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If you sell, have sold or otherwise transferred all of your Man Ordinary Shares you should send this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or the transferee. However, the distribution of this document and/or the Form of Proxy into certain jurisdictions other than the United Kingdom may be restricted by law. Therefore, persons into whose possession this document and any accompanying documents come should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. If you have sold only part of your holding of Man Ordinary Shares you should retain these documents.

This document does not constitute an offer or invitation to any person to subscribe for or purchase any securities in Man. The release, publication or distribution of this document in, into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions. Therefore persons into whose possession this document comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to sell or issue, nor the solicitation of an offer to buy or subscribe for, shares in any jurisdiction in which such offer or solicitation is unlawful.



Innovating to perform

MAN GROUP PLC

(Incorporated under the Companies Act 2006 and registered in England and Wales with Registered No. 08172396)

PROPOSED ACQUISITION OF NUMERIC HOLDINGS LLC Circular to Shareholders and Notice of Man General Meeting

Your attention is drawn to the letter from the Chairman of Man Group plc (“Man” or the “Company”) which is set out on pages 6 to 13 of this document and which contains the unanimous recommendation of the Directors that you vote in favour of the Resolution to be proposed at the Man General Meeting referred to below. Please read the whole of this document and, in particular, the risk factors set out in Part II (Risk Factors) of this document.

Notice of the Man General Meeting to be held at Riverbank House, 2 Swan Lane, London EC4R 3AD at 10 a.m. on 5 September 2014 is set out at the end of this document. A Form of Proxy for use in connection with the Man General Meeting is enclosed with this document. **The action to be taken by Shareholders in respect of the Man General Meeting is set out on page 12 of this document.** Whether or not you intend to be present at the Man General Meeting, please complete and sign the Form of Proxy in accordance with the instructions printed on it and return it to Man’s Registrars, Equiniti, at the return address printed on the back of the Form of Proxy as soon as possible and in any event so as to be received by Equiniti at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, no later than 10 a.m. on 3 September 2014 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

You can also submit your proxy electronically at Equiniti’s website, www.sharevote.co.uk so as to be received by not later than 10 a.m. on 3 September 2014 (or in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). Shareholders registered with www.shareview.co.uk can log on and vote through that service by no later than 10 a.m. on 3 September 2014 (or, in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). Proxies sent electronically must be sent as soon as possible and, in any event, so as to be received by not later than 10 a.m. on 3 September 2014 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). The completion and return of a Form of Proxy (or transmittal of an electronic proxy) will not prevent you from attending the Man General Meeting and voting in person if you so wish and you are entitled to do so.

If you hold Man Ordinary Shares in uncertificated form through CREST, you may vote using the CREST electronic proxy appointment service in accordance with the procedures set out in the CREST manual (*please also refer to the accompanying notes to the Notice of General Meeting set out at the end of this document*). Proxies submitted via CREST (under CREST participant ID RA19) must be received by Man’s Registrars, Equiniti, not later than 10 a.m. on 3 September 2014 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

A hard copy of this document (and any information incorporated into it by reference) will not be sent to you unless you have previously notified Man’s Registrars, Equiniti, that you wish to receive all documents in hard copy form or unless requested in accordance with the procedure set out below.

You may request a hard copy of this document (and any information incorporated into it by reference) by contacting Man’s Registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA or between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 0871 384 2112 from within the UK (or on +44 121 415 7592 if calling from outside the UK) with an address to which the hard copy may be sent. Calls to the 0871 number cost 8 pence per minute (excluding VAT) from a UK BT landline. Other network providers’ charges may vary. Calls to the helpline from outside the UK will be charged at applicable international rates. Calls may be recorded and randomly monitored for security and training purposes. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition and/or the Man General Meeting should be in hard copy form.

This document is a circular relating to the Acquisition which has been prepared in accordance with the Listing Rules. This document has been approved by the FCA in accordance with the Listing Rules.

Capitalised words and phrases used in this document shall have the meanings given to them in Part VIII (Definitions) of this document. Some financial and other numerical information in this document has been rounded and, as a result, the numerical figures shown as totals in this document may vary slightly from the exact or arithmetic aggregation of the figures that precede them.

Credit Suisse, which is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority in the United Kingdom, is acting exclusively as sole sponsor and as financial adviser to Man and for no one else in connection with the content of this document and the Acquisition and will not be responsible to any person other than Man for providing the protections afforded to clients of Credit Suisse, nor for providing advice in relation to the Acquisition, the content of this document or any matter referred to in this document. Apart from the responsibilities and liabilities, if any, which may be imposed on Credit Suisse by the FSMA or the regulatory regime established thereunder or any other laws, neither Credit Suisse nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Credit Suisse in connection with this document, any statement contained herein or otherwise, nor makes any representation or warranty, expressly or implied, in relation to, the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by Credit Suisse, or on behalf of Credit Suisse in connection with Man or the Acquisition and nothing in this document is or shall be relied upon as a promise or representation in this respect, whether as to the past or the future. Credit Suisse accordingly disclaims to the fullest extent permitted by the law all and any responsibility or liability to any person who is not a client of Credit Suisse, whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise have in respect of this document or any such statement.

The statements contained in this document are not to be construed as legal, business, financial or tax advice. If you are in any doubt about the contents of this document, you should consult your own legal adviser, financial adviser or tax adviser for legal, business, financial or tax advice.

No person has been authorised to make any representations on behalf of Man concerning the Acquisition which are inconsistent with the statements contained in this document and any such representations, if made, may not be relied upon as having been so authorised.

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set out in this document since such date. Nothing contained in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of Man, Numeric, the Man Group, the Numeric Group or, following Completion, the Enlarged Group except where otherwise expressly stated. Man does not intend or undertake any obligation to update any information contained in this document, except as required by applicable law.

Dated: 7 August 2014

PRESENTATION OF FINANCIAL INFORMATION

The financial information relating to the Numeric Group as at and for the three years ended 31 December 2011, 2012 and 2013 contained in Part V (Consolidated Historical Financial Information on the Numeric Group) of this document (the “**Numeric Group Financial Information**”) has been prepared in accordance with IFRS and using the accounting policies of Man.

Financial information relating to the Man Group has been extracted without material adjustment from the audited consolidated financial statements of Man for the year ended 31 December 2013 or the unaudited consolidated interim financial statements of Man for the six months ended 30 June 2014.

Financial information relating to the Numeric Group has been extracted without material adjustment from the financial information set out in Part V (Consolidated Historical Financial Information on the Numeric Group) of this document. The financial information set out in Part V (Consolidated Historical Financial Information on the Numeric Group) of this document reflects the audited US GAAP consolidated financial information of Numeric as at 31 December 2013 adjusted for:

- (i) Adjustments for material differences between the accounting standards and accounting policies of Man and Numeric; and
- (ii) Reclassifications in order to present the information on a basis consistent with the consolidated financial statements of the Man Group.

The unaudited *pro forma* statement of net assets of the Enlarged Group (the “**Pro Forma Statement of Net Assets**”) set out in Part VI (Unaudited *Pro Forma* Financial Information of the Enlarged Group) of this document has been prepared to illustrate the effect on the net assets of the Enlarged Group of the Acquisition as if it had occurred on 31 December 2013. The *Pro Forma* Statement of Net Assets has been prepared for illustrative purposes and, because of its nature, addresses a hypothetical situation and does not reflect Man’s actual financial position or results.

CURRENCY AND EXCHANGE RATES

All references to “**pounds**”, “**pounds sterling**” and “**£**” and “**pence**” are to the lawful currency of the United Kingdom. All references to “**dollars**”, “**US dollars**”, “**US\$**” and “**US cents**” are to the lawful currency of the United States.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document (including the information incorporated into it by reference) includes forward-looking statements. The words “believe”, “anticipate”, “expect”, “intend”, “aim”, “plan”, “predict”, “continue”, “assume”, “positioned”, “may”, “will”, “should”, “shall”, “risk” and other similar expressions that are predictions of or indicate future events and future trends identify forward-looking statements. These forward-looking statements include all matters that are not current or historical facts. In particular, the statements of the Man Group regarding the Man Group’s strategy, future financial position and other future events or prospects are forward-looking statements. These forward-looking statements also include statements regarding the intentions, belief or current expectations of the Directors, Man or the Man Group concerning, among other things, the results of operations, expectations in respect of the Acquisition, final condition, liquidity, prospects, growth and strategies of the Man Group.

By their nature, forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the control of the Man Group, that could cause the actual results of the Man Group to differ materially from those indicated in any such statements. Such factors include, but are not limited to, poor investment performance, increased rates of redemptions, the inability of the Man Group to obtain favourable leverage, the potential illiquidity of assets, the Man Group’s indebtedness, increased competition, fluctuations in currency exchange rates, failure to attract and retain key personnel, risks associated with concentration and counterparty default, adverse regulatory developments or changes in government policy, misconduct of employees, changes in laws, third party litigation risk, failure to obtain necessary regulatory consent, legal proceedings relating to the Acquisition and disruptions to the Man Group’s business because of a failure to complete the Acquisition.

Shareholders should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are in many cases beyond the control of the Man Group. By their nature, forward-looking statements involve risks and uncertainties because such statements relate to events and depend on circumstances that may or may not occur in the future.

Forward-looking statements are not indicative of future performance and the actual results of operations and financial condition of the Man Group, and the development of the industry in which the Man Group operates, may differ materially from those made in or suggested by the forward-looking statements contained in this document. Important risk factors which may cause actual results to differ include, but are not limited to, those described in Part II (Risk Factors) of this document.

These forward-looking statements reflect Man's judgement at the date of this document and are not intended to give any assurances as to future results. To the extent required by the Listing Rules, the Prospectus Rules, the Disclosure Rules and Transparency Rules and other applicable regulations, Man will update or revise the information in this document. Otherwise, Man undertakes no obligation to update or revise any forward-looking statements, and will not publicly release any revisions it may make to these forward-looking statements that may result from events or circumstances arising after the date of this document. Man will comply with its obligations to publish updated information as required by law or by any regulatory authority but assumes no further obligation to publish additional information. Shareholders should note that this paragraph is not intended to qualify the statement as to working capital set out in paragraph 10 of Part VII (Additional Information) of this document.

No statement in this document is intended to constitute a profit forecast or profit estimate for any period, nor should any statement be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for Man.

The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that Man, the Man Group, or persons acting on its or their behalf, may issue.

NO INCORPORATION BY REFERENCE OF WEBSITE INFORMATION

Unless otherwise specified in this document, neither the content of Man's website, nor the content of any document or website accessible from hyperlinks on Man's website, is incorporated into, or forms part of, this document and Shareholders should not rely on them, without prejudice to the information expressly incorporated by reference into this document, which will be made available on Man's website.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The dates and times given in the table below in connection with the Acquisition are indicative only and are based on Man's current expectations and may be subject to change (including as a result of changes to the regulatory timetable and/or the process for implementation of the Acquisition). If any of the times and/or dates above change, Man will give notice of the revised times and/or dates to Shareholders by issuing an announcement through a Regulatory Information Service.

References to a time of day are to London time.

<u>Event</u>	<u>Time and/or Date</u>
Latest time for receipt of Forms of Proxy, or transmittal of an electronic proxy or CREST Proxy Instruction	10 a.m. on 3 September 2014
Man General Meeting	10 a.m. on 5 September 2014
Expected Completion of the Acquisition	September 2014

TO VOTE ON THE RESOLUTION

Whether or not you plan to attend the Man General Meeting in person, please either:

1. complete a Form of Proxy in accordance with the instructions printed on it and return it so as to be received by no later than 10 a.m. on 3 September 2014; or
2. submit your proxy electronically at Equiniti's website, www.sharevote.co.uk subject to the terms and conditions shown on the website, by no later than 10 a.m. on 3 September 2014; or
3. if you hold Man Ordinary Shares in CREST and wish to appoint a proxy by completing and transmitting a CREST Proxy Instruction, ensure it is received by Equiniti by no later than 10 a.m. on 3 September 2014.

The completion and return of the completed Form of Proxy, electronic submission of your proxy or transmission of a CREST Proxy Instruction will not prevent you from attending the Man General Meeting and voting in person (in substitution for your proxy vote) if you so wish and are so entitled.

A summary of the action to be taken by Shareholders is set out on page 12 of this document and in the notice of the Man General Meeting set out at the end of this document.

