unavailable. Where a price, either estimate or final is unavailable on a calendar month end, the price on the closest date prior to the calendar month end has been used.
5. Represented by Man GLG Alpha Select Alternative IL GBP; AUM included within Discretionary equity under the absolute return product category.
6. Represented by Man GLG Event Driven Alternative IN USD; AUM included within Discretionary equity under the absolute return product category.
7. Represented by GLG Market Neutral Fund - Class Z Restricted - USD until 31 August 2007. From 1 September 2007, Man GLG Global Credit Multi Strategy CL IL XX USD Unrestricted; AUM included within Other under the absolute return product category.
8. Represented by Man Strategies 1783 Class F1 USD until 31st December 2021. From the 1st of January 2022 Man Strategies 1783 Class A USD; AUM included within the corresponding product category.
9. Represented by Man AHL TargetRisk Class I USD.
10. Represented by Man Alternative Risk Premia SP - Class A USD.
11. Represented by Man GLG Global Emerging Markets Debt Total Return Class I USD; AUM included within Emerging markets fixed income under the total return product category.
12. Represented by FRM Diversified II Fund SPC - Class A USD ('the fund') until April 2018 then Class A JPY hedged to USD thereafter. However, prior to Jan 2004, FRM has created the FRM Diversified II pro forma using the following methodology: i) for the period Jan 1998 to Dec 2003, by using the returns of Absolute Alpha Fund PCC Limited - Diversified Series Share Cell ('AA Diversified - USD') adjusted for fees and/or currency, where applicable. For the period Jan 2004 to Feb 2004, the returns of the fund's master portfolio have been used, adjusted for fees and/or currency, where applicable. Post Feb 2004, the fund's actual performance has been used, which may differ from the calculated performance of the track record. There have been occasions where the 12-months' performance to date of FRM Diversified II has differed materially from that of AA Diversified. Strategy and holdings data relates to the composition of the master portfolio; AUM included within Diversified and thematic FoHF under the multi-manager solutions product category.
13. Performance relative to the MSCI World. This reference index is intended to best represent the strategy's universe. Investors may choose to compare returns for their accounts to different reference indices, resulting in differences in relative return information. Comparison to an index is for informational purposes only, as the holdings of an account managed by Numeric will differ from the securities which comprise the index and may have greater volatility than the holdings of an index.
14. Performance relative to the MSCI Europe (EUR). This reference index is intended to best represent the strategy's universe. Investors may choose to compare returns for their accounts to different reference indices, resulting in differences in relative return information. Comparison to an index is for informational purposes only, as the holdings of an account managed by Numeric will differ from the securities which comprise the index and may have greater volatility than the holdings of an index; AUM included within International equity under the systematic long-only product category.
15. Performance relative to MSCI Emerging Markets. This reference index is intended to best represent the strategy's universe. Investors may choose to compare returns for their accounts to different reference indices, resulting in differences in relative return information. Comparison to an index is for informational purposes only, as the holdings of an account managed by Numeric will differ from the securities which comprise the index and may have greater volatility than the holdings of an index.
16. Represented by Man GLG Continental European Growth Fund Class C Accumulation Shares. Relative return shown vs FTSE World Europe Ex UK (GBP, GDTR); AUM included within Europe ex-UK equity under the discretionary long-only product category.
17. Represented by Man GLG Japan CoreAlpha Fund - Class C converted to JPY until 28 January 2010. From 1 February 2010 Man GLG Japan CoreAlpha Equity Fund - Class I JPY is displayed. Relative return shown vs TOPIX (JPY, GDTR); AUM included within Japan equity under the discretionary long-only product category.
18. Represented by Man GLG Undervalued Assets Fund - C Accumulation Shares. Relative return shown vs FTSE All Share (GBP, NDTR); AUM included within UK equity under the discretionary long-only product category.
19. Represented by Man GLG High Yield Opportunities I EUR. Relative return is shown vs ICE BofA Global High Yield Index (EUR, TR) Hedged benchmark; AUM included within Credit and convertibles under the discretionary long-only product category.
20. Represented by Man GLG Sterling Corporate Bond Fund Class C Accumulation Shares. Relative return is shown vs ICE BofA Sterling Corporate & Collateralized Index (GBR, TR); AUM included within Credit and convertibles under the discretionary long-only product category.
21. HFRI and HFRX index performance over the past 4 months is subject to change.
22. The historical Barclay BTOP 50 Index data is subject to change.

Chief Executive Officer’s review

Overview

The first half of this year was positive for risk assets, building on 2023’s price momentum. The prevailing narrative was one of a 'Goldilocks' economy – neither too hot to prolong interest rates at recent highs, nor too cold to hinder growth. Monetary policy decisions, economic data releases and general elections across the globe were closely monitored, frequently causing short-term market volatility across asset classes. Despite lowering expectations for rate cuts compared with the beginning of the year, investor sentiment remained relatively stable, supported by robust corporate earnings in the U.S. technology sector. Meanwhile, companies with exposure to artificial intelligence continued to outperform, driving the S&P 500 index up 14.5% to record highs during the first six months of 2024.

At our full year results in February, I outlined our strategic priorities to deliver the next chapter of growth at Man Group. In doing so, I was conscious not to overlook the existing strengths of our business: the range of investment strategies and solutions we offer, our commitment to partnering with sophisticated investors globally to solve their most complex problems, and the quality of our talent, technology and institutional resources. It is these strengths that have helped us to deliver significant growth over the past few years and underpin another strong set of financial results for the first six months of 2024 against the backdrop I have described above. I am delighted that we continue to generate investment performance for our clients, maintain our relevance with them, and deliver for our shareholders.

We generated investment performance of $11.1 billion in the first half, with all our product categories contributing positively. Our absolute return strategies gained 5.8%, with particularly notable returns from AHL Alpha (+7.6%) and AHL Dimension (+7.5%), as well as our multi-strategy offering Man 1783 (+13.3%). After an excellent start to the year, AHL Evolution, which charges performance fees at the end of June, incurred losses during the second quarter amid the increased political uncertainty in Europe. While this dampened the gains, it still ended the period in positive territory (+1.7%). After a strong year in 2023, GLG Event Driven (+0.5%) also had a weaker period of investment performance during the first six months of this year.

Our total return (+7.6%) and long-only (+12.0%) strategies also delivered strong returns over the period, helped by positive momentum in equity markets; Alternative Risk Premia and GLG Japan CoreAlpha Equity were standout performers, delivering investment performance of +11.4% and +19.8%, respectively, whereas returns from GLG Global Emerging Markets Debt were softer (+2.6%).

I have said previously that the ability to deliver outperformance at scale is one of the most exciting challenges ahead for our industry and I am delighted that our overall relative investment performance in the first six months of 2024 was positive. During the period, Man Group’s investment performance on an asset-weighted basis was 2.1% ahead when compared with similar strategies offered by other investment managers. This outperformance was achieved across our alternative (+0.5%) and long-only (+4.3%) strategies, with notable strength across the Man Numeric range. Our credit offering also performed strongly, with High Yield and Sterling Corporate Bond strategies returning +3.6% and +8.8% above their respective benchmarks on the liquid side. In private credit, our portfolio has continued to generate strong outperformance for clients, demonstrated by resilient underlying KPIs and minimal realised losses. These outcomes are a real testament to the skill of our investment teams, our culture of sophisticated risk management across investment disciplines and our advanced technology platform.

