

# Man Group Registers Record Net Inflows

Stockholm (HedgeNordic) – Man Group, one of the world's largest alternatives investment specialists, reported a record net inflows figure of \$8.3 billion for the first half of 2018, reflecting increased investor demand for alternative risk premia products and equity long-short strategies. This serves as yet another sign that investor appetite for strategies providing limited exposure to market risk is picking up amid stretched valuations for most assets classes.

Man's corporate report for the first six months of the year shows the firm's alternative strategies attracted \$6.3 billion in net inflows during the period, whereas its long-only strategies attracted only \$2.0 billion in net inflows. A total of \$65.7 billion are invested in alternative strategies, with the capital allocated to absolute return products accounting for 45 percent of that figure. Long-only strategies oversee \$47.9 billion in capital.

Despite attracting \$8.3 billion of new money, Man's assets under management rose only \$4.6 billion as investment assets got dragged down by foreign exchange headwinds due to the strengthening of the U.S. dollar and underwhelming performance of the firm's strategies. The investment management firm oversees \$113.7 billion in assets under management as of the end of June.

Man Group reported adjusted profit before taxes of \$153 million for the first half of 2018, up from \$145 million reported for the same period of last year. An increase in collected management fees more than offset the noticeable decline in performance fees. First-half adjusted net management fees increased to \$120 million from \$94 million a year ago, whereas adjusted net performance fees declined to \$33 million from \$51 million. The Financial Times cited Man's chief executive, Luke Ellis (*pictured*), as saying that growth was more limited because of "the difficult market backdrop and weaker performance in the first half." "Business momentum remains good, with solid management fee growth," said Ellis. "However, as we have said many times before, and will probably say again, the institutional nature of our business means that flows are likely to be uneven on a quarter-to-quarter basis," he added.

Alternative risk premia, emerging markets debt, U.K. and European long-only discretionary strategies, and equity long-short strategies attracted new investor capital at Man, with alternative risk premia products attracting \$3.1 billion in net inflows. In terms of performance, Man wrote that a difficult first quarter for momentum strategies impacted the group's overall investment performance. The firm's main four AHL quantitative hedge funds, for instance, were down between two percent and 5.7 percent in the first half of the year.