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Function
Jon Aisbitt	Chairman
Phillip Colebatch	Senior Independent Non-Executive Director
Andrew Horton	Independent Non-Executive Director
Matthew Lester	Independent Non-Executive Director
Emmanuel Roman	Chief Executive Officer
Dev Sanyal	Independent Non-Executive Director
Nina Shapiro	Independent Non-Executive Director
Jonathan Sorrell	Chief Financial Officer

Company Secretary
Rachel Rowson

Registered Office
Riverbank House
2 Swan Lane
London EC4R 3AD

Sponsor and Financial Adviser
Credit Suisse Securities (Europe) Limited
One Cabot Square
London E14 4QJ

Legal Adviser in respect of this document and as to English Law
Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ

Legal Adviser in respect of the Acquisition and as to US Law
Milbank, Tweed, Hadley & McCloy LLP
One Chase Manhattan Plaza
New York NY 10005
USA

Legal Adviser to the Sponsor
Herbert Smith Freehills LLP
Exchange House
Primrose Street
London EC2A 2EG

Registrars
Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Auditor and Reporting Accountant to Man
Deloitte LLP
Hill House
1 Little New Street
London EC4A 3TR

PART I:
LETTER FROM THE CHAIRMAN OF MAN
MAN GROUP PLC

*(Incorporated and registered in England and Wales under the Companies Act 2006
with registered number 08172396)*

Directors:

Jon Aisbitt (*Chairman*)
Phillip Colebatch (*Senior Independent Non-Executive Director*)
Andrew Horton (*Independent Non-Executive Director*)
Matthew Lester (*Independent Non-Executive Director*)
Emmanuel Roman (*Chief Executive Officer*)
Dev Sanyal (*Independent Non-Executive Director*)
Nina Shapiro (*Independent Non-Executive Director*)
Jonathan Sorrell (*Chief Financial Officer*)

Registered Office:

Riverbank House
2 Swan Lane
London EC4R 3AD

7 August 2014

Dear Shareholder

PROPOSED ACQUISITION OF NUMERIC HOLDINGS LLC

1. Introduction

On 19 June 2014, Man announced that it had entered into a conditional agreement to acquire Numeric. Numeric is a privately-owned, Boston-based quantitative equity manager with US\$14.7 billion of funds under management as at 31 May 2014⁽¹⁾. Subject to the satisfaction of certain conditions, it is currently expected that completion of the acquisition of Numeric will occur in September 2014.

Under the terms of the Acquisition, Man will pay approximately US\$219 million in cash at Completion, with up to US\$275 million of further consideration payable to Numeric Management following the fifth anniversary of Completion under an option arrangement, dependent on the run rate profitability of the business. The regulatory capital usage associated with the Acquisition is expected to be approximately US\$325 million. Further information on the terms of the Acquisition is set out in paragraph 3 below and in Part IV (Principal Terms of the Acquisition) of this document.

The Board believes that the Acquisition provides attractive strategic, commercial and financial benefits to Man and its Shareholders through the:

- Creation of a diversified, global quantitative investment platform comprising AHL and Numeric, with over US\$25 billion of funds under management and a broad product range across alternative and long only, trend following, technical and fundamental strategies;
- Further development of Man's footprint in North America, through a recognised brand, a presence in an important investment centre and relationships with a range of institutional clients;
- Provision of investment capacity in a number of strategies with an attractive and long investment track record and therefore the potential to add incremental funds under management through combining Numeric's investment offering with Man's global distribution capability;
- Addition of a highly experienced and well regarded team with a strong cultural fit;
- Alignment of the interests of Numeric Management with those of Man's shareholders through having over 90 per cent. of the maximum aggregate consideration payable to Numeric Management being dependent on the run rate profitability of the Numeric business at the fifth anniversary of Completion; and
- Opportunity to achieve a strong risk-adjusted return on capital; additionally the Acquisition is expected to be earnings accretive from Completion.

(1) Source: Numeric management information as at 31 May 2014.

Owing to its size, the Acquisition constitutes a Class 1 transaction for the purposes of the Listing Rules and therefore requires the approval of Shareholders. The notice convening the Man General Meeting, which is to be held at 10 a.m. on 5 September 2014 at Riverbank House, 2 Swan Lane, London EC4R 3AD, is set out at the end of this document. An explanation of the Resolution to be proposed at the meeting is set out in paragraph 11 below.

I am writing to give you further details of the Acquisition, including the background to and reasons for the Acquisition, and to explain why your Board considers it to be in the best interests of Man and its Shareholders and recommends that Shareholders vote in favour of the Resolution to be proposed at the Man General Meeting (or at any adjournment thereof).

2. Background to and reasons for the Acquisition

Founded in 1989, Numeric has an attractive and established investment track record across a range of long only and long-short quantitative strategies. Based on annualised returns, over 95 per cent. of Numeric's current strategies have historically outperformed their selected benchmark over 1, 3 and 5 years⁽²⁾. 100 per cent. of Numeric's long only strategies covered by eVestment rank in the top quartile of their respective peer groups over 1, 3 and 5 years⁽²⁾. Numeric's business has seen substantial growth in recent years, with funds under management increasing from US\$7.6 billion at the end of 2012 to US\$14.7 billion as at 31 May 2014⁽³⁾.

One of Man's core strategic objectives is to build a broader based, diversified quantitative platform across alternatives and long only. The Acquisition will advance this objective by creating a diversified, global quantitative investment management platform comprising AHL and Numeric with over US\$25 billion of funds under management with a balance between trend following, technical and fundamental strategies. Another of Man's core strategic objectives is to expand its presence in the US market. The addition of the Numeric business helps Man to further develop its footprint in North America, through a recognised brand, a presence in an important investment centre and relationships with over 25 US based institutional clients.

Numeric manages four main categories of quantitative equity strategies across long only and alternatives: Global & International with approximately US\$9.7 billion of assets; US Large Cap with US\$2.8 billion of assets; US Small Cap with US\$1.2 billion of assets; and US\$1.0 billion of alternatives which are predominantly invested in multi-strategy and market neutral strategies. Numeric's major strategies have a strong investment performance track record with a number of them having meaningful capacity. This track record of strong relative and absolute performance furthers our objective of providing superior, risk-adjusted returns to our clients and provides the potential for us to add incremental funds under management through combining Numeric's investment offering with Man's distribution capability.

Numeric has a highly experienced and well regarded team and there is a strong cultural fit with Man. In structuring the Acquisition, the Board has endeavoured to align the interests of Numeric Management with those of Shareholders through having over 90 per cent. of the maximum aggregate consideration payable to Numeric Management being dependent on the run rate profitability of the Numeric business at the fifth anniversary of Completion.

From a financial perspective, the Acquisition provides an opportunity to achieve an attractive, risk-adjusted return on capital and is expected to be earnings accretive from Completion.

3. Summary of the key terms of the Acquisition

Under the terms of the Acquisition:

- (a) Man will pay approximately US\$219 million in cash at Completion to acquire Numeric.
- (b) In addition:
 - (i) Numeric Management are rolling over the majority of their consideration in return for an ongoing 18.3 per cent. equity interest in the business (the "**Management Interests**") and at Completion, Numeric Management and other current employees of Numeric will also be granted profits interests in the business that will entitle the holders of such interests to share

(2) Please refer to the performance table and disclosures including disclosures relating to eVestment set out in paragraph 2 of Part III (Information on the Numeric Group).

(3) Source: Numeric management information as at 31 May 2014.

in 16.5 per cent. of the increase in the value of the Numeric business over the period prior to the exercise date for the put and call arrangement described below (the “**Profit Interests**”).

- (ii) At the end of five years following Completion, Man will have an opportunity to acquire the Management Interests and the Profit Interests pursuant to a call option arrangement. In the event that Man does not exercise the call option, Numeric Management may require Man to acquire the Management Interests and Profit Interests at the end of five and a half years from Completion pursuant to a put option arrangement. The consideration payable under the put and call option arrangement is:

- in respect of the Management Interests, their pro rata share of the valuation of the Numeric business based on a pre-agreed valuation methodology which takes into account the net run rate management fee profits and net run rate performance fee profits generated by the Numeric business at the relevant exercise date; and
- in respect of the Profit Interests, their pro rata share of the increase in the value of the business between Completion and the relevant exercise date based on that same valuation methodology,

(together, the “**Option Consideration**”).

The maximum aggregate amount payable by Man in respect of the Option Consideration is capped at US\$275 million.

- (c) It is intended that Numeric will be operated with an expense ratio of 52.5 per cent. for the five years following Completion and the Management Interests and the Profits Interests will be entitled to share in an annual dividend equal to 10.5 per cent. of the resulting profit of the Numeric business in each relevant year.
- (d) The consideration payable on Completion will be funded from Man’s existing cash resources. Any further payments pursuant to the option arrangement are expected to be paid in cash, also funded from Man’s cash resources and available facilities at the relevant time. However, Man has retained the right to, at its discretion, issue Man Ordinary Shares to the holders of the Management Interests and Profit Interests at the then prevailing market price in order to satisfy some or all of the consideration payable under the option arrangement.
- (e) The Acquisition will be implemented by way of a merger under Delaware law involving an indirect subsidiary of Man being merged with Numeric. Numeric is to be acquired debt-free, with US\$3 million of excess net assets. The initial consideration payable at Completion will be subject to an adjustment in respect of the actual net working capital position of Numeric at Completion.
- (f) The Acquisition is subject to the satisfaction (or, where permitted, waiver) of a number of conditions, including:
- (i) Compliance with the notification and waiting period requirements of the HSR Act;
 - (ii) Bring down at Completion of the representations and warranties given by Numeric and a subsidiary of Man and each party having performed in all material respects the obligations required to be performed by them under the terms of the Acquisition;
 - (iii) There having been no material adverse change in Numeric’s Run Rate Management Fee Revenues; and
 - (iv) Man Shareholder Approval.

The conditions to Completion are to be satisfied by 31 December 2014 (or such later date as may be agreed). However, the Acquisition is currently expected to complete in September 2014 and following Completion the results of Numeric will be fully consolidated into Man.

Further information on the terms of the Acquisition is set out in Part IV (Principal Terms of the Acquisition) of this document.

4. Summary financial information on the Numeric Group and financial effects of the Acquisition

Numeric generated revenues of US\$89.3 million (management fees of US\$38.4 million, performance fees of US\$50.9 million), EBITDA of US\$46.9 million and pre-tax IFRS profits of US\$28.9 million for the year ended 31 December 2013. The gross assets of Numeric at 31 December 2013 were US\$62 million.

As at 31 May 2014:⁽⁴⁾

- Numeric's run rate net management fees were US\$55.7 million; and
- 42 per cent., or US\$6.2 billion, of Numeric's funds under management were performance fee eligible (38 per cent., or US\$5.2 billion, of long only strategies and 97 per cent., or US\$1.0 billion, of alternatives strategies). Performance fee rates ranged between 9.5 per cent. and 25 per cent.; the blended average performance fee margin was approximately 12 per cent. for long only strategies that were performance fee eligible and approximately 22 per cent. for alternative strategies that were performance fee eligible. For most investors, performance fees are charged annually as a percentage above a specified hurdle and/or benchmark.

As described above, Numeric will be operated with an expense ratio of 52.5 per cent. for the five years following Completion which includes fixed costs of approximately US\$25 million per annum. Currently, no cost synergies are expected to be realised from the Acquisition.

Any increase in US sourced profits as a result of the Acquisition may enable Man to utilise some of its existing US tax losses which otherwise would not be used in the short to medium term.

Accordingly, and for illustrative purposes only, the annualised pre-tax profits from Numeric that would flow through to Man's adjusted management fee profits based on Numeric's FUM levels as at 31 May 2014, would be US\$26.5 million. This is calculated by taking run rate management fees of US\$55.7 million and applying the 52.5 per cent. expense ratio.

For accounting purposes, the consideration payable under the put and call options, together with the annual dividends, are treated as being contingent consideration with a corresponding contingent liability, similar to an "earn-out" mechanism. The present value of these items will be modelled at Completion and added to the purchase consideration with a contingent liability also being recognised. In addition, any accrued but uncrystallised performance fees at the point of Completion will also be added to the purchase consideration with a liability being recognised. At each reporting period end, any changes in the fair value of the contingent consideration, together with the unwinding of the discounting of the contingent liability, will be recognised in the income statement for Man as an adjusting item. As the contingent payments are made (including the annual dividend payments) the contingent liability will be reduced accordingly. When the performance fees crystallise they will be recognised in Man's income statement and the associated liability will be reversed.

On a *pro forma* basis and assuming that the Acquisition had completed on 31 December 2013, the Enlarged Group would have had net assets of approximately US\$2.407 billion (based on the net assets of the Man Group and the Numeric Group as at 31 December 2013) as more fully described in Part VI (Unaudited *Pro Forma* Financial Information of the Enlarged Group).

Shareholders should read the whole of this document and not rely solely on summarised financial information in this section. The historical financial information of the Numeric Group for the three years ended 31 December 2011, 31 December 2012 and 31 December 2013 as reported on by Deloitte to Man is set out in Part V (Consolidated Historical Financial Information on the Numeric Group) of this document.