While 2024 has remained a challenging period for fundraising in the asset management sector, as institutions grapple with reduced realisations from private equity allocations and higher interest rates, we continued to make progress building deep and long-term relationships with asset allocators and distributors around the globe. Client activity remained strong during the first six months of the year, with total gross inflows of $20.4 billion (H1 2023: $15.0 billion). However, we experienced an increase in redemptions during the first quarter of the year as a small number of large institutional clients rebalanced their investment portfolios. Total net inflows were $0.9 billion for the period, 1.8% ahead of the industry, and I am pleased that we continued to grow our market share during the first six months of 2024.

As we have said before, the institutional nature of our business can result in some variability in near-term net flows. Our third quarter flows will be impacted by a $6.7 billion redemption from a single client in systematic long-only, following the strategic decision to switch their entire equities allocation to a passively-managed, index-based portfolio. The mandate has a net management fee margin of 21 basis points, and consequently it will have minimal impact on the firm’s profits. The institution first invested with us in 2011 and since then we are proud to have delivered net investment performance of 16% on an annualised basis and outperformed the benchmark by 2% per annum on average.

Positive investment performance and net inflows, partially offset by negative other impacts of $1.3 billion, increased total AUM to $178.2 billion as at 30 June 2024. This was 6% higher compared with 31 December 2023, reflecting another period of organic growth and a new record for the firm. Core net management fees were $551 million (H1 2023: $460 million), while core performance fees were $170 million (H1 2023: $32 million). Growth in core profitability resulted in core earnings per share (diluted) of 17.1 cents (H1 2023: 8.9 cents) and statutory earnings per share (diluted) of 13.8 cents (H1 2023: 6.8 cents). In line with our guidance, the Board has declared an interim dividend of 5.6 cents per share (H1 2023: 5.6 cents).

Business development

During the period, we have made good progress against our multi-year strategic objectives, which I believe are core to cementing our competitive advantage and driving the growth of our business over the next few years. In February, we announced a new structure that brings together all our discretionary investment content under one division. The reorganisation around our core competencies of Systematic, Discretionary and Solutions enables us to deliver customised solutions to clients more efficiently, facilitates freer cross-pollination of ideas, particularly in credit, and makes the firm easier to understand and navigate.

Growing our credit capabilities is one of our priorities and I am proud of the progress we have continued to make across the board in this area during the first six months of the year. We now manage $10.7 billion in liquid credit and convertibles (31 December 2023: $8.1 billion), with our teams continuing to deliver exceptional investment performance. The pipeline of client interest for our Credit Risk Sharing strategy, which manages securities referencing high-quality loan portfolios originated and serviced by sponsor banking institutions, remains strong. Lastly, the integration of the Varagon business continues to advance smoothly, with fundraising initiatives and product development plans progressing in line with our expectations. We expect to launch an evergreen private credit strategy later in H2 2024, seeded by a longstanding solutions client.

Product development, and innovation more broadly, strengthens our business by diversifying our revenue streams, providing new opportunities for our people and creating multiple options for future growth. Growing our presence in the intermediated wealth channel is one of our priorities, with a focus on developing more products suitable for distribution to retail investors, and we now have joint ventures with market leaders in Italy and in Japan. In the first half of the year, we launched the initial wave of products under the Asteria JV, raising over $500 million in AUM. Both regions present a significant opportunity for growth, and local partnerships like these help to develop attractive offerings for the market while enabling efficient coverage.

Financial review

Core net revenue of $761 million (H1 2023: $513 million) primarily comprised $551 million of core net management fees (H1 2023: $460 million), $170 million (H1 2023: $32 million) of core performance fees and core gains on investments of $39 million (H1 2023: $19 million). Core net management fees were 20% higher than the comparative period due to an increase in total return and long-only AUM, driven by strong investment performance and the contribution from Varagon. Core performance fees of $170 million comprised $165 million from alternative strategies across our investment divisions and $5 million from long-only strategies.

Average net management fee margins were broadly in line with those for the year ended 31 December 2023 across all product categories. The overall run-rate net management fee margin at 30 June 2024 decreased by two basis points to 63 basis points compared with 31 December 2023, with run-rate core net management fees standing at $1,128 million at 30 June 2024 (31 December 2023: $1,087 million).

Run-rate core net management fees and margins

	Run-rate core net management fees ($m)[1]		**Run-rate net management fee margin (bps)**[1]	
	At 30 Jun 2024	At 31 Dec 2023	**At 30 Jun 2024**	At 31 Dec 2023
Absolute return	**547**	544	**111**	114
Total return	**288**	294	**64**	69
Multi-manager solutions	**29**	33	**18**	17
Systematic long-only	**108**	91	**26**	25
Discretionary long-only	**156**	125	**58**	58
Total	**1,128**	1,087	**63**	65

1. Run-rate net management fee margin is calculated as core net management fees divided by average AUM on a fund-by-fund basis for the period specified. Run-rate core net management fees applies the run-rate net management fee margin to closing AUM. This is for illustrative purposes and not a forecast.

Core compensation costs in the period were $358 million (H1 2023: $257 million), comprising $134 million of fixed compensation costs (H1 2023: $118 million) and $224 million of variable compensation costs (H1 2023: $139 million). The increase in fixed compensation was due to an increase in headcount following the acquisitions of Varagon and Asteria in H2 2023, and as a result of continued organic growth. The higher performance fees generated in the period drove an increase in variable compensation costs and a decrease in the compensation ratio to 47% from 50% in H1 2023.

Core other costs, including asset servicing and depreciation, were $126 million compared with $113 million for H1 2023. The acquisitions noted above contributed to this increase along with inflationary pressures. The strengthening of most currencies relative to the US dollar, particularly sterling, during the period (1.27 USD:GBP in H1 2024 compared with 1.23 USD:GBP in H1 2023), increased fixed compensation and core other costs. Net finance expense of $15 million was higher in H1 2024 than the comparative period (H1 2023: $6 million), primarily due to higher average borrowings and an increase in seed book financing.

Statutory profit before tax increased significantly to $219 million, from $114 million in the six months ended 30 June 2023, due to higher revenues from both management and performance fees in the period. Similarly, core profit before tax increased from $137 million to $257 million. Statutory earnings per share on a diluted basis were 13.8 cents for the six months ended 30 June 2024 compared with 6.8 cents in H1 2023, with core earnings per share (diluted) up from 8.9 cents in H1 2023 to 17.1 cents. Core management fee profit before tax increased to $163 million (H1 2023: $133 million) and core management fee earnings per share (diluted) increased 26% to 11.0 cents.

Capital management

Our robust balance sheet and liquidity positions allow us to invest in line with our strategic priorities, support our long-term growth prospects and maximise shareholder value. They also enable us to withstand periods of stress.

As at 30 June 2024, we had net tangible assets of $779 million and net financial assets of $411 million (31 December 2023: $782 million and $555 million, respectively). We had $121 million of available cash at 30 June 2024 (31 December 2023: $180 million) and had drawn $170 million on our revolving credit facility (31 December 2023: $140 million). Seed investments decreased to $549 million at 30 June 2024 (31 December 2023: $595 million), as mark to market gains in the period were offset by net redemptions and additional seed book financing. Total return swap exposure increased to $258 million at 30 June 2024 from $230 million at 31 December 2023 as a result. Additional exposure to seed investments via repo arrangements at 30 June 2024 was $35 million compared with $45 million at 31 December 2023. We will continue to manage our liquidity dynamically, within our existing parameters, and deploy capital to invest in new products to drive the growth of the business.