5. Regulatory capital and growth opportunities

The regulatory capital usage associated with the Acquisition comprising (i) the upfront consideration; (ii) the present value of consideration payable under the put and call options; (iii) the present value of the anticipated dividend payments by Numeric; and (iv) the pre-Completion uncrystallised performance fees for accounting purposes, is expected to be approximately US\$325 million⁽⁵⁾.

The Man Group's balance sheet and regulatory capital position are expected to remain strong after taking account of the proposed Acquisition. The Man Group had net cash of US\$820 million and a regulatory capital surplus of US\$625 million as at 30 June 2014.

As was set out in the Man 2013 Annual Report, this remaining surplus capital will be used to provide a buffer against the Man Group's core capital requirements, organic growth requirements and further acquisition opportunities. After assessing these requirements and opportunities, distributions to Shareholders, whether through dividends or further share buy-backs, will also be kept under review.

(4) Source: Numeric management information as at 31 May 2014.

(5) Source: Unaudited internal financial accounting records of Man representing estimated financial information compiled in accordance with the requirements of IFRS 3 (revised) 'Business Combinations'.

Man will, however, seek to remain disciplined in the use of capital whether for organic growth or distributions or further acquisitions.

6. Information on the Man Group

The Man Group is a leading alternative investment management business. It has expertise in a wide range of liquid investment styles including managed futures, equity, credit and convertibles, emerging markets, global macro and multi-manager, combined with product structuring, distribution and client service capabilities. The Man Group's investment products are designed to offer performance across market cycles and are developed and structured internally and through partnerships with other financial institutions. All of the Man Group's investment managers together provide a diverse and complementary range of liquid alternative investment strategies: AHL/MSS in systematic managed futures trading and other quantitative strategies; GLG in discretionary strategies; and FRM in bespoke, actively managed fund of hedge fund offerings. The Man Group has a global distribution network and an investment management track record dating back more than 20 years. FUM as at 30 June 2014 was US\$57.7 billion. Man's group headcount including contractors and consultants is approximately 1,037.

7. Information on the Numeric Group

Founded in 1989, Numeric is a privately owned, US based quantitative equity manager with approximately US\$14.7 billion of FUM as at 31 May 2014⁽⁶⁾. Numeric is currently majority owned on a fully-diluted basis by TA Associates and certain other external shareholders with the remaining equity being held by Numeric's management and employees.

Numeric manages four main categories of equity strategies across long only and alternatives: Global & International with approximately US\$9.7 billion of assets; US Large Cap with US\$2.8 billion of assets; US Small Cap with \$1.2 billion of assets; and US\$1.0 billion of alternatives which are predominantly invested in multi-strategy and market neutral strategies. Numeric's business has seen substantial growth in recent years, with funds under management increasing from US\$7.6 billion at the end of 2012 to US\$14.7 billion as at 31 May 2014.

Numeric's major strategies have an established history of attractive absolute and relative performance. Based on annualised returns, over 95 per cent. of Numeric's current quantitative strategies have historically outperformed their selected benchmark over 1, 3 and 5 years⁽⁷⁾. 100 per cent. of Numeric's long only strategies covered by eVestment rank in the top quartile of their respective peer groups over 1, 3 and 5 years⁽⁸⁾.

Numeric's investor base is predominantly institutional, with approximately 55 per cent. of funds under management sourced from public and corporate pension plans (covering approximately 30 clients) approximately 35 per cent. from sub-advisory mandates (covering approximately 30 clients) and around 10 per cent. from other clients including endowments and foundations, fund of funds, religious institutions, Taft-Hartley and insurance companies (covering 17 clients). In terms of geographic split, 46 per cent. of FUM is from the Americas (42 per cent. from North America), 46 per cent. from Europe and the Middle East and 8 per cent. from Asia.

Numeric had 74 full time employees, 24 in investment management, 32 in technology and operations, 8 in sales and client servicing and 10 in finance, legal, compliance and human resources, as at 31 May 2014.

Further information on the Numeric Group is set out in Part III (Information on the Numeric Group) and Part V (Consolidated Historical Financial Information on the Numeric Group) of this document.

(6) Source: Numeric management information as at 31 May 2014.

(7) Please refer to the performance table and disclosures set out in paragraph 2 of Part III (Information on the Numeric Group). Not all current strategies have performance track records for the full 1, 3 and 5 year periods, but they have outperformed their selected benchmark for the periods during which they existed.

(8) Percentile rankings reflect the comparison of Numeric strategies against their assigned peer group in eVestment, using quarterly returns as at 31 March 2014. Managers pay a fee to eVestment to be included in the database. These rankings are not indicative of Numeric's future performance. Peer groups are established by eVestment based on the category of strategy reported by participating managers and do not represent the full universe of managers that manage products using such strategies. Numeric has no ability to verify the accuracy of the inclusion of other managers in the peer group. The results presented would be different if other, or all, managers utilising such strategies participated in the eVestment program.

8. Financing of the Acquisition

The initial cash consideration to be paid by Man at Completion pursuant to the terms of the Acquisition will be approximately US\$219 million. This initial cash consideration together with the fees and expenses associated with the Acquisition will be funded from Man's existing cash resources. The further payments in respect of the Option Consideration are expected to be paid in cash, also funded by Man's existing cash resources and available facilities, save that Man has retained the option at its sole discretion to issue Man Ordinary Shares at the then prevailing market price in order to satisfy some or all of the relevant payment.

The Acquisition is supported by Man's existing Tier 1 regulatory capital position. As explained in paragraph 5 above, as at 30 June 2014, Man had surplus regulatory capital of US\$625 million. The regulatory capital usage associated with the Acquisition is expected to be approximately US\$325 million⁽⁹⁾.

9. Management and Employees

The key members of the Numeric management team are Mike Even (President and Chief Executive Officer), Robert Furdak (Co-Chief Investment Officer, Director of Portfolio Management) and Shanta Puchtler (Co-Chief Investment Officer, Director of Research). Together these individuals will be responsible for the on-going management of Numeric's business within the Enlarged Group. No change will be made to the board of Man as a result of the Acquisition but Mike and Shanta will be appointed to Man's executive committee following Completion.

Man attaches great importance to the skills and experience of the management, partners and employees of the Numeric Group who are expected to contribute to the growth and success of the Enlarged Group. Upon Completion, the Board intends to fully respect the existing rights of all Numeric employees.

10. Current trading, trends and prospects

(a) *The Man Group*

The following information has been extracted from the unaudited interim consolidated financial statements of Man for the six months ended 30 June 2014, which are incorporated by reference into this document:

Performance across Man's investment managers was varied in the first half of 2014. AHL's momentum-based strategies benefitted from trends in fixed income markets and delivered strong returns however GLG's equity long short strategies suffered from a strong sector and factor rotation and ended the half with negative performance. FRM products had muted performance in the first six months of the year.

Flows continued to be positive, with particularly robust sales in the first quarter, linked primarily to the strong performance of GLG in 2013. The solid flows in the first half of 2014 overall drove a 7 per cent. increase in funds under management to US\$57.7 billion at 30 June 2014, compared to US\$54.1 billion as at 31 December 2013. Adjusted profit before tax increased by 10 per cent. to US\$148 million compared to the six months ended 30 June 2013 with cost savings and lower interest costs being partially offset by a decline in net management fee revenues. Statutory profit before tax for the six months ended 30 June 2014 was US\$106 million. Surplus regulatory capital as at 30 June 2014 was US\$625 million and total available liquidity was US\$2.3 billion.

In the first half of 2014, Man made progress towards its strategic objectives, largely completing its cost saving restructuring programme and taking significant steps to position the Man Group for future growth. In June, Man announced the planned acquisitions of Numeric and Pine Grove, two highly complementary businesses which will enhance Man's offering for clients and increase its geographical footprint in the US.

Looking forward the overall operating environment continues to be uncertain. Whilst it has been a positive first half for the firm in 2014, the Board remains cautious in its outlook for the second half of the year in light of weaker performance in some strategies in the first half of 2014 which could impact flows in the third and fourth quarters of 2014. Man remains committed to investing

(9) Source: Unaudited internal financial accounting records of Man representing estimated financial information compiled in accordance with the requirements of IFRS 3 (revised) 'Business Combinations'.

in talent, research and technology and building the optimal environment to deliver superior risk adjusted performance for clients.

(b) *The Numeric Group*

At 30 June 2014, Numeric's FUM was US\$14.7 billion which represents an increase of US\$1.5 billion since 31 December 2013.

11. Man General Meeting and the Resolution

As described above, the implementation of the Acquisition is conditional upon, among other things, Shareholders' approval being obtained at the Man General Meeting. Accordingly, you will find, set out at the end of this document, a notice convening a general meeting to be held at Riverbank House, 2 Swan Lane, London EC4R 3AD at 10 a.m. on 5 September 2014 at which the Resolution will be proposed to approve the Acquisition. The full text of the Resolution is set out in the notice.

The Resolution will be proposed as an ordinary resolution requiring a simple majority of votes in favour of the resolution. The Acquisition will not proceed if the Resolution is not passed. The Resolution proposes that the Acquisition be approved and the Directors be authorised to implement the Acquisition.

12. Action to be taken

Unless you have elected to receive Shareholder communications via an email alert, a Form of Proxy for use at the Man General Meeting or any adjournment thereof will accompany this document or, if you have chosen to receive shareholder communications via Man's website, a Form of Proxy will be sent to you as a separate document. Whether or not you intend to be present at the Man General Meeting, please complete and sign the Form of Proxy in accordance with the instructions printed on it and return it (together with any power of attorney or other authority under which it is signed or a certified copy of any such power or authority) to Man's registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, as soon as possible, and in any event so as to be received by Equiniti no later than 10 a.m. on 3 September 2014 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

You can also submit your proxy electronically at Equiniti's website, www.sharevote.co.uk so as to be received by not later than 10 a.m. on 3 September 2014 (or in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). Shareholders registered with www.shareview.co.uk can log on and vote through that service by no later than 10 a.m. on 3 September 2014 (or, in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). Proxies sent electronically must be sent as soon as possible and, in any event, so as to be received by not later than 10 a.m. on 3 September 2014 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

If you hold Man Ordinary Shares in uncertificated form through CREST you may vote using the CREST electronic proxy appointment service in accordance with the procedures set out in the CREST manual (please also refer to the accompanying notes to the Notice of General Meeting set out at the end of this document). Proxies submitted via CREST (under CREST participant ID RA19) must be received by Man's Registrars, Equiniti, not later than 10 a.m. on 3 September 2014 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

The completion and return of a Form of Proxy (or the electronic appointment of a proxy) will not preclude you from attending and voting in person at the Man General Meeting or any adjournment thereof, if you so wish and you are entitled to do so.

13. Further Information

In considering whether or not to vote in favour of the Acquisition, you should read the whole of this document and not rely solely on the summarised information, including the summarised financial information contained in this Part I (Letter from the Chairman of Man) and in particular you should consider the risk factors set out in Part II (Risk Factors) of this document.

Your attention is also drawn to the information incorporated by reference into this document as listed in Part IX (Information Incorporated by Reference) and to the information set out in Part VII (Additional Information) of this document.

14. Recommendation

The Board, which has received financial advice from Credit Suisse, considers the terms of the Acquisition to be fair and reasonable. In providing financial advice to the Board, Credit Suisse relied upon the Board's commercial assessment of the Acquisition.

In addition, the Board considers the Acquisition and the Resolution to be in the best interests of Man and Shareholders as a whole. Accordingly the Board unanimously recommends that Shareholders vote in favour of the Resolution to be put to the Man General Meeting as the Directors intend to do in respect of their own beneficial holdings of 22,029,060 Man Ordinary Shares in aggregate, representing approximately 1.25 per cent. of Man's issued ordinary share capital.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Jon Aisbitt', with a stylized flourish at the end.

Jon Aisbitt
Chairman

**PART II:
RISK FACTORS**

Shareholders should consider the following risks and uncertainties together with all the other information set out in, or incorporated by reference into, this document prior to making any decision as to whether or not to vote in favour of the Acquisition.

The risks described below are based on information known to the Directors at the date of this document, but may not be the only risks to which the Man Group, the Numeric Group or, following Completion, the Enlarged Group is or might be exposed. Additional risks and uncertainties, which are currently unknown to Man or that Man does not currently consider to be material, may materially affect the business of the Man Group, the Numeric Group and/or the Enlarged Group and could have a material adverse effect on the business, financial condition, results of operations and prospects of the Man Group, the Numeric Group and/or the Enlarged Group. However, the risk factors set out below should not be construed as a qualification of the opinion of Man as to working capital set out in paragraph 10 of Part VII (Additional Information).