The interim dividend of 5.6 cents per share is in line with the guidance communicated previously. We intend to keep our interim dividend flat until such time as the ratio of interim to final dividend is closer to 1:2, in line with the broader UK market. Our business is highly cash-generative, and these cash flows support a growing dividend over time. In H1 2024, we completed $31 million of the $50 million share repurchase announced in February.

Outlook

Political developments around the world, macroeconomic dynamics, and lower private equity realisations are creating new challenges that our clients need to grapple with. These themes will likely influence near-term allocation decisions, increasing the level of unpredictability around net flows.

We remain well-positioned for growth, supported by the prevailing structural trends in asset management towards more alternatives, liquidity and customised solutions. Notwithstanding the systematic long-only redemption outlined earlier, our positive momentum continues as we enter the second half of the year, supported by solid investment performance across our investment strategies, a high level of client engagement, and good progress against our strategic priorities in line with our expectations.

We continue to be focused on generating investment performance irrespective of market conditions, partnering with clients to find solutions to meet their needs, and building a market-leading alternative investment management business that is run for long-term success.

'Core' measures are alternative performance measures. For a detailed description of our alternative performance measures, including non-core items, please refer to pages 27 to 35.

Risk management

Risk management is an essential component of our approach, both to the management of investment funds on behalf of investors, and the management of Man Group's business on behalf of shareholders. Our reputation is fundamental to our business, and maintaining our corporate integrity is the responsibility of everyone at Man Group. Our approach is to identify, quantify and manage risk throughout the firm, in accordance with the Board's risk appetite. We maintain capital and liquidity to give us strategic and tactical flexibility, both in terms of corporate and fund management.

The principal and emerging risks faced by Man Group are set out on pages 30 to 34 of our 2023 Annual Report and include: investment performance risk; key person risk; counterparty risk; liquidity risk; investment book risk; pension risk; risk of internal or external process failure; model and data integrity risk; information and cybercrime security risk; information technology and business continuity risk; legal, compliance and regulatory risk; reputational risk; and climate change risk. These will continue to be our principal risks for the second half of the financial year.

Our risk framework operated effectively in the six months to 30 June 2024, with systems and controls functioning as designed.

Statement of directors' responsibilities

The directors confirm that, to the best of their knowledge, this condensed consolidated set of financial statements in respect of Man Group plc for the six month period ended 30 June 2024 has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the United Kingdom, and that this interim report includes a fair review of the information required by the Financial Conduct Authority's Disclosure Guidance and Transparency Rules 4.2.7 and 4.2.8, namely:

- an indication of important events that have occurred during the six months ended 30 June 2024 and their impact on the condensed interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year ending 31 December 2024; and
- material related party transactions in the six months ended 30 June 2024 and any material changes in the related party transactions described in the last Annual Report.

The directors of Man Group plc are:

Anne Wade – Board Chair
Robyn Grew – Chief Executive Officer
Antoine Forterre – Chief Financial Officer
Richard Berliand – Senior Independent Director
Lucinda Bell – Independent Non-executive Director
Ceci Kurzman – Independent Non-executive Director
Laurie Fitch – Independent Non-executive Director
Sarah Legg – Independent Non-executive Director
Dixit Joshi – Independent Non-executive Director

By order of the board

Robyn Grew
Chief Executive Officer
25 July 2024

Antoine Forterre
Chief Financial Officer
25 July 2024

Independent review report to Man Group Plc

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 which comprises 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 related notes 1 to 14.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of Man Group are prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, 'Interim Financial Reporting'.

Conclusion Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing Man 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the review of the financial information

In reviewing the half-yearly financial report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the Company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
Statutory Auditor
London, UK
25 July 2024

Interim financial statements

Group income statement

$m	Note	**Six months to 30 June 2024**	Six months to 30 June 2023
Management and other fees		**564**	474
Performance fees		**169**	32
Revenue		**733**	506
Net income or gains on investments and other financial instruments	8	**67**	30
Third-party share of gains relating to interests in consolidated funds	8	**(14)**	(12)
Rental income		**1**	2
Distribution costs		**(17)**	(16)
Net revenue		**770**	510
Asset servicing costs		**(33)**	(27)
Compensation costs	3	**(364)**	(257)
Other employment-related expenses	3	**(22)**	–
Other costs	3	**(98)**	(101)
Finance expense	4	**(22)**	(14)
Finance income	4	**7**	8
Gain on disposal of investment property – right-of-use lease assets		**–**	8
Amortisation of acquired intangibles		**(15)**	(11)
Share of post-tax loss of associates		**(2)**	(2)
Third-party share of post-tax profits		**(2)**	–
Statutory profit before tax		**219**	114
Tax expense	5	**(55)**	(31)
Statutory profit attributable to owners of the Company		**164**	83
Statutory earnings per share:	12		
Basic		**14.1¢**	6.9¢
Diluted		**13.8¢**	6.8¢

Group statement of comprehensive income

$m	**Six months to 30 June 2024**	Six months to 30 June 2023
Statutory profit attributable to owners of the Company	**164**	83
Other comprehensive income/(loss):		
Remeasurements of defined benefit pension plans	**6**	(4)
Deferred tax on pension plans	**(1)**	1
Items that will not be reclassified to profit or loss	**5**	(3)
Cash flow hedges:		
Valuation gains taken to equity	**19**	8
Realised gains transferred to Group income statement	**(17)**	(6)
Net investment hedges	**3**	2
Foreign currency translation	**(3)**	1
Items that may be reclassified to profit or loss	**2**	5
Other comprehensive income	**7**	2
Total comprehensive income attributable to owners of the Company	**171**	85

Group balance sheet

$m	Note	At 30 June 2024	At 31 December 2023
Assets			
Cash and cash equivalents	6	**279**	276
Fee and other receivables		**755**	551
Investments in fund products and other investments	8	**2,581**	2,279
Investments in associates		**9**	11
Current tax assets		**28**	15
Finance lease receivable		**68**	67
Leasehold improvements and equipment		**57**	53
Leasehold property – right-of-use lease assets		**109**	112
Investment property – right-of-use lease assets		**16**	17
Investment property – consolidated fund entities	8	**30**	30
Other intangibles		**56**	54
Deferred tax assets		**128**	128
Pension asset		**18**	12
Goodwill and acquired intangibles		**761**	776
Total assets		**4,895**	4,381
Liabilities			
Borrowings	6	**170**	140
Trade and other payables	10	**874**	736
Provisions	11	**15**	16
Current tax liabilities		**–**	3
CLO liabilities – consolidated fund entities	8	**1,365**	1,036
Third-party interest in consolidated funds	8	**601**	554
Third-party interest in other subsidiaries		**1**	1
Lease liability		**273**	283
Total liabilities		**3,299**	2,769
Net assets		**1,596**	1,612
Equity			
Capital and reserves attributable to owners of the Company		**1,596**	1,612

Group cash flow statement

$m	Note	**Six months to 30 June 2024**	Six months to 30 June 2023
Operating activities			
Cash generated from operations	7	**285**	179
Interest paid		**(15)**	(9)
Payment of lease interest		**(6)**	(5)
Tax paid		**(73)**	(63)
Cash flows from operating activities		**191**	102
Investing activities			
Interest received		**6**	8
Purchase of leasehold improvements and equipment		**(10)**	(8)
Purchase of other intangibles		**(11)**	(10)
Cash flows used in investing activities		**(15)**	(10)
Financing activities			
Repayments of lease liability principal		**(11)**	(7)
Purchase of Man Group plc shares by the Employee Trust		**(35)**	(56)
Proceeds from sale of Treasury shares in respect of Sharesave		**1**	–
Share repurchase programmes (including costs)		**(31)**	(223)
Ordinary dividends paid to Company shareholders		**(127)**	(118)
Transactions with non-controlling shareholders		**3**	–
Payment of third-party share of post-tax profits		**(2)**	–
Drawdown of borrowings	6	**30**	65
Cash flows used in financing activities		**(172)**	(339)
Net increase/(decrease) in cash and cash equivalents		**4**	(247)
Cash and cash equivalents at beginning of the period		**276**	457
Effect of foreign exchange movements		**(1)**	2
Cash and cash equivalents at end of the period	6	**279**	212
Less: restricted cash held by consolidated fund entities	6	**(158)**	(111)
Available cash and cash equivalents at the end of the period	6	**121**	101

Group statement of changes in equity

$m	Share capital	Reorg-anisation reserve	Profit and loss account	Man Group plc shares held by Employee Trust	Treasury shares	Cumulative translation adjustment	Other reserves	Total
At 1 January 2023	46	(1,688)	3,590	(80)	(225)	41	15	1,699
Statutory profit	–	–	83	–	–	–	–	83
Other comprehensive loss	–	–	(3)	–	–	3	2	2
Total comprehensive income	–	–	80	–	–	3	2	85
Share-based payments (Note 3)	–	–	20	–	–	–	–	20
Current tax on share-based payments	–	–	5	–	–	–	–	5
Purchase of Man Group plc shares by the Employee Trust	–	–	–	(56)	–	–	–	(56)
Disposal of Man Group plc shares by the Employee Trust	–	–	(30)	30	–	–	–	–
Share repurchases	–	–	(125)	–	–	–	–	(125)
Transfer to Treasury shares	–	–	223	–	(223)	–	–	–
Transfer from Treasury shares	–	–	(18)	–	15	–	3	–
Cancellation of Treasury shares	(1)	–	(103)	–	103	–	1	–
Dividends paid	–	–	(118)	–	–	–	–	(118)
At 30 June 2023	45	(1,688)	3,524	(106)	(330)	44	21	1,510
At 1 January 2024	**45**	**(1,688)**	**3,621**	**(106)**	**(326)**	**45**	**21**	**1,612**
Statutory profit	**–**	**–**	**164**	**–**	**–**	**–**	**–**	**164**
Other comprehensive income	**–**	**–**	**5**	**–**	**–**	**–**	**2**	**7**
Total comprehensive income	**–**	**–**	**169**	**–**	**–**	**–**	**2**	**171**
Share-based payments (Note 3)	**–**	**–**	**22**	**–**	**–**	**–**	**–**	**22**
Current tax on share-based payments	**–**	**–**	**1**	**–**	**–**	**–**	**–**	**1**
Deferred tax on share-based payments	**–**	**–**	**(1)**	**–**	**–**	**–**	**–**	**(1)**
Purchase of Man Group plc shares by the Employee Trust	**–**	**–**	**–**	**(35)**	**–**	**–**	**–**	**(35)**
Disposal of Man Group plc shares by the Employee Trust	**–**	**–**	**(29)**	**29**	**–**	**–**	**–**	**–**
Share repurchases	**–**	**–**	**(50)**	**–**	**–**	**–**	**–**	**(50)**
Transfer to Treasury shares	**–**	**–**	**31**	**–**	**(31)**	**–**	**–**	**–**
Transfer from Treasury shares	**–**	**–**	**(6)**	**–**	**5**	**–**	**1**	**–**
Disposal of Treasury shares for Sharesave	**–**	**–**	**–**	**–**	**1**	**–**	**–**	**1**
Cancellation of Treasury shares	**(1)**	**–**	**(112)**	**–**	**112**	**–**	**1**	**–**
Transactions with non-controlling shareholders	**–**	**–**	**2**	**–**	**–**	**–**	**–**	**2**
Dividends paid	**–**	**–**	**(127)**	**–**	**–**	**–**	**–**	**(127)**
At 30 June 2024	**44**	**(1,688)**	**3,521**	**(112)**	**(239)**	**45**	**25**	**1,596**

1. Basis of preparation

These condensed consolidated interim financial statements (the 'interim financial statements') for the six months ended 30 June 2024 have been prepared in accordance with United Kingdom-adopted International Accounting Standard 34 'Interim Financial Reporting', the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and Article 106 of the Companies (Jersey) Law 1991. The consolidated group is Man Group plc (the Company) and its subsidiaries (together Man Group).

The financial information contained herein is unaudited and does not constitute accounts within the meaning of Article 105 of the Companies (Jersey) Law 1991. Statutory accounts for the year ended 31 December 2023, which were prepared in accordance with International Financial Reporting Standards (IFRS) and relevant IFRIC interpretations issued by the International Accounting Standards Board (IASB) adopted by the United Kingdom, upon which the auditor has given an unqualified and unmodified report, have been delivered to the Jersey Registrar of Companies and were posted to shareholders on 12 March 2024.

The accounting policies applied in these interim financial statements are consistent with those applied in Man Group's Annual Report for the year ended 31 December 2023 (the '2023 Annual Report').

Impact of new accounting standards

There were no new or amendments to existing accounting standards issued by the International Accounting Standards Board (IASB) effective for the first time in the period to 30 June 2024 that have had a significant impact on these interim financial statements.

No other standards or interpretations issued and not yet effective are expected to have a material impact on the interim financial statements.

Going concern

The Board has determined that there is a reasonable expectation that Man Group has sufficient resources to continue in operation for a period of at least twelve months from the date of approval of these condensed consolidated interim financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

2. Judgemental areas and accounting estimates

Critical judgements

Man Group acts as the investment manager or adviser to fund entities. A significant area of judgement is whether we control certain of those fund entities to which we are exposed via 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.

We have also applied judgement when selecting the appropriate vesting period for put options over the economic interests in subsidiaries held by employees, which are accounted for as cash-settled share-based payments. Since the maximum settlement value of the options varies over time, different vesting periods have been selected for the period over which each alternate value can be earned. Changes in the fair value of these cash-settled share-based payments will be recognised in the Group income statement up until the final settlement date.

Critical accounting estimates

Man Group's key sources of estimation uncertainty include the valuation of the net pension asset (as further described in Note 23 of the 2023 Annual Report), the estimated amount of accrued variable compensation and the valuation of employment related expenses arising from business combinations. The determination of variable compensation is an annual process undertaken at the calendar year end, therefore the accrual at 30 June 2024 is an estimated amount based on the financial performance, including absolute levels of performance fees, in the year to date.