If any of the following risks were to occur, the business, financial condition, results of operations and prospects of the Man Group, the Numeric Group and/or the Enlarged Group could be materially adversely affected and the value of the Man Ordinary Shares could decline and Shareholders and investors could lose all or part of the value of their investment in Man Ordinary Shares.

Shareholders should read this document as a whole and not rely solely on the information set out in this section.

Risks relating to the Acquisition

The implementation of the Acquisition is subject to the satisfaction of certain conditions and those conditions may not be satisfied

The implementation of the Acquisition is subject to the satisfaction, or, where permitted, waiver of certain conditions including:

- Compliance with the notification and waiting period requirements of the HSR Act;
- Bring down at Completion of the representations and warranties given by each of Numeric and Man Merger Holdco and each party having performed in all material respects all obligations required to be performed by them under the terms of the Acquisition;
- There having been no material adverse change in Numeric's Run Rate Management Fee Revenues; and
- Man Shareholder Approval.

Further information on the conditions to implementation of the Acquisition are set out in paragraph 2(c) of Part IV (Principal Terms of the Acquisition) of this document.

The conditions to Completion are to be satisfied by 31 December 2014 (or such later date as may be agreed). However, the Acquisition is currently expected to complete in September 2014 and following Completion the results of Numeric will be fully consolidated into Man.

There is no guarantee that these conditions will be satisfied. In granting their consent, the regulatory authorities have discretion in imposing conditions and restrictions to their consent under the HSR Act which could result in a delay in completion of, or a decision not to complete, the Acquisition or have a material adverse effect on the business and results of operations of the Enlarged Group following Completion. Failure to satisfy any of these conditions may result in the Acquisition not being completed. If the Acquisition does not complete, the Man Group would nonetheless be obliged to pay approximately US\$4 million of costs (primarily due diligence, legal and advisory fees) incurred in connection with the Acquisition.

Failure to complete the Acquisition may also have an adverse impact on the financial condition, future operating results and/or prospects of the Man Group and the trading price of Man Ordinary Shares may be adversely affected.

The prospect of the Acquisition could cause disruptions in the businesses of the Man Group and/or the Numeric Group, which could have material adverse effects on their businesses and financial results, as well as on the business, financial condition, results of operations and/or prospects of the Enlarged Group

The prospect of the Acquisition could cause disruptions in the businesses of the Man Group and more particularly that of the Numeric Group. Some investors in Numeric's fund products may, as a result of a view they may have formed on the consequences of the Acquisition, choose to redeem their holdings. In addition, either or both of Man's or Numeric's current and prospective investors may, in response to the announcement of the Acquisition, delay, change or defer investment decisions. Any such delay, change or deferral by investors could materially and adversely impact the revenues, profits and/or FUM of Man or Numeric and/or any anticipated growth in the revenues and/or FUM could be lower than expected. Furthermore, both during the Acquisition process and if the Acquisition is completed, some current and prospective employees of the Man Group or the Numeric Group may experience uncertainty about their future roles within the Enlarged Group, which may adversely affect the Man Group's and the Numeric Group's abilities to retain or recruit key managers and other employees.

Also, market reaction to and/or speculation regarding the likelihood of completion of the Acquisition could increase the volatility of the price of Man Ordinary Shares.

If the Man Group and the Numeric Group fail to manage these risks effectively, the business and financial results of the Man Group, the Numeric Group and the Enlarged Group could be adversely affected.

The Man Group may incur higher than expected transaction and Acquisition related costs

Man will incur legal, accounting and transaction fees and other costs related to the Acquisition, which are expected to be approximately US\$4 million. Some of these costs are payable regardless of whether the Acquisition is completed, and such costs may be higher than anticipated.

The escrow arrangements under the Merger Agreement may be insufficient to cover all losses

The Core Escrow and the Supplemental Escrow will be established to meet the potential indemnification claims by Man Merger Holdco under the Merger Agreement. The Core Escrow fund, equal to US\$21.9 million in cash plus US\$4.9 million in Newco LLC Interests of the aggregate consideration payable pursuant to the Merger Agreement, will be put into escrow for a period of 15 months following Completion to meet potential indemnity claims by Man Merger Holdco arising from breaches of representations, warranties and covenants given to Man Merger Holdco under the Merger Agreement or other specified liabilities that relate to periods prior to Completion. Customary representations and warranties relating to the Numeric Group and its business were given to Man Merger Holdco under the Merger Agreement, including in relation to capital structure, financial statements, litigation, compliance with law and regulation, material contracts, employees, tax and other matters.

In addition, customary undertakings and limitations were agreed in favour of Man Merger Holdco in relation to the operation of the Numeric Group in the period between the date of the Merger Agreement and Completion, including an undertaking to conduct the business of the Numeric Group in the ordinary course consistent with past practice, as well as restrictions on Numeric taking certain actions, unless, in each case, Man Merger Holdco provides its consent (such consent not to be unreasonably withheld, delayed or conditioned). A breach of any of these representations, warranties and undertakings may result in an indemnification claim under the Merger Agreement.

The Supplemental Escrow fund, equal to US\$12.5 million of the aggregate consideration payable on Completion pursuant to the Merger Agreement, will be put into a separate escrow for a period of six months following Completion to meet potential indemnity claims by Man Merger Holdco under an indemnity granted in its favour with respect to any wilful violation (including fraud or wilful misconduct) of any applicable securities laws by the Numeric Group prior to Completion (the "**Supplemental Indemnity**").

The Numeric Holders' liability in relation to indemnifying Man Merger Holdco with respect to losses relating to breaches of the Core Representations (absent fraud) is limited to the sum held in the Core Escrow and is limited in terms of duration to the duration of such escrow account. The Numeric Holders' liability in relation to indemnifying Man Merger Holdco with respect to losses relating to breaches by Numeric of the Standard Fundamental Representations is limited to the amount of consideration paid to such holders pursuant to the Merger Agreement including any amounts held in the Core Escrow (the "**Aggregate Cap**"). The Numeric Holders' liability in relation to indemnifying Man Merger Holdco with

respect to losses covered by the Supplemental Indemnity is limited to the sum held in the Supplemental Escrow. Such escrow funds and/or the Aggregate Cap (as applicable) may not be sufficient to cover all of the Man Group's losses in respect of those matters which are the subject of such indemnification arrangements under the Merger Agreement.

Material risks relating to the Enlarged Group's business

Poor investment performance may reduce the value of funds under management of the Enlarged Group

The Fund Products may experience poor investment performance (both in absolute terms and relative to the performance of fund products managed by competitors and relative to other asset classes) due to the failure of strategies implemented in managing these Fund Products, falls or volatility in domestic and global financial markets and changes in the wider economy. Furthermore, loss of investor confidence could lead to lower sales and higher redemptions of Fund Products. This may also result in dissatisfied clients, negative press and reputational damage. Lower levels of FUM would result in lower management fee revenue and underperformance would result in lower performance fees (if any) which could have a material adverse effect on the business, results of operations, financial condition and/or prospects of the Enlarged Group.

Investors in Numeric's fund products may choose to redeem their holdings

Existing investors in Numeric's fund products have the ability to redeem their investments. Investors may reduce all or any portion of their investments for a number of reasons, including reasons which may be unconnected to the Acquisition. Some investors in Numeric's fund products may, as a result of a view they may have formed on the consequences of the Acquisition, choose to redeem their holdings. In addition, either or both of Man's or Numeric's current and prospective investors may, in response to the announcement or completion of the Acquisition, delay, change or defer investment decisions. Any such delay, change or deferral by investors could materially and adversely impact the revenues, profits and/or FUM of Man or Numeric and/or any anticipated growth in the revenues and/or FUM could be lower than expected.

Although Numeric has many institutional client relationships which can be built on going forward, it has a small number of key investors that represent a high value of its FUM and corresponding Run Rate Management Fees. As at 31 May 2014, Numeric's 10 largest accounts by size of holding represented 54 per cent. of FUM. The Numeric Group's (and, following Completion, the Enlarged Group's) business, financial condition, results of operations, prospects and/or net inflows of FUM may therefore be affected by significant redemptions by certain key investors.

Errors in the implementation of trading algorithms

The investment management strategies of two of the Man Group's investment management programmes, AHL/MSS, are based upon the systematic application of trading algorithms. This is also the case for the Numeric Group's investment management strategies. These trading algorithms are regularly refined and updated on the basis of a continuous programme of research. If, despite the controls over changes to the algorithms, errors are made in the implementation of the changes, certain Fund Products could suffer significant losses, which could result in claims against and/or losses for the Man Group or a requirement to compensate for the losses of investors in these Fund Products. The addition of Numeric Group to the Enlarged Group will increase the risk of potential errors in trading models.

The Enlarged Group's future success depends to a significant degree upon its continued ability to integrate, attract and retain key personnel

The Enlarged Group's future success will depend significantly upon the knowledge, expertise and continued services of certain highly skilled research professionals, portfolio managers and other key personnel, including its directors and senior management, and upon its ability to recruit, integrate, retain and motivate such personnel. The Enlarged Group, and Numeric in particular, may fail to attract and/or retain highly skilled personnel (including in particular beyond the Option Period) or may incur increased costs in attracting and retaining such personnel, despite the Acquisition being structured to align the interests of Numeric Management with those of Man's shareholders and otherwise incentivising Numeric Management and other employees to grow the business, which may in turn have a detrimental effect on the future performance of the Enlarged Group.

The Man Group, the Fund Products and Underlying Third Party Products are subject to counterparty default and credit risks

Due to the nature of its business, the Man Group is subject to the risk that a counterparty with which the funds or Man have financial transactions fails to deliver back investor or shareholder assets. Investors and shareholders in Fund Products are exposed to credit risk of prime brokers, clearing houses, future clearers, depository banks and guarantee providers (if any). The Man Group also provides loans to guarantee Fund Products and so is subject to counterparty risk to certain Fund Products. The acquisition by the Man Group of the Numeric Group will add to the product range of the Enlarged Group, and thereby increase the overall level of Fund Product-related counterparty risk exposure.

Adverse regulatory developments or changes in government policy relating to the financial sector generally or the alternative investment fund industry in particular could have an adverse effect on the Enlarged Group's business, financial condition, results of operations or prospects

Man offers a wide range of Fund Products from a global network of offices in 19 jurisdictions and is regulated by 20 regulators. This results in the Man Group being subject to a matrix of regulations and a wide range of laws. Failure to comply with these laws and regulations may put Man at risk of fines, lawsuits or reputational damage.

With the addition of the Numeric Group to the Enlarged Group, the Acquisition will further add to the legal and regulatory complexity in which the Man Group operates. In particular, the addition of the Numeric Group will increase the Enlarged Group's exposure to the US legal and regulatory system.

Furthermore, the Man Group, each of its subsidiaries, affiliates and the Fund Products and/or Underlying Third Party Products are subject to extensive regulation, legislation, accounting standards and changing interpretations thereof in a number of jurisdictions and there is a risk that changes to laws, regulations, policies and interpretations may adversely affect the Man Group (and, following Completion, the Enlarged Group), including via Fund Products or Underlying Third Party Products. The requirements imposed by the regulators are designed primarily to ensure the integrity of the financial markets and to protect investors and other third parties in relation to investment products. These regulations can serve to limit the scope of the Man Group's activities and its flexibility regarding capital structure. Furthermore, any change in such regulations may have a material adverse effect on the ability of the Man Group to carry on its business and pursue its investment strategies or may affect the attraction of alternative investments generally for either private or institutional investors.

Any of these changes could adversely affect the business, financial condition, results of operations and/or prospects of the Man Group and/or the Enlarged Group.

If the Man Group (or, following Completion, the Enlarged Group) (or any of its employees or other persons acting on its behalf), or any of the Fund Products, breach applicable laws and regulations, there could be a material adverse effect on the Man Group's business, financial condition, results of operation, prospects and/or reputation

The global nature of the Man Group's business, with corporate and fund entities collectively located in 19 jurisdictions, makes it subject to a wide range of laws and regulations. If the Man Group (or, following Completion, the Enlarged Group) or any of its employees or other persons acting on its behalf or any of its Fund Products breach any such laws and regulations, for example by inappropriate trading or breaches of investment mandate and regulatory boundaries, the Man Group will be exposed to the risk of investigation by civil or criminal legal proceedings and/or regulatory investigations. Furthermore, regulatory, criminal or civil proceedings could result in adverse publicity or negative perceptions regarding the business of the Man Group and increased redemptions by investors in the Fund Products, as well as harm to its reputation. Any legal proceedings and regulatory investigations could also result in increased costs, the diversion of management's attention from the day-to-day running of the business. Any legal proceedings and regulatory investigations and consequent liabilities or fines could have a material adverse effect on the business, financial condition, results of operations and/or prospects of the Man Group. Furthermore, the potential addition of the Numeric Group increases the Enlarged Group's exposure to the US legal and regulatory system and accordingly increases the possibility of litigation being commenced in the US courts and additional oversight by US regulators.