The value of employment-related expenses arising from business combinations is a further source of significant estimation uncertainty as the expenses are determined with reference to the expected future value and performance of the business acquired.

2. Judgemental areas and accounting estimates continued

The Board has also considered the assumptions used in the assessments for the recoverability of deferred tax assets and the valuation of contingent consideration and put options over non-controlling interests in subsidiaries. They have concluded that these assumptions do not have a significant risk of causing a material adjustment to the carrying amounts of our assets or liabilities at the balance sheet date.

The impact of climate change on the interim financial statements, in particular in relation to the going concern assessment, the cash flow forecasts used in the valuation of non-current assets and the assumptions around future life expectancies used in the valuation of the net pension asset, is not currently expected to be material.

3. Costs

Compensation costs and other employment-related expenses

$m	**Six months to 30 June 2024**	Six months to 30 June 2023
Salaries	**109**	98
Variable cash compensation	**151**	67
Deferred compensation: share-based payment charge	**22**	20
Deferred compensation: fund product-based payment charge	**42**	40
Social security costs	**29**	23
Pension costs	**11**	9
Compensation costs	**364**	257
Other employment-related expenses	**22**	–
Total employment-related expenses recognised in the Group income statement	**386**	257
Comprising:		
Fixed compensation: salaries and associated social security costs and pension costs	**134**	118
Variable compensation: variable cash compensation, deferred compensation and associated social security costs	**230**	139
Other employment related expenses	**22**	–

The unamortised deferred compensation at 30 June 2024 is $168 million (30 June 2023: $184 million) and has a weighted average remaining vesting period of 2.2 years (30 June 2023: 2.3 years). Of the $22 million other employment-related expenses recognised in the period ended 30 June 2024, $3 million relates to the portion of profits earned in the period which are payable to Varagon selling shareholders.

Other costs

$m	**Six months to 30 June 2024**	Six months to 30 June 2023
Technology and communications	**14**	12
Audit, tax, legal and other professional fees	**14**	11
Staff benefits	**11**	8
Occupancy	**8**	11
Temporary staff, recruitment, consultancy and managed services	**7**	6
Travel and entertainment	**6**	5
Insurance	**3**	2
Marketing and sponsorship	**3**	2
Other cash costs	**3**	5
Other costs – consolidated fund entities	**4**	5
Acquisition-related costs	**–**	10
Total other costs before depreciation and amortisation	**73**	77
Depreciation of leasehold improvements and equipment	**6**	6
Depreciation of right-of-use lease assets	**7**	7
Amortisation of other intangibles	**12**	11
Total other costs	**98**	101

4. Finance expense and finance income

$m	**Six months to 30 June 2024**	Six months to 30 June 2023
Finance expense:		
Unwind of lease liability discount	**(6)**	(5)
Interest expense on total return swaps and sale and repurchase agreements	**(7)**	(5)
Other finance expense	**(9)**	(4)
Total finance expense	**(22)**	(14)
Finance income:		
Interest on cash deposits	**6**	8
Unwind of finance lease discount	**1**	–
Total finance income	**7**	8
Net finance expense	**(15)**	(6)

5. Tax

The tax expense for the period of $55 million (H1 2023: $31 million) results in a statutory effective tax rate of 25% (H1 2023: 27%). The decrease in rate is primarily due to the impact of non-deductible acquisition-related costs and the derecognition of a larger portion of the available US deferred tax assets in H1 2023, partially offset by the increase in the UK corporation tax rate from 19% to 25% on 1 April 2023 which increased our effective tax rate by approximately 1% in the current period. The majority of our profit is earned in the UK, Switzerland and the US. The forecast full year effective tax rate is consistent with this profit mix.

We have recognised net accumulated deferred tax assets in the US of $84 million (31 December 2023: $86 million) that will be available to offset future taxable profits. At 30 June 2024, deferred tax assets in relation to $27 million of the available US state and city tax losses (31 December 2023: $43 million) are unrecognised as we do not expect to realise sufficient future taxable profits against which these losses can be offset before they expire.

Man Group became subject to the global minimum top-up tax under Pillar 2 legislation from 1 January 2024 and is liable for additional taxes in certain jurisdictions in which we operate, notably Ireland, the US and Switzerland. This impact, which is not significant, has been considered in determining the weighted average tax rate.

We have applied the temporary exemption issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12 'Income Taxes'. Accordingly, Man Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar 2 income taxes.

6. Cash, liquidity and borrowings

$m	**At 30 June 2024**	At 31 December 2023
Cash held with banks	**69**	92
Short-term deposits	**39**	46
Money market funds	**13**	42
Cash held by consolidated fund entities (Note 8)	**158**	96
Cash and cash equivalents	**279**	276
Less: cash held by consolidated fund entities (Note 8)	**(158)**	(96)
Available cash and cash equivalents	**121**	180
Undrawn committed revolving credit facility	**630**	660
Total liquidity	**751**	840

Borrowings

Our $800 million committed revolving credit facility (RCF) is immediately accessible. It does not include any financial covenants to maintain maximum operational flexibility. The RCF was put in place in December 2023 as a five-year facility with two one-year extension options and is currently scheduled to mature in December 2028. $170 million was drawn down at 30 June 2024 (31 December 2023: $140 million) and we have no other borrowings.

7. Reconciliation of statutory profits to cash generated from operations

$m	**Six months to 30 June 2024**	Six months to 30 June 2023
Statutory profit	**164**	83
Adjustments for:		
Share-based payment charge	**22**	20
Fund product-based payment charge	**42**	40
Other employment-related expenses	**19**	–
Net finance expense	**15**	6
Tax expense	**55**	31
Depreciation of leasehold improvements and equipment	**6**	6
Depreciation of right-of-use lease assets	**7**	7
Gain on disposal of investment property – right-of-use lease assets	**–**	(8)
Amortisation of acquired intangibles	**15**	11
Amortisation of other intangibles	**12**	11
Share of post-tax loss of associates	**2**	2
Foreign exchange movements	**2**	5
Realised gains on cash flow hedges	**(17)**	(6)
Other non-cash movements	**4**	(2)
	348	206
Changes in working capital[1]:		
(Increase)/decrease in fee and other receivables	**(148)**	208
Decrease in other financial assets and liabilities including consolidated fund entities[2]	**109**	32
Decrease in trade and other payables	**(24)**	(267)
Cash generated from operations	**285**	179

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 8) or are adjusted elsewhere in the Group cash flow statement, such as movements relating to the fund product-based payment charge (within cash flows from operating activities) and the share repurchase liability (within financing activities).
2. Includes $62 million of restricted net cash inflows (H1 2023: $3 million) relating to consolidated fund entities (Note 8).

8. Investments in fund products and other investments

$m	**At 30 June 2024**	At 31 December 2023
Investments in fund products	**293**	289
Investments in loans	**18**	–
Investments in consolidated funds: transferrable securities	**2,269**	1,987
Other investments	**1**	3
Investments in fund products and other investments	**2,581**	2,279
Less:		
Fund investments held for deferred compensation arrangements	**(204)**	(189)
Investments in consolidated funds: exclude consolidation gross-up of net investment	**(1,827)**	(1,492)
Other investments	**(1)**	(3)
Seed investments portfolio	**549**	595

From time to time, Man Group temporarily warehouses loans it underwrites and originates with the intention of syndicating such loans following a short period of time. These investments in loans are included within investments in fund products and other investments on the Group balance sheet.