A failure in the operational, investment and/or risk management processes, procedures, systems or infrastructure of the Man Group (or, following Completion, the Enlarged Group) or those of critical third parties could adversely affect the business, financial condition, results of operations and/or prospects of the Man Group (or, following Completion, the Enlarged Group) and damage its reputation

The business of the Man Group is highly dependent on the successful and timely execution of complex investment management, operational, risk management and financial processes. Any operational errors or negligence by the employees of, or others acting on behalf of, the Man Group or weaknesses in the internal controls over these processes could result in losses for the Fund Products and/or claims against and/or losses for the Man Group or a requirement to compensate for losses of investors and/or other relevant parties in respect of Fund Products.

The business of the Man Group is also highly dependent on the integrity, security and reliability of its information technology (“IT”) systems and infrastructure. If any of the critical processes or systems do not operate properly or are disabled or are subject to cyber-crime, unauthorised access, misuse, hacking and release of confidential information or computer viruses the Man Group’s ability to perform effective investment management of the Fund Products could be materially impaired. In addition, failure to maintain an adequate infrastructure commensurate with the size and scope of its business, or failure to maintain the Man Group’s IT systems and networks properly or to upgrade and expand such systems in response to technological change or to accommodate the growth of its business could limit the Man Group’s ability to conduct its operations and could impede the Man Group’s productivity and growth.

The acquisition of the Numeric Group may, particularly given the addition of a new international office as part of the Enlarged Group, increase the risk of such a failure and/or a compromise to the integrity of their IT systems and thereby adversely affect the results and/or prospects or reputation of the Enlarged Group.

In the investment management processes carried out on behalf of the Fund Products, the Man Group seeks to monitor and manage the risk exposure of these Fund Products through a variety of risk models and techniques which also depend on the accuracy of data in the models and the infrastructure and systems used for these processes. If the assumptions made in the models regarding, for example, market risk or liquidity prove to be inappropriate, the data is incorrect, the systems are inadequate or if the Man Group fails to take or cannot take appropriate steps to mitigate this risk based on information available in its risk monitoring systems, certain Fund Products could suffer significant losses, which could result in claims against and/or losses for the Man Group (and, following Completion, the Enlarged Group) or a requirement to compensate investors and/or other relevant parties in respect of Fund Products for losses.

The Man Group may be adversely affected if its reputation is harmed

The Man Group’s reputation is, and following Completion, the Enlarged Group’s reputation will be, one of its most important assets. The relationship of the Man Group with its investors and other significant market participants is very important to its business. The Man Group’s ability to attract and retain investors and employees and raise appropriate financing or capital may be adversely affected to the extent its reputation is damaged. Any deterioration in the market perception of the Man Group, including but not limited to the loss of key personnel or poor investment performance or a failure of integrity, could lead to a significant redemptions from its Fund Products, and could lead to issues with external financing, credit ratings and relations with its outsourcing providers. These issues could also arise in respect of sub-advisers that manage Man Group-branded Fund Products or in respect of associates and/or joint ventures in which the Man Group has investments, over which the Man Group has limited control. Damage to the reputation of the Man Group as a result of these or other factors could have a material adverse effect on its business, financial condition, results of operations (including impairments in the value of goodwill) and/or prospects.

The Enlarged Group may fail to realise the perceived benefits of the Acquisition

The Enlarged Group may not realise the expected benefits from the Acquisition or may encounter difficulties in achieving these anticipated benefits. There can be no assurance that the Enlarged Group will realise these benefits in the time expected or at all. In addition, there can be no assurance that the costs to achieve these benefits will not exceed those estimated or the quantum of the relevant benefit. This could have a negative impact on the business, operating profit or overall financial condition of the Enlarged Group or its ability to take advantage of currently unutilised US tax losses available to the Enlarged Group.

The Numeric business may not perform in line with expectations

If the results and cash flows generated by the Numeric Group are not in line with Man's expectations, it may materially impact on the financial performance of the Enlarged Group, and a write-down may be required against the carrying value of Man's investment in the Numeric Group which might have an adverse effect on the Enlarged Group's financial position and operating results. Such a write-down would reduce Man's available distributable reserves.

Integration and governance of the Numeric Group

Following the Acquisition, it may be necessary for the Man Group to make changes to the structure of the Enlarged Group's business in order to optimise the potential benefits available from the integration of Numeric. Notwithstanding this, it is expected that the Numeric Group will continue to operate out of its existing Boston-based premises but with the support of the systems, processes and controls of the Enlarged Group. Issues may come to light during the course of integrating Numeric into the Enlarged Group that could have an adverse effect on the financial condition and results of operations of the Enlarged Group.

Intellectual property

The Enlarged Group will depend on the intellectual property, whether registered or not, generated by the key investment professionals working within the Man Group, the Numeric Group and, following Completion, the Enlarged Group. The Enlarged Group could be exposed to the potential risk of its intellectual property being subject to challenge as a result of third party intellectual property rights claims, unlawful copying or other unfair competitive practices. Notwithstanding that the Enlarged Group will aim to continue to protect its intellectual property in order to preserve its competitive position, there is a risk that its competitive position will be damaged by unlawful, unfair or unforeseen practices, any of which could have an adverse effect on the Enlarged Group's business, financial position and operating results.

PART III:
INFORMATION ON THE NUMERIC GROUP

1. Introduction

Founded in 1989, Numeric is a privately owned, Boston-based quantitative equity manager with US\$14.7 billion of FUM as at 31 May 2014⁽¹⁰⁾. Numeric is currently majority owned on a fully diluted basis by TA Associates and certain other external shareholders with the remaining equity being held by Numeric's management and employees.

2. FUM composition and performance

Numeric manages four main categories of equity strategies across long only and alternatives: Global & International with approximately US\$9.7 billion of assets, US Large Cap with US\$2.8 billion of assets, and US Small Cap with US\$1.2 billion of assets. The US\$1.0 billion in alternatives are predominantly invested in multi-strategy and market neutral strategies.

Numeric's major strategies have an attractive and established investment track record. Based on annualised returns, over 95 per cent. of Numeric's current quantitative strategies have historically outperformed their selected benchmark over 1, 3 and 5 years⁽¹¹⁾. 100 per cent. of Numeric's long only strategies covered by eVestment rank in the top quartile of their respective peer groups over 1, 3 and 5 years⁽¹²⁾. The table below summarises investment performance:

Strategy ⁽¹³⁾⁽¹⁴⁾	Inception Date	Total Return 5 months to 31 May 2014 ⁽¹⁴⁾⁽¹⁶⁾	Annualised Return (net of fees) ⁽¹⁵⁾⁽¹⁶⁾			
			1 year	3 year	5 year	Since Inception
GLOBAL & INTERNATIONAL						
Global Core (USD)	Apr-13	6.3%	27.0%	n.a.	n.a.	27.0%
<i>MSCI World</i>		4.3%	18.9%	<i>n.a.</i>	<i>n.a.</i>	19.1%
<i>Relative Return</i>		2.0%	8.2%	<i>n.a.</i>	<i>n.a.</i>	7.9%
Europe Core (EUR)	Nov-02	8.6%	23.3%	14.7%	17.3%	9.8%
<i>MSCI Europe</i>		6.6%	17.0%	9.9%	13.4%	6.9%
<i>Relative Return</i>		2.0%	6.3%	4.8%	3.9%	2.9%
Japan Core (JPY)	Apr-05	(5.7)%	10.0%	17.7%	11.1%	3.2%
<i>MSCI Japan</i>		(7.4)%	7.0%	14.6%	7.9%	2.2%
<i>Relative Return</i>		1.7%	3.0%	3.1%	3.2%	1.0%
International Small Cap	Jan-11	4.3%	27.0%	13.8%	n.a.	14.8%
<i>Custom MSCI World Ex-US⁽¹⁴⁾</i>		4.4%	22.0%	8.5%	<i>n.a.</i>	9.2%
<i>Relative Return</i>		(0.1)%	5.1%	5.3%	<i>n.a.</i>	5.6%

(10) Source: Numeric management information as at 31 May 2014.

(11) Not all current strategies have performance track records for the full 1, 3 and 5 year periods, but they have outperformed their selected benchmark for the periods during which they existed.

(12) Percentile rankings reflect the comparison of Numeric strategies against their assigned peer group in eVestment, using quarterly returns as of 31 March 2014. Managers pay a fee to eVestment to be included in the database. These rankings are not indicative of Numeric's future performance. Peer groups are established by eVestment based on the category of strategy reported by participating managers and do not represent the full universe of managers that manage products using such strategies. Numeric has no ability to verify the accuracy of the inclusion of other managers in the peer group. The results presented would be different if other, or all, managers utilizing such strategies participated in the eVestment program.

(13) Strategies reflected in the table do not include all Numeric strategies. Note that some Numeric strategies not shown in the table above may have had lower or higher performance relative to the benchmark during the periods presented. For example, Numeric manages a number of bespoke mandates that implement client restrictions and performance information for those mandates is not included. The table relates to approximately 39 per cent. of Numeric's total FUM.

Strategy ⁽¹³⁾⁽¹⁴⁾	Inception Date	Total Return 5 months to 31 May 2014 ⁽¹⁴⁾⁽¹⁶⁾	Annualised Return (net of fees) ⁽¹⁵⁾⁽¹⁶⁾			
			1 year	3 year	5 year	Since Inception
US LARGE CAP						
Core	May-99	6.0%	25.3%	18.4%	20.9%	6.6%
<i>Russell 1000</i>		4.9%	20.9%	15.1%	18.8%	4.8%
<i>Relative Return</i>		1.1%	4.4%	3.3%	2.1%	1.8%
Value	Mar-97	6.4%	24.1%	18.1%	20.5%	8.7%
<i>Russell 1000 Value</i>		5.5%	19.6%	15.1%	18.4%	8.1%
<i>Relative Return</i>		0.8%	4.5%	3.0%	2.0%	0.6%
All Cap Core	May-09	5.2%	23.7%	18.7%	22.6%	23.7%
<i>Russell 3000</i>		4.3%	20.6%	14.8%	18.8%	19.7%
<i>Relative Return</i>		0.9%	3.1%	3.9%	3.8%	4.0%
Large Cap Core	Mar-04	6.5%	26.4%	18.8%	20.7%	8.9%
<i>S&P 500</i>		5.0%	20.4%	15.1%	18.4%	7.4%
<i>Relative Return</i>		1.5%	6.0%	3.6%	2.3%	1.5%
Amplified Core (130/30)	Jul-06	10.2%	32.0%	22.4%	21.1%	8.6%
<i>S&P 500</i>		5.0%	20.4%	15.1%	18.4%	7.7%
<i>Relative Return</i>		5.2%	11.5%	7.3%	2.7%	1.0%
US SMALL CAP						
Small Cap Core	Oct-03	0.8%	22.8%	17.3%	25.6%	12.7%
<i>Russell 2000</i>		(2.0)%	16.8%	11.7%	19.3%	9.7%
<i>Relative Return</i>		2.8%	6.0%	5.6%	6.3%	3.1%
Small Cap Value	Dec-98	1.4%	24.0%	17.3%	25.2%	13.5%
<i>Russell 2000 Value</i>		(0.2)%	16.9%	12.1%	18.8%	9.7%
<i>Relative Return</i>		1.7%	7.2%	5.2%	6.5%	3.8%
Small Cap Growth	Jul-96	(1.5)%	22.3%	17.3%	23.6%	12.5%
<i>Russell 2000 Growth</i>		(3.8)%	16.7%	11.4%	19.8%	5.9%
<i>Relative Return</i>		2.3%	5.6%	5.9%	3.8%	6.6%
SMID Growth	Jul-91	0.6%	24.9%	16.3%	24.2%	13.6%
<i>Russell 2500 Growth</i>		(1.2)%	18.5%	12.2%	21.0%	9.6%
<i>Relative Return</i>		1.9%	6.4%	4.1%	3.3%	4.0%
ALTERNATIVES						
US Market Neutral	Feb-95	3.2%	2.9%	5.0%	5.6%	4.6%
World Market Neutral	Oct-06	1.7%	7.5%	5.9%	4.0%	0.5%

Numeric's investor base is predominantly institutional, with approximately 55 per cent. of funds under management sourced from public and corporate pension plans (covering approximately 30 clients), approximately 35 per cent. from sub-advisory mandates (covering approximately 30 clients) and around 10 per cent. from other clients including endowments and foundations, fund of funds, religious, Taft-Hartley and insurance companies (covering 17 clients).

(14) Source: Bloomberg and MSCI. The stated benchmarks are intended to represent the strategy's general investible universe. Clients may choose to compare returns for these accounts to different benchmarks, resulting in differences in relative return information. International Small Cap benchmarked to MSCI EAFE Small Cap until August 2013 and MSCI World ex-US Small Cap thereafter. The benchmark for the US Market Neutral and World Market Neutral strategies is the ML 91-day T-Bill. The benchmarks mentioned are unmanaged statistical composites of stock market performance. Investing in an index is not possible. Comparison to a benchmark is for informational purposes only, as the holdings of an account managed by Numeric will differ and may have greater volatility from the securities in the benchmark.

(15) Returns are as of 31 May 2014. Returns are represented by strategy composite returns which only include accounts within each strategy that do not have client specific investment restrictions. Returns of accounts with client specific restrictions were not included and it should be noted that such returns may differ.

(16) Past performance shown should not be interpreted as indicative of future results and every investment program has the potential for loss as well as profit. There is no guarantee that objectives will be realized. The report contains net of fee performance based on actual fees paid or a representative fee based on the firm's standard fee schedule. Numeric's investment advisory fees are described in Part 2A of Numeric's Form ADV. Past performance is not a guarantee of future results. Unless otherwise noted all returns are calculated and expressed in US Dollars and reflect reinvestment of dividends and other earnings.

In terms of geographic split, 46 per cent. of Numeric's funds under management are from the Americas (42 per cent. from North America), 46 per cent from EMEA and 8 per cent from Asia.

3. History

Numeric was founded by Lang Wheeler in November 1989 with the backing of the investment firm Strategic Investment Partners. Numeric's product suite has since grown from a single US strategy to include long only, active extension and long-short equity strategies across geographic regions, investment styles and capitalisation strata.

Key dates in Numeric's history include:

- 1989 Numeric founded and launched its first US equity strategy
- 1990 First market neutral strategy launched
- 1991 First small cap strategy launched
- 1995 Algorithmic trading implemented
- 1998 International strategy launched
- 2003 Fundamental Statistical Arbitrage (FSA) strategy launched
- 2006 First active extension strategy launched
- 2006 Mike Even named President & Chief Executive Officer
- 2007 Rob Furdak named Chief Investment Officer, Director of Portfolio Management
- 2012 Shanta Puchtler named Co-Chief Investment Officer, Director of Research
- 2013 Global Core strategy launched

4. Management team

Numeric had 74 full time employees, 24 in investment management, 32 in Technology and Operations, 8 in Sales and Client servicing and 10 in Finance, Legal and Human Resources as at 31 May 2014.

The Numeric management team is led by Mike Even (President & Chief Executive Officer), Robert Furdak (Co-Chief Investment Officer, Director of Portfolio Management) and Shanta Puchtler (Co-Chief Investment Officer, Director of Research). Together these individuals will be responsible for the on-going management of Numeric's business within the Enlarged Group. No change will be made to Numeric's investment committee or investment process as a result of the Acquisition and investment independence will be maintained. Mike and Shanta will be appointed to Man's executive committee following Completion.

Mike Even joined Numeric as President and Chief Executive Officer in 2006. Prior to joining Numeric, Mike worked at Citigroup for nine years building a global asset management organization. After Citigroup merged with Travelers, Mike became Global CIO of the Private Bank and eventually, Global CIO for Citigroup Asset Management, overseeing investment teams running nearly US\$500 billion in client assets. Prior to joining Citigroup, Mike spent 13 years at Independence Investment Associates in Boston. Mike holds a B.A. in Economics and a B.S. in Operations Research from Cornell University and an M.S. in Business from the Massachusetts Institute of Technology. Mike is a CFA charter holder.

Rob Furdak was named Chief Investment Officer of Numeric in 2007 and serves as Chairman of Numeric's investment committee. He joined Numeric in 1997 as Director of International Strategies and has designed and launched Numeric's Japanese, European and World Strategies. In addition to his CIO role, Rob is a member of the World Market Neutral portfolio management team and Numeric's investment committee. Prior to joining Numeric, Rob was a Principal in the Active International Group at State Street Global Advisors. During his eight years there, Rob performed quantitative research on country, currency and stock-selection strategies in the international markets and was the principal architect of State Street's active emerging markets investment process. Previously, Rob worked at Harvard Management Company. Rob received a B.B.A. in Finance from the University of Michigan and earned an M.B.A. in Finance at the University of Chicago. Rob is a CFA charter holder.

Shanta Puchtler was named Co-Chief Investment Officer of Numeric in 2012 and leads Numeric's Strategic Alpha Research team and directs research efforts focused on new alpha sources, product design, and risk modelling. Shanta is also a member of Numeric's investment committee. He joined Numeric in 1999 as an analyst. Prior to joining Numeric, Shanta was an electronic commerce technology analyst at Forrester Research, a Cambridge Massachusetts-based market research firm. He

also cofounded an electronic commerce company where he was director of technology which focused on the analysis of online buying behavior. Prior to that, Shanta spent five years teaching computer science and mathematics at private schools in the U.S. and overseas. Shanta received a B.A. in Computer Science from Dartmouth College, graduating Summa Cum Laude, and is a CFA charter holder.

PART IV:
PRINCIPAL TERMS OF THE ACQUISITION

1. Introduction

The Acquisition will be implemented in accordance with the Merger Agreement, by way of Merger whereby Man will (through Man Merger Holdco) acquire an 81.7 per cent. interest in the Numeric business for approximately US\$219 million in cash at Completion with Numeric Management retaining an aggregate minority equity interest of 18.3 per cent. in the ongoing Numeric business by rolling over the majority of their shareholdings in Numeric. Subject to the satisfaction or, where permitted, waiver, of certain conditions, including approval of Shareholders at the Man General Meeting, it is currently expected that Completion will occur in September 2014.

A summary of the key provisions of the Acquisition Agreements and the Employment Agreements is set out below.

2. Merger Agreement

Man, Man Merger Holdco, Man Subsidiary, Man Guarantor, Numeric and TA Associates Management, L.P. (as representative of each holder of limited liability interests in Numeric) entered into the Merger Agreement to regulate the parties' rights and obligations in relation to the implementation of the Merger and to provide certain assurances and confirmations between them, including in relation to the following:

(a) *Merger*

The Merger Agreement sets out the steps for implementing the Merger whereby Man Subsidiary will be merged with and into Numeric and Numeric will become the surviving limited liability company ("**Newco LLC**") and an 81.7 per cent. owned subsidiary of Man Merger Holdco. The remaining 18.3 per cent. of Newco LLC will be owned by certain of those members of Numeric's management who held direct and indirect interests in Numeric immediately prior to Completion ("**Numeric Management**"). These ownership interests in Newco LLC will be held in the form of limited liability company interests in Newco LLC ("**Newco LLC Interests**"). At Completion, all of the existing limited liability company interests in Numeric will be treated as follows:

- with respect to existing holders of interests in Numeric other than Numeric Management ("**Other Numeric Holders**"), such interests will be converted into the right to receive cash pursuant to the terms of the Merger; and
- with respect to Numeric Management's interests in Numeric, such interests will be converted into the right to receive cash and restated Newco LLC Interests pursuant to the terms of the Merger,

(the pre-Completion holders of limited liability company interests in Numeric being "**Numeric Holders**").

(b) *Consideration*

The headline consideration for the Acquisition on a cash-free, debt-free basis, subject to adjustment by reference to a target working capital amount at Completion of US\$3 million is US\$218,982,000, to be paid in cash at Completion (the "**Completion Consideration**"). In addition, Numeric Management will roll over their existing interests in Numeric in order to retain an 18.3 per cent. interest in Newco LLC in the form of Newco LLC Interests.

A total of US\$26.8 million of the Completion Consideration and rolled over interests will be held in a core escrow, comprised of US\$21.9 million of cash plus US\$4.9 million of the Newco LLC Interests to be issued to Numeric Management (the value of which is determined by the Merger Agreement) (the "**Core Escrow**") to fund any losses covered by the indemnification provisions described below. The Core Escrow will terminate 15 months after Completion at which time any remaining assets in the Core Escrow will be distributed to the relevant Numeric Holders.

An additional approximate amount of US\$12.5 million of cash will be held in a supplemental escrow (the "**Supplemental Escrow**") to fund any losses covered by the Supplemental Indemnity.

The Supplemental Escrow will terminate six months after Completion at which time any remaining assets in the Supplemental Escrow will be distributed to the relevant Numeric Holders.

(c) *Conditionality*

Completion of the Merger is subject to the satisfaction or, where permitted, waiver, of the following conditions:

- payment of the Completion Consideration by Man Merger Holdco;
- passing of the Resolution;
- bring down at Completion of the representations and warranties given by each of Numeric and Man Merger Holdco subject to the applicable standards of accuracy specified in the Merger Agreement and each party having performed in all material respects all obligations required to be performed by them under the Merger Agreement;
- delivery by each of Numeric and Man Merger Holdco of the deliverables required under the Merger Agreement;
- execution of an escrow agreement in respect of the Core Escrow and the Supplemental Escrow and an exchange agent agreement in respect of the payment of the Completion Consideration to the Numeric Holders;
- there having been no material adverse change in Numeric's Run Rate Management Fee Revenues;
- compliance with the notification and waiting period requirements of the HSR Act;
- absence of any order of any court or governmental authority restricting or prohibiting the Acquisition;
- consent of the holders of the Debentures to prepayment of the obligations thereunder or the surrender of the Debentures by way of payment of the exercise price of the Warrants (for further details see paragraph 7(b) of Part VII (Additional Information) of this document);
- exercise of all of the Warrants, in accordance with their terms (for further details see paragraph 7(b) of Part VII (Additional Information) of this document); and
- consents to the Acquisition from:
 - Fifth Third Bank, pursuant to the Senior Credit Agreement;
 - Thomson Reuters (Markets) LLC, pursuant to a master services agreement, dated 1 September 2002, between Opco and Thomson Reuters (Markets) LLC (as amended on 24 October 2008).

Completion will occur following the satisfaction or waiver of the last remaining condition to the Merger Agreement and is expected to occur in September 2014. Of the conditions listed above, that relating to the requirements of the HSR Act has been satisfied. The remainder of the conditions (other than the passing of the Resolution) are due to be satisfied shortly before or at Completion.

All necessary consents of the Numeric Holders and Numeric employees in respect of the Acquisition, including in respect of Numeric's existing sale and employee retention pool arrangements, were obtained prior to entering into the Merger Agreement.

(d) *Representations, warranties and indemnities*

Each of Numeric and Man Merger Holdco has made limited customary warranties and representations to the other in relation to certain matters such as corporate power and authority to enter into the Merger Agreement (the "**Standard Fundamental Representations**").

In addition, Numeric has made certain warranties and representations in relation to the business and affairs of Numeric and its subsidiaries which are customary for a transaction of this type (the "**Core Representations**").

Man Merger Holdco will be indemnified with respect to losses relating to breaches of the Core Representations to the extent of the consideration held in the Core Escrow and limited to the 15-month duration of the Core Escrow. Such indemnity is subject to a deductible of US\$2.5 million and a US\$25,000 *de minimis* claim size.

Man Merger Holdco will be indemnified with respect to losses arising from breaches by Numeric of the Standard Fundamental Representations to the extent of the consideration received by the Numeric Holders under the Merger Agreement (including his/its pro rata share of the Core Escrow), with a limit on the period during which a claim may be made of five years. Such indemnity is not subject to any deductible or *de minimis* claim size. A claim for indemnification for breaches of the Standard Fundamental Representations may only be recovered directly from Numeric Holders (rather than from the Core Escrow) after termination or exhaustion of the Core Escrow.

Each Numeric Holder will only be responsible for any claims under any of the indemnities in respect of the Core Representations up to such holder's *pro rata* share of the amount held in the Core Escrow, except with respect to losses incurred in connection with fraud by such Numeric Holder. In the case of any claims in respect of the Standard Fundamental Representations, each Numeric Holder's potential liability will be limited to the consideration received by him/it under the Merger Agreement (including his/its pro rata share of the Core Escrow), except with respect to losses incurred in connection with fraud by such Numeric Holder.

Man Merger Holdco also has the benefit of the Supplemental Indemnity with respect to any wilful violation (including fraud or wilful misconduct) of any applicable securities laws by the Numeric Group occurring prior to Completion to the extent of the consideration held in the Supplemental Escrow. Such indemnity is not subject to any deductible and has no *de minimis* claim size other than the fact that a loss under the Supplemental Indemnity needs to involve an out-of-pocket loss by Newco LLC (or by Man Merger Holdco relating to Newco LLC) of at least US\$50 million. Each Numeric Holder will only be responsible for any claims under the Supplemental Indemnity up to such holder's pro rata share of the amount held in the Supplemental Escrow.