8. Investments in fund products and other investments continued

Net income or gains on investments and other financial instruments comprises the following:

$m	**Six months to 30 June 2024**	Six months to 30 June 2023
Net gains on seed investments portfolio	**37**	18
Consolidated fund entities: gross-up of net gains on investments	**23**	19
Foreign exchange movements	**5**	(8)
Net gains on fund investments held for deferred compensation arrangements and other investments	**2**	1
Net income or gains on investments and other financial instruments	**67**	30

Consolidation of investments in funds

At 30 June 2024, our interests in 33 (31 December 2023: 35) funds met the definition of control and therefore have been consolidated on a line-by-line basis. Consolidated fund entities are included within the Group balance sheet and income statement as follows:

$m	**At 30 June 2024**	At 31 December 2023
Balance sheet		
Cash and cash equivalents (Note 6)	**158**	96
CLO assets	**1,472**	1,103
Other transferrable securities	**797**	884
Fee and other receivables	**146**	88
Investment property	**30**	30
Trade and other payables (Note 10)	**(195)**	(116)
CLO liabilities	**(1,365)**	(1,036)
Net assets of consolidated fund entities	**1,043**	1,049
Third-party interest in consolidated funds	**(601)**	(554)
Net investment held by Man Group	**442**	495

$m	**Six months to 30 June 2024**	Six months to 30 June 2023
Income statement		
Net gains on investments[1]	**51**	47
Management fee expenses[2]	**(4)**	(2)
Performance fee expenses[2]	**(1)**	–
Other costs[3]	**(4)**	(5)
Net gains of consolidated fund entities	**42**	40
Third-party share of gains relating to interests in consolidated funds	**(14)**	(12)
Net gains attributable to net investment held by Man Group	**28**	28

Notes:
1. Included within net income or gains on investments and other financial instruments.
2. Relates to management and performance fees paid by the funds to Man Group during the period, which are eliminated within management and other fees and performance fees respectively in the Group income statement.
3. Includes depreciation and impairment of investment property held by consolidated fund entities.

9. Fair value of financial assets and liabilities

The fair values of our financial assets and liabilities held at fair value through profit and loss can be analysed as follows:

	At 30 June 2024			
$m	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets held at fair value				
Investments in fund products and other investments (Note 8)	**–**	**282**	**12**	**294**
Investments in loans (Note 8)	**–**	**–**	**18**	**18**
Investments in consolidated funds: transferrable securities (Note 8)	**301**	**1,738**	**230**	**2,269**
Derivatives	**–**	**2**	**–**	**2**
	301	**2,022**	**260**	**2,583**
Financial liabilities held at fair value				
Derivatives (Note 10)	**–**	**(4)**	**–**	**(4)**
Contingent consideration (Note 10)	**–**	**–**	**(3)**	**(3)**
Put option over non-controlling interests in subsidiaries (Note 10)	**–**	**–**	**(9)**	**(9)**
CLO liabilities – consolidated fund entities (Note 8)	**–**	**(1,365)**	**–**	**(1,365)**
	–	**(1,369)**	**(12)**	**(1,381)**

	At 31 December 2023			
$m	Level 1	Level 2	Level 3	Total
Financial assets held at fair value				
Investments in fund products and other investments (Note 8)	–	280	12	292
Investments in consolidated funds (Note 8)	274	1,567	146	1,987
Derivatives	–	5	–	5
	274	1,852	158	2,284
Financial liabilities held at fair value				
Derivatives	–	(12)	–	(12)
Contingent consideration	–	–	(3)	(3)
Put option over non-controlling interests in subsidiaries	–	–	(9)	(9)
CLO liabilities – consolidated fund entities (Note 8)	–	(1,036)	–	(1,036)
	–	(1,048)	(12)	(1,060)

Level 1, 2 and 3 financial assets and liabilities are defined in Note 13 of the 2023 Annual Report.

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

	At 30 June 2024		At 31 December 2023	
$m	**Assets**	**Liabilities**	Assets	Liabilities
At beginning of the period	**158**	**(12)**	20	–
Transfers out of Level 3	**–**	**–**	(11)	–
Purchases	**18**	**–**	2	(12)
Credit to Group income statement[1]	**–**	**–**	1	–
Change in consolidated fund entities held	**84**	**–**	146	–
At end of the period	**260**	**(12)**	158	(12)

Notes:
1. Included within net income or gains on investments and other financial instruments. Includes net unrealised gains of nil (2023: $1 million).

Sensitivity analysis

A 5% increase/decrease in the valuations of Level 3 financial assets would result in a $13 million increase/decrease in their value. Changes in the unobservable inputs to the valuation of Level 3 financial liabilities would not be expected to result in a significant change in the carrying value of these liabilities, and hence a sensitivity analysis has not been presented.

10. Trade and other payables

$m	**At 30 June 2024**	At 31 December 2023
Trade payables	**4**	7
Compensation accruals	**265**	365
Other accruals	**78**	79
Payables under repo arrangements	**35**	45
Share repurchase liability	**19**	–
Payables to OEIC funds	**150**	39
Tax and social security	**30**	31
Derivatives	**4**	12
Contingent consideration	**3**	3
Put option over non-controlling interests in subsidiaries	**9**	9
Employment-related payables to sellers of businesses acquired	**42**	23
Other payables	**40**	7
Payables relating to consolidated fund entities (Note 8)	**195**	116
Trade and other payables	**874**	736

11. Provisions

$m	**At 30 June 2024**	At 31 December 2023
At beginning of the period	**16**	14
Unused amounts reversed	**(1)**	–
Additions	**–**	1
Foreign currency translation	**–**	1
At end of the period	**15**	16

Provisions relate to ongoing claims and leasehold property dilapidations.

12. Earnings per share (EPS)

	Six months to 30 June 2024 (million)	Six months to 30 June 2023 (million)
Basic weighted average number of shares	**1,165**	1,190
Dilutive impact of:		
Employee share awards	**26**	25
Employee share options	**1**	2
Dilutive weighted average number of shares	**1,192**	1,217

	Six months to 30 June 2024	Six months to 30 June 2023
Statutory profit ($m)	**164**	83
Basic EPS	**14.1¢**	6.9¢
Diluted EPS	**13.8¢**	6.8¢

13. Related party transactions

The related party transactions during the period are consistent with the categories disclosed in the 2023 Annual Report. Related parties comprise key management personnel, associates and fund entities which we control. All transactions with related parties were carried out on an arm's length basis.

14. 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. In early 2024, PIFSS applied to amend its particulars of claim, including to increase the quantum of the claim against Man Group companies. The amended particulars of claim remain in draft form until further order of the court at the date of authorisation of these condensed consolidated interim financial statements. We continue to dispute the allegations and consider there is no merit to the claim (in respect of liability and quantum) and will therefore vigorously and robustly defend the proceedings.

We are subject to various other claims, assessments, regulatory enquiries and investigations in the normal course of business. The Board does not expect such matters to have a material adverse effect on our financial position.