(e) ***Conduct of business***

The Merger Agreement includes customary limitations regarding the conduct of Numeric's business pending Completion, including an obligation to conduct the business of the Numeric Group in the ordinary course consistent with past practice, as well as restrictions on Numeric taking certain actions, unless, in each case, Man Merger Holdco provides its consent (such consent not to be unreasonably withheld, delayed or conditioned).

(f) ***Termination rights***

The Merger Agreement may be terminated in certain circumstances, including:

- by the mutual consent of Numeric and Man Merger Holdco;
- by either Numeric or by Man Merger Holdco, if Completion does not take place by on or before 31 December 2014. This deadline may be extended for up to six months by Numeric if the waiting period under the HSR Act with respect to the Acquisition has not expired or been terminated by such date;
- by either Numeric or by Man Merger Holdco, if any court or governmental authority has issued a final and non-appealable order, decree or ruling permanently restraining, enjoining or otherwise prohibiting the Acquisition;
- by Man Merger Holdco, in circumstances where Numeric fails to perform or breaches any of its representations, warranties, covenants or other agreements set out in the Merger Agreement, which failure to perform or breach would give rise to a failure of a condition to Completion and cannot be or is not cured within certain specified time periods; or
- by Numeric, if Man Merger Holdco fails to perform or breaches any of its representations, warranties, covenants or other agreements set out in the Merger Agreement, which failure to perform or breach would give rise to a failure of a condition to Completion and cannot be or is not cured within certain specified time periods.

(g) *Governing Law and Dispute Resolution*

The Merger Agreement is governed by the laws of the State of Delaware. Disputes arising under the Merger Agreement are subject to the exclusive jurisdiction and venue of the Court of Chancery of the State of Delaware, or to the extent such court does not have subject matter jurisdiction, the Superior Court of the State of Delaware or the United States District Court for the District of Delaware.

3. **LLC Agreement**

(a) *General*

On Completion, Man Merger Holdco, Numeric Management and Newco LLC will enter into a Second Amended and Restated LLC Agreement in relation to Newco LLC (the “**LLC Agreement**”) which will reclassify the Newco LLC Interests as either “Class A Units” (“**Equity Interests**”) or “Class B Units” (“**Profit Interests**”). Under the terms of the Acquisition, 81.7 per cent. of the Equity Interests will be issued to Man Merger Holdco, with Numeric Management’s existing membership interests in Numeric comprising the remaining 18.3 per cent. of the Equity Interests (“**Management Interests**”). In addition, all of the Profit Interests will be issued to a new legal entity, NALP III, LLC, a Delaware limited liability company, owned and controlled by current employees of Numeric. The Profit Interests will entitle Numeric Management and other current employees of Numeric (through NALP III, LLC) to share in 16.5 per cent. of the increase in the value of the Numeric business in excess of US\$268 million upon a sale or liquidation of Numeric or upon the exercise of the Call Option or the Put Option.

The LLC Agreement, among others, (a) sets out the management and governance structure for the Numeric business following Completion; (b) provides for a bonus pool arrangement for Numeric’s employees and for distributions to be paid to Numeric Management and Man annually; and (c) provides for Put Option and Call Option arrangements in respect of Equity Interests and Profit Interests.

(b) *Management*

Newco LLC will be governed by a five-person board of managers (the “**Board of Managers**”) comprised of: three managers to be designated by Man and its affiliates, one manager to be designated by Numeric Management (the “**Management Manager**”) and one manager who is to be the Chief Executive Officer of Newco LLC from time to time, and who will initially from Completion be Michael Even.

Man has agreed that, until (i) the exercise or expiration of the Call Option or, if applicable, the exercise or the expiration of the Put Option or (ii) the termination of the option rights upon a sale of all or substantially all of Newco LLC’s assets to a third party as described below, it will not and will procure that Man Merger Holdco will not (without the consent of the Management Manager and, in the case of the issue of additional units or securities of Newco LLC, the Chief Executive Officer):

- do or fail to do anything (including diverting business opportunities away from Newco LLC), with the actual intention of frustrating or reducing the price payable upon exercise of the Put Option or the Call Option, the Dividend Amount or the Bonus Pool Amount;
- liquidate or dissolve Newco LLC or any of its subsidiaries (other than immaterial or inactive subsidiaries);
- issue any additional units or equity securities of Newco LLC;
- permit Newco LLC or any of its subsidiaries to enter into any agreement that could impair the ability of Newco LLC or its subsidiaries to make distributions;
- permit Newco LLC to make any non-cash distributions (other than employee bonuses); or
- fail to prepare financial statements for Newco LLC and its subsidiaries on a stand-alone basis.

It is also intended that Numeric will be operated with an expense ratio of 52.5 per cent. for the five years following Completion, which includes fixed costs of approximately US\$25 million.

(c) *Annual Distributions*

The Management Interests and the Profit Interests will share on a pro-rata basis in an annual distribution equal to 10.5 per cent. of the management fee and performance fee revenue generated by Newco LLC during the relevant year less Operating Expenses and the Bonus Pool Amount for that year (the “**Company Earnings Amount**” and the “**Dividend Amount**” respectively). The Dividend Amount will be adjusted for deductions on an agreed basis in respect of any increases to the Bonus Pool and any Operating Expenses Overage in respect of the relevant year (the “**Distribution Amount**”). At the same time as payment of the Distribution Amount, Man Merger Holdco will be paid an amount equal to the Company Earnings Amount *minus* the Dividend Amount.

(d) *Annual Bonus Pool*

For each year, the Bonus Pool Amount (if any) will be allocated to a bonus pool in which all employees of the Numeric Group will be eligible to participate (the “**Bonus Pool**”) subject to a reduction for the amount of any increases to the Bonus Pool approved by the Board of Managers for prior fiscal years together with interest thereon. The allocation of the amount of the Bonus Pool among the management and employees of Numeric will be proposed by the Chief Executive Officer of Newco LLC and approved by the Chief Executive Officer of Man or his designee. If the Operating Expenses exceed the Implied Total Operating Expenses Ratio Amount for any fiscal year, no amounts will be allocated to the Bonus Pool.

(e) *Put/Call Option*

At the end of five years following Completion, Man Merger Holdco will have an opportunity to acquire all of the Management Interests and the Profit Interests (the “**Call Option**”). If Man Merger Holdco does not exercise its Call Option, Numeric Management will, at the end of five and a half years following Completion, have the right to require Man Merger Holdco to acquire all of their Management Interests and Profit Interests (the “**Put Option**”). The consideration payable under both the Call Option and the Put Option is:

- in respect of the Management Interests, their pro rata (18.3 per cent.) share of the value of the Numeric business at the relevant exercise date; and
- in respect of the Profit Interests, their pro rata share (16.5 per cent.) of the increase in the value of the Numeric business in excess of \$268 million between Completion and the relevant exercise date,

(together, the “**Option Consideration**”).

For each element of the Option Consideration, the value of the Numeric business will be calculated applying a pre-agreed multiple to each of the net run rate management fees and net run rate performance fees generated by the Numeric business, each to be determined as at the relevant option exercise date in accordance with the pre-agreed valuation methodology set out in the LLC Agreement.

The maximum aggregate amount payable by Man Merger Holdco in respect of the Option Consideration is capped at US\$275 million (less any unrecovered Prior Expenses Overage). This payment obligation will be guaranteed by Man Guarantor pursuant to the Parent Company Guarantee described below. Man expects to pay any amounts under the Call Option/Put Option in cash, funded from Man’s cash resources and available facilities at the relevant time. However, Man has retained the right to, at its discretion, issue freely tradeable and unrestricted Man Ordinary Shares at the then prevailing market price to the holders of the Management Interests and Profit Interests in order to satisfy some or all of the Option Consideration.

In the event that Man disposes of its Equity Interests to a third party such that it ceases to own, directly or indirectly, any Equity Interests, the cap on the Option Consideration will increase such that the maximum aggregate amount payable in respect of the Option Consideration will be US\$350 million provided always that the Man Group’s own maximum liability for the Option Consideration will remain capped at US\$275 million (less any recovered Prior Expenses Overage). In such circumstances Man will be required to procure a confirmation from the purchaser of Man’s Equity Interests that it will be responsible for any such increased amount.

If the Call Option or the Put Option is exercised, Numeric Management will, in addition to the Option Consideration, be entitled to receive their pro rata share of the Distribution Amount and the Bonus Pool Amount in respect of the financial year in which the option is exercised.

The Call Option and the Put Option will each automatically terminate upon the sale of all or substantially all of the assets of Newco LLC to an independent third party or group of independent third parties and the distribution of all of the sale proceeds in cash.

(a) ***Governing Law and Dispute Resolution***

The LLC Agreement is governed by the laws of the State of Delaware. Disputes arising under the LLC Agreement are subject to the exclusive jurisdiction and venue of the Court of Chancery of the State of Delaware, or to the extent such court does not have subject matter jurisdiction, the Superior Court of the State of Delaware.

4. Employment Agreements

Each member of Numeric Management has entered into, or will prior to Completion enter into, an employment agreement with Man Investments USA Holdings Inc. (the “**Employment Agreements**”) which will take effect on and from Completion. Each agreement sets out the annual base salary to be paid to the relevant member and the benefits available to such person. It also provides for certain termination rights for both parties, including the ability for Man to terminate “at will” and for the member to terminate on two weeks’ notice. However, during the Option Period, termination by Man on such basis will generally require Man to continue to pay the member a portion of his pre-termination salary for up to 12 months post-termination unless such termination is for “cause”. In addition, during the Option Period, termination by a member on 2 weeks’ notice will generally result in him foregoing certain salary and other benefits that would otherwise accrue if he had provided Man with 12 months’ notice of his desire to terminate his employment. Each Employment Agreement contains certain restrictive covenants, including customary non-solicit and non-compete provisions and is governed by the laws of the Commonwealth of Massachusetts (United States).

5. Parent Company Guarantee

Under the terms of a guarantee agreement to be entered into between Man Guarantor and Michael Even (as Numeric Management’s representative) (the “**Parent Company Guarantee**”) on Completion, Man Guarantor (a holding company of Man Merger Holdco) will unconditionally and irrevocably guarantee the payment of the Option Consideration. Man Guarantor has agreed that if Man Merger Holdco fails to pay the Option Consideration when it is due, it shall, after notice and written demand is made upon Man Merger Holdco, pay such amount to the holders of the Management Interests and Profit Interests.

PART V:

CONSOLIDATED HISTORICAL FINANCIAL INFORMATION ON THE NUMERIC GROUP

Section A: Accountants' Report on the Consolidated Historical Financial Information on the Numeric Group

Deloitte.

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on behalf of Man Group plc
Riverbank House
2 Swan Lane
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EC4R 3AD

Credit Suisse Securities (Europe) Ltd
1 Cabot Square
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E14 4QJ

7 August 2014

Dear Sirs

Numeric Holdings LLC (“Target” and, with its subsidiaries, the “Target Group”)

We report on the financial information for the 3 years ended 31 December 2013 set out in Part V of the Class 1 Circular relating to the acquisition of Target dated 7 August 2014 of Man Group plc (the “Company” and, together with its subsidiaries, the “Group”) (the “Circular”). This financial information has been prepared for inclusion in the Circular on the basis of the accounting policies set out in note 1 the financial information. This report is required by Listing Rule 13.5.21R and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to the Company’s ordinary shareholders as a result of the inclusion of this report in the Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R(6), consenting to its inclusion in the Circular.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTTL and its member firms.

Deloitte LLP is the United Kingdom member firm of DTTL.



Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Circular, a true and fair view of the state of affairs of the Target Group as at 31 December 2011, 31 December 2012 and 31 December 2013 and of its profits, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union and has been prepared in a form that is consistent with the accounting policies adopted in the Company's latest annual accounts.