ALTERNATIVE PERFORMANCE MEASURES

We assess our performance using a variety of alternative performance measures (APMs). We discuss our results on a statutory as well as a 'core' basis. Core metrics, which are each APMs, exclude acquisition and disposal-related items, significant non-recurring items and volatile or uncontrollable items, as well as profits or losses generated outside of our investment management business. Accordingly, these core metrics reflect the way in which performance is monitored by the Board and present the profits or losses which drive our cash flows and inform the way in which our variable compensation is assessed. Details of the non-core items in the period are set out below.

Our APMs also reclassify all income and expenses relating to our consolidated fund entities, which are required by IFRS to be split across multiple lines in the Group income statement, to core gains/losses on investments in order to reflect their performance as part of our seed book programme. Tax on non-core items and movements in deferred tax relating to the utilisation or recognition of tax assets in the US are similarly excluded from core profit, with tax on core profit considered a proxy for cash taxes paid.

In 2023, accounting for the acquisition of Varagon in accordance with the requirements of IFRS resulted in the recognition of all future payments to selling shareholders who remain in employment post-acquisition as employment-related expenses. This arises because each of these payments can be forfeited should those employees become 'bad leavers' during specified periods following the acquisition. Economically, the payments are transactions with the individuals in their capacity as owners. Recognising that these owners also hold significant roles in the organisation, the 'bad leaver' clauses were protective in nature and not intended to compensate the individuals for employment services.

As these transactions are related to an acquisition, we consider it appropriate to adjust the expense recognised in the period to reflect the proportion of the profits which have been generated in the same period and are attributable to these employees through an adjustment to core profit. This more closely aligns the charges with the associated cash flows.

The approach to the classification of non-core items maintains symmetry between losses and gains and the reversal of any amounts previously classified as non-core. Note that our APMs may not be directly comparable with similarly titled measures used by other companies.

Non-core items in profit before tax comprise the following:

$m	**Six months to 30 June 2024**	Six months to 30 June 2023
Acquisition and disposal related:		
Amortisation of acquired intangibles	**(15)**	(11)
Acquisition-related costs	**–**	(10)
Other employment-related expenses[1]	**(19)**	–
Revaluation of contingent consideration	**(1)**	–
Share of post-tax loss of associates	**(2)**	(2)
Gain on disposal of investment property – right-of-use lease assets	**–**	8
Compensation costs – restructuring	**(6)**	–
Foreign exchange movements	**5**	(8)
Non-core items	**(38)**	(23)

Note:
1. Adjustment to align acquisition-related employment-related expenses with proportionate share of earnings in the year.

Core measures: reconciliation to statutory equivalents

The statutory line items within the Group income statement can be reconciled to their core equivalents as follows:

Six months to 30 June 2024 $m	Core measure	Reclassification of amounts relating to consolidated fund entities	Non-core items	Per Group income statement
Management and other fees[APM]	**568**	**(4)**	**–**	**564**
Performance fees[APM]	**170**	**(1)**	**–**	**169**
Revenue[APM]	**738**	**(5)**	**–**	**733**
Net income or gains on investments and other financial instruments[APM]	**39**	**23**	**5**	**67**
Third-party share of gains relating to interests in consolidated funds	**–**	**(14)**	**–**	**(14)**
Rental income[APM]	**1**	**–**	**–**	**1**
Distribution costs	**(17)**	**–**	**–**	**(17)**
Net revenue[APM]	**761**	**4**	**5**	**770**
Asset servicing costs	**(33)**	**–**	**–**	**(33)**
Compensation costs[APM]	**(358)**	**–**	**(6)**	**(364)**
Other employment-related expenses[APM]	**(3)**	**–**	**(19)**	**(22)**
Other costs[APM]	**(93)**	**(4)**	**(1)**	**(98)**
Net finance expense	**(15)**	**–**	**–**	**(15)**
Amortisation of acquired intangibles	**–**	**–**	**(15)**	**(15)**
Share of post-tax loss of associates	**–**	**–**	**(2)**	**(2)**
Third-party share of post-tax profits	**(2)**	**–**	**–**	**(2)**
Profit before tax[APM]	**257**	**–**	**(38)**	**219**
Tax expense[APM]	**(53)**	**–**	**(2)**	**(55)**
Profit[APM]	**204**	**–**	**(40)**	**164**

Core basic EPS	**17.5¢**			
Core diluted EPS	**17.1¢**			

[APM] The core equivalents of these statutory measures are defined as Alternative Performance Measures.

Core measures: reconciliation to statutory equivalents continued

Six months to 30 June 2023 $m	Core measure	Reclassification of amounts relating to consolidated fund entities	Non-core items	Per Group income statement
Management and other fees[APM]	476	(2)	–	474
Performance fees[APM]	32	–	–	32
Revenue[APM]	508	(2)	–	506
Net income or gains on investments and other financial instruments[APM]	19	19	(8)	30
Third-party share of gains relating to interests in consolidated funds	–	(12)	–	(12)
Rental income	2	–	–	2
Distribution costs	(16)	–	–	(16)
Net revenue[APM]	513	5	(8)	510
Asset servicing costs	(27)	–	–	(27)
Compensation costs	(257)	–	–	(257)
Other costs[APM]	(86)	(5)	(10)	(101)
Net finance expense	(6)	–	–	(6)
Gain on disposal of investment property – right-of-use lease assets	–	–	8	8
Amortisation of acquired intangibles	–	–	(11)	(11)
Share of post-tax loss of associates	–	–	(2)	(2)
Profit before tax[APM]	137	–	(23)	114
Tax expense[APM]	(29)	–	(2)	(31)
Profit[APM]	108	–	(25)	83

Core basic EPS	9.1¢
Core diluted EPS	8.9¢

[APM] The core equivalents of these statutory measures are defined as Alternative Performance Measures.

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:

At 30 June 2024 $m	Core measure	Reclassification of amounts relating to consolidated fund entities	Per Group balance sheet
Assets			
Cash and cash equivalents[APM]	**121**	**158**	**279**
Fee and other receivables[APM]	**609**	**146**	**755**
Investments in fund products and other investments[APM]	**754**	**1,827**	**2,581**
Investments in associates	**9**	**–**	**9**
Current tax assets	**28**	**–**	**28**
Finance lease receivable	**68**	**–**	**68**
Leasehold improvements and equipment	**57**	**–**	**57**
Leasehold property – right-of-use lease assets	**109**	**–**	**109**
Investment property – right-of-use lease assets	**16**	**–**	**16**
Investment property – consolidated fund entities	**–**	**30**	**30**
Other intangibles	**56**	**–**	**56**
Deferred tax assets	**128**	**–**	**128**
Pension asset	**18**	**–**	**18**
Goodwill and acquired intangibles	**761**	**–**	**761**
Total assets	**2,734**	**2,161**	**4,895**
Liabilities			
Borrowings	**170**	**–**	**170**
Trade and other payables[APM]	**679**	**195**	**874**
Provisions	**15**	**–**	**15**
CLO liabilities – consolidated fund entities	**–**	**1,365**	**1,365**
Third-party interest in consolidated funds	**–**	**601**	**601**
Third-party interest in other subsidiaries	**1**	**–**	**1**
Lease liability	**273**	**–**	**273**
Total liabilities	**1,138**	**2,161**	**3,299**
Net assets	**1,596**	**–**	**1,596**

[APM] The core equivalents of these statutory measures are defined as Alternative Performance Measures.

Core measures: reconciliation to statutory equivalents continued

At 31 December 2023 $m	Core measure	Reclassification of amounts relating to consolidated fund entities	Per Group balance sheet
Assets			
Cash and cash equivalents[APM]	180	96	276
Fee and other receivables[APM]	463	88	551
Investments in fund products and other investments[APM]	787	1,492	2,279
Investments in associates	11	–	11
Current tax asset	15	–	15
Finance lease receivable	67	–	67
Leasehold improvements and equipment	53	–	53
Leasehold property – right-of-use lease assets	112	–	112
Investment property – right-of-use lease assets	17	–	17
Investment property – consolidated fund entities	–	30	30
Other intangibles	54	–	54
Deferred tax assets	128	–	128
Pension asset	12	–	12
Goodwill and acquired intangibles	776	–	776
Total assets	2,675	1,706	4,381
Liabilities			
Borrowings	140	–	140
Trade and other payables[APM]	620	116	736
Provisions	16	–	16
Current tax liabilities	3	–	3
CLO liabilities – consolidated fund entities	–	1,036	1,036
Third-party interest in consolidated funds	–	554	554
Third-party interest in other subsidiaries	1	–	1
Lease liability	283	–	283
Total liabilities	1,063	1,706	2,769
Net assets	1,612	–	1,612

[APM] The core equivalents of these statutory measures are defined as Alternative Performance Measures.

Core management fee and core performance fee profit

Core profit comprises core management fee profit, a steadier earnings stream, and core performance fee profit, a more variable earnings stream. This split facilitates analysis of our profitability drivers.

Six months to 30 June 2024 $m	Core measure	Reclassification of amounts relating to consolidated fund entities	Non-core items	Per Group income statement
Management and other fees	568	(4)	–	564
Distribution costs	(17)	–	–	(17)
Net management fees	551	(4)	–	547
Rental income	1	–	–	1
Asset servicing costs	(33)	–	–	(33)
Compensation costs (management fee)	(251)	–	(6)	(257)
Other employment-related expenses	(3)	–	(19)	(22)
Other costs	(93)	(4)	(1)	(98)
Net finance expense (management fee)	(8)	–	–	(8)
Third-party share of post-tax profits (management fee)	(1)	–	–	(1)
Management fee profit before tax	163	(8)	(26)	129
Tax expense	(32)			
Management fee profit	131			
Core basic management fee EPS	11.2¢			
Core diluted management fee EPS	11.0¢			
Performance fees	170	(1)	–	169
Net income or gains on investments and other financial instruments	39	23	5	67
Compensation costs (performance fee)	(107)	–	–	(107)
Net finance expense (performance fee)	(7)	–	–	(7)
Third-party share of post-tax profits (performance fee)	(1)	–	–	(1)
Performance fee profit before tax	94	22	5	121
Tax expense	(21)			
Performance fee profit	73			
Core basic performance fee EPS	6.3¢			
Core diluted performance fee EPS	6.1¢			

Core management fee and core performance fee profit continued

Six months to 30 June 2023 $m	Core measure	Reclassification of amounts relating to consolidated fund entities	Non-core items	Per Group income statement
Management and other fees	476	(2)	–	474
Distribution costs	(16)	–	–	(16)
Net management fees	460	(2)	–	458
Rental income	2	–	–	2
Asset servicing costs	(27)	–	–	(27)
Compensation costs (management fee)	(215)	–	–	(215)
Other costs	(86)	(5)	(10)	(101)
Net finance expense (management fee)	(1)	–	–	(1)
Management fee profit before tax	133	(7)	(10)	116
Tax expense	(28)			
Management fee profit	105			
Core basic management fee EPS	8.9¢			
Core diluted management fee EPS	8.7¢			
Performance fees	32	–	–	32
Net income or gains/(losses) on investments and other financial instruments	19	19	(8)	30
Compensation costs (performance fee)	(42)	–	–	(42)
Net finance expense (performance fee)	(5)	–	–	(5)
Performance fee profit before tax	4	19	(8)	15
Tax expense	(1)			
Performance fee profit	3			
Core basic performance fee EPS	0.2¢			
Core diluted performance fee EPS	0.2¢			

Core gains/losses on investments

We use the measure core gains/losses on investments to represent the net return we receive on our seed investments portfolio, combining both consolidated and unconsolidated fund entities on a consistent basis. We therefore exclude from this measure gains or losses on investments which do not relate to the performance of the seed book and adjust the amounts relating to consolidated funds to be included in this line on a consistent basis. Core gains/losses on investments can be reconciled to the Group income statement as follows:

$m	Note	**Six months to 30 June 2024**	Six months to 30 June 2023
Net gains on seed investments portfolio	8	**37**	18
Net gains on fund investments held for deferred compensation arrangements and other investments	8	**2**	1
Core gains on investments		**39**	19
Non-core items:			
Consolidated fund entities: gross-up of net gains on investments	8	**23**	19
Foreign exchange movements	8	**5**	(8)
Net income or gains on investments and other financial instruments		**67**	30

Core tax rate

The core tax rate is the effective tax rate on core profit before tax and is equal to the tax on core profit divided by core profit before tax. The tax expense on core profit before tax is calculated by excluding the tax benefit/expense related to non-core items from the statutory tax expense, together with amounts relating to the utilisation or recognition of available US deferred tax assets. Therefore, tax on core profit is considered a proxy for our cash taxes payable.

The impact of non-core items on our tax expense is outlined below:

$m	**Six months to 30 June 2024**	Six months to 30 June 2023
Statutory tax expense	**55**	31
Tax on non-core items:		
Amortisation of acquired intangibles	**–**	1
Gain on disposal of investment property – right-of-use lease assets	**–**	(2)
Foreign exchange movements	**1**	3
Compensation costs – restructuring	**(1)**	–
Non-core tax item on US deferred tax assets	**(2)**	(4)
Core tax expense	**53**	29
Comprising:		
Tax expense on core management fee profit before tax	**32**	28
Tax expense on core performance fee profit before tax	**21**	1

The core tax rate is 21% for H1 2024 (H1 2023: 21%).

Core cash flows from operations excluding working capital movements

Core cash flows from operations excluding working capital movements can be reconciled to cash flows from operating activities as reported in the Group cash flow statement as follows:

$m	**Six months to 30 June 2024**	Six months to 30 June 2023
Cash flows from operating activities	**191**	102
Plus changes in working capital (Note 7):		
Increase/(decrease) in fee and other receivables	**148**	(208)
Decrease in other financial assets	**(109)**	(32)
Decrease in trade and other payables	**24**	267
Core cash flows from operations excluding working capital movements	**254**	129

Net financial assets

Net financial assets is considered a proxy for Group capital, and is equal to our cash and seed book less borrowings, contingent consideration payable, liabilities for put options over non-controlling and employee interests and payables under repo arrangements, as follows:

$m	Note	**At 30 June 2024**	At 31 December 2023
Seed investments portfolio	8	**549**	595
Available cash and cash equivalents	6	**121**	180
Borrowings	6	**(170)**	(140)
Contingent consideration payable	10	**(3)**	(3)
Put option over non-controlling interests in subsidiaries	10	**(9)**	(9)
Put option over employee interests in subsidiaries	10	**(42)**	(23)
Payables under repo arrangements	10	**(35)**	(45)
Net financial assets		**411**	555