Yours faithfully

Deloitte LLP
Chartered Accountants

Section B: Consolidated Historical Financial Information on the Numeric Group

Consolidated Income Statement

	Note	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
		\$	\$	\$
Revenue:				
Gross management and other advisory fees	2	38,385,699	34,172,344	37,356,039
Performance fees	2	50,926,993	16,779,547	4,018,190
		<u>89,312,692</u>	<u>50,951,891</u>	<u>41,374,229</u>
Gain on investments	8	40,638	23,949	17,146
Compensation	3	(40,511,310)	(22,311,887)	(18,512,331)
Other costs	4	(7,413,350)	(6,602,410)	(6,320,871)
Finance expense	5	(12,513,471)	(11,192,321)	(11,274,421)
Finance income	5	19,916	40,618	41,433
Profit/(loss)		<u>28,935,115</u>	<u>10,909,840</u>	<u>5,325,185</u>

Consolidated Statement of Comprehensive Income

	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	\$	\$	\$
Profit for the year/period available for profit share among members	28,935,115	10,909,840	5,325,185
Total comprehensive income for the year	28,935,115	10,909,840	5,325,185

Consolidated Balance Sheet

	Note	At 31 December 2013	At 31 December 2012	At 31 December 2011
		\$	\$	\$
Assets:				
Cash and cash equivalents	7	29,227,274	21,179,330	26,770,122
Fee and other receivables	9	28,914,923	16,600,475	12,206,113
Investments in fund products	8	255,630	257,368	263,259
Leasehold improvements and equipment	11	3,378,552	4,119,902	5,338,664
Total assets		<u>61,776,379</u>	<u>42,157,075</u>	<u>44,578,158</u>
Liabilities:				
Trade and other payables	10	20,923,146	8,161,596	6,824,507
Borrowings	7	80,652,804	85,282,029	81,176,303
Total liabilities		<u>101,575,950</u>	<u>93,443,625</u>	<u>88,000,810</u>
Net (liabilities)		<u>(39,799,571)</u>	<u>(51,286,550)</u>	<u>(43,422,652)</u>
Equity:				
Members' equity (deficit)	13	(39,799,571)	(51,286,550)	(43,422,652)

Consolidated Cash Flow Statement

	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	\$	\$	\$
Cash flows from operating activities			
Profit/(loss) for the period	28,935,115	10,909,840	5,325,185
Adjustments for:			
Income tax	—	—	—
Net finance expense	12,067,592	10,640,447	10,876,154
Share of profits of associates	(40,638)	(23,949)	(17,146)
Depreciation and impairment of leasehold improvements and equipment	1,085,347	1,168,814	1,304,635
Share-based payment expense	2,480,980	2,732,583	3,850,102
Net (gains)losses on financial instruments	—	—	—
Other non-cash movements	258,297	531,898	237,078
	44,786,693	25,959,633	21,576,008
Changes in working capital:			
(Increase)/decrease in receivables	(12,314,448)	(4,394,362)	2,467,375
Increase/(decrease) in payables	8,727,259	1,393,307	(239,150)
Cash generated from operations	41,199,504	22,958,578	23,804,233
Interest paid	(7,940,013)	(10,559,319)	11,596,908
Income tax paid	—	—	—
Cash flows from operating activities	33,259,491	12,399,259	12,207,325
Cash flows from investing activities:			
Purchase of leasehold improvements and equipment	(320,224)	(132,879)	(231,404)
Purchase of other intangible assets	(24,497)	(6,205)	(126,661)
Proceeds from sale of leasehold improvements and equipment	—	—	—
Interest received	19,916	40,618	41,433
Investments in limited partnerships	—	—	(20,000)
Withdrawals from limited partnerships	42,376	29,840	240,496
Cash flows from investing activities	(282,429)	(68,626)	(96,136)
Cash flows from financing activities:			
Proceeds from long term debt	—	20,091,248	—
Repayment of borrowings	(5,000,000)	(16,506,352)	—
Tax distribution liability adjustment	(9,226,852)	(801,815)	480,058
Distribution of profits to members	(10,702,266)	(7,434,904)	(8,680,490)
Member redemption	—	(13,269,602)	—
Cash flows from financing activities	(24,929,118)	(17,921,425)	(8,200,432)
Net (decrease)/increase in cash	8,047,944	(5,590,792)	3,910,757
Cash at beginning of the year	21,179,330	26,770,122	22,859,365
Cash at year end	29,227,274	21,179,330	26,770,122

Consolidated Statement of Changes in Equity

	Year ended 31 December 2013			Year ended 31 December 2012			Year ended 31 December 2011		
	Total Class A-E Members	Redemption Payments in Excess of Partner Capital Accounts	Total Equity	Total Class A-E Members	Redemption Payments in Excess of Partner Capital Accounts	Total Equity	Total Class A-E Members	Redemption Payments in Excess of Partner Capital Accounts	Total Equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$
At Beginning of the Year	90,778,122	(142,064,671)	(51,286,549)	98,642,020	(142,064,671)	(43,422,651)	97,667,166	(142,064,671)	(44,397,505)
Profit/(loss) for the year	28,935,115	—	28,935,115	10,909,840	—	10,909,840	5,325,184	—	5,325,184
Members other interests	2,480,980	—	2,480,980	2,732,583	—	2,732,583	3,850,102	—	3,850,102
Member withdrawals	(19,929,118)	—	(19,929,118)	(21,506,321)	—	(21,506,321)	(8,200,432)	—	(8,200,432)
At year end	102,265,099	(142,064,671)	(39,799,572)	90,778,122	(142,064,671)	(51,286,549)	98,642,020	(142,064,671)	(43,422,651)

Notes to Consolidated Financial Information

1. Basis of presentation

Accounting Policies

The consolidated financial information of Numeric has been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations (IFRICs) as adopted by the EU and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. Numeric's principal accounting policies are consistent with Man's and have been consistently applied across the Numeric Group in the preparation of the financial information. Accounting policies are included in the relevant sections, and significant policies are provided below. The impact of new accounting standards and amendments applicable to the year ended 31 December 2013 and accounting standards that are not yet effective are outlined below.

Consolidated Group and presentation currency

Numeric Holdings, LLC ("Numeric") is the 100 per cent. owner and single member of Numeric Midco LLC ("**Midco**"). Midco is the 100 per cent. owner and single member of Numeric Investors LLC ("**Opco**"), the operating investment advisory entity. The consolidated entity is referred to as the "Numeric Group" within the notes to the consolidated financial information. In 2004, Numeric completed a leveraged recapitalization and restructuring with Numeric Investors L.P. (the "**Partnership**"), the predecessor of Numeric. On 31 July 2012, Numeric completed a second recapitalization when Numeric along with its members and the holders of the Debentures (as defined below) entered into a Redemption Agreement (see Note 14). The Partnership was formed pursuant to an agreement of limited partnership dated 20 October 1989.

Numeric is a Delaware limited liability company pursuant to an amended and restated limited liability company agreement (the "**Operating Agreement**") dated 29 June 2007, as amended. Numeric will dissolve on 31 December 2060 unless earlier dissolution is effected under the terms of the Operating Agreement.

Opco is an investment advisor and offers investment management services to institutional investors, domestic and foreign commingled investment funds and certain individuals. Opco is registered as an investment advisor with the Securities and Exchange Commission pursuant to the Investment Advisors Act of 1940.

The revenues, assets, liabilities and funding are denominated in United States dollars (USD) and therefore, the Numeric Group's presentation currency is USD. The consolidated financial information incorporates the results, cash flows and financial position of Numeric for the year ended 31 December 2013. The consolidated financial information includes the accounts of Numeric and its wholly-owned subsidiary, Midco, and Midco's wholly-owned subsidiary, Opco. All intercompany balances and transactions have been eliminated in consolidation. Reference to Numeric in the notes to the consolidated financial information includes the operations of Midco and Opco.

Going Concern

The Numeric Group's liquidity and capital positions are set out in Note 7 and 13. The directors monitor the Numeric Group's capital and liquidity positions and forecasts throughout the year, and in addition they have approved a budget, financial plan, and a capital plan, which cover the foreseeable future and include analysis of liquidity scenarios. The directors have concluded that there is a reasonable expectation that the Numeric Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Numeric Group's financial information has been prepared on a going concern basis using the historical cost convention.

Financial reporting controls

The Numeric Group's systems of internal control aim to safeguard assets, ensure that proper accounting records are maintained, and ensure that the financial information used in the business and published externally is robust and reliable.

Impact of new accounting standards

A number of amendments to existing standards and interpretations have been issued, some of which were mandatory for the year beginning 1 January 2013, with the remaining becoming effective in future periods.

Relevant new standards adopted by the Numeric Group in the current year, which have not had a significant impact, are:

- Amendment to IAS 1—‘Presentation of financial statements’
- Amendment to IFRS 7—‘Financial instruments: Disclosures’
- IFRS 13—‘Fair value measurement’

Other new or revised standards and interpretations issued but not yet effective, which are not expected to have a significant impact on Numeric’s financial information, are as follows:

- IFRS 11—‘Joint arrangements’
- IFRS 12—‘Disclosure of interests in other entities’
- IAS 27 (revised 2011)—‘Separate financial statements’
- IAS 28 (revised 2011)—‘Investments in joint ventures and associates’
- Amendments to IAS 36—‘Impairment of assets’

IFRS 10 ‘Consolidated financial statements’ is the revised consolidation accounting standard, which is effective from 1 January 2014. The adoption of this standard is not expected to have an impact on Numeric’s consolidated financial information.

Certain sections of IFRS 9—‘Financial instruments’ have been issued by the International Accounting Standards Board and are effective from 1 January 2015, however were not endorsed by the EU as at December 2011 and are therefore currently not expected to be applicable in 2014.

2. Revenue and margins

Fee income is Numeric’s primary source of revenue, which is derived from the investment management contracts that require payment of a management fee to Numeric as compensation for its services as investment manager. The amount of management fees are typically based on either the average or ending account values for the day, month or quarter, as indicated in each investment management contract. Revenue is recognized at the close of each period when the management fee can be reliably measured.

Numeric also receives performance fees or performance related special allocations that are calculated as a percentage of a portfolio’s performance in excess of levels defined in the investment management contracts or limited partnership agreements. Performance fee and performance related special allocation revenue is recognized as of a date, specified in the applicable agreement, when the fee is earned.

3. Compensation

	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	\$	\$	\$
Salaries—fixed	10,320,669	9,396,008	10,025,910
Salaries—variable	24,540,508	8,958,418	3,863,622
Equity-based compensation	2,480,980	2,732,583	3,850,103
Deferred bonus	1,346,424	480,365	—
Pension costs	1,822,729	744,513	772,696
Total compensation costs	40,511,310	22,311,887	18,512,331

Compensation is the Numeric Group’s largest cost and an important component of its ability to retain and attract talent. Active management of headcount can reduce fixed based compensation, if required.

Compensation costs were 45 per cent., 44 per cent. and 45 per cent. of revenue for the years ended 31 December 2013, 2012 and 2011, respectively. Revenue is defined as gross management and other advisory fees and performance fees. Fixed compensation and benefits were US\$12.1 million, US\$10.1 million and US\$10.8 million for the years ended 31 December 2013, 2012 and 2011, respectively. Fixed compensation comprises of salaries—fixed and pension costs.

Salaries, both fixed and variable, are charged to the Numeric Group’s income statement in the year in which they are incurred.

The bonus pool is calculated based on a defined formula, which incorporates a percentage of all revenue, limited partnership revenue and other income less operating expenses.

On 31 July 2012, the Numeric Board approved a one-time retention bonus in the amount of US\$2.5 million to certain Opco employees. The bonus was approved as part of the 2012 recapitalization (Note 14) and designed to improve Numeric’s enterprise value. This retention bonus is subject to a Numeric claw-back right upon termination of any recipient’s employment as defined in each employee’s retention bonus payment agreement. The retention bonus is being amortized to expense over the estimated retention period through 30 June 2014. Total retention bonus amortization expense amounted to US\$1.3 million, US\$0.5 million and US\$0 for the years ended 31 December 2013, 2012 and 2011, respectively.

Pension costs relate to Numeric’s defined contribution plan (Note 15).

The accounting for share-based compensation arrangements is covered in Note 12. The unamortised deferred compensation was US\$0.3 million, US\$2.7 million and US\$4.4 million at 31 December 2013, 2012 and 2011, respectively, which had a weighted average remaining vesting period of 1.0 years, 1.2 years, and 2.0 years for the years ended 31 December 2013, 2012 and 2011, respectively. The decrease from the prior years primarily reflects the completion of the requisite service period for all awards granted prior to 2012 and the decrease in grants issued in 2012 and 2013.

Sale and employee retention pool

On 31 July 2012, and in connection with the 2012 recapitalization, the Numeric Board approved a Sale and Employee Retention Pool (“SERP”) that was designed to improve Numeric’s enterprise value. The SERP is a bonus plan for certain Opco employees to be funded by proceeds from a buyer in a liquidity event. The amount of the retention pool is subject to employee categorization and minimum liquidity event pricing and is also subject to the payment terms defined in the plan.

4. Other costs

The level of expenses, including communication, technology and travel and entertainment, is linked to headcount.

	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	\$	\$	\$
Occupancy	2,566,203	2,504,698	2,402,886
Technology and communication	579,321	557,657	370,655
Legal fees and other professional fees	1,137,018	610,057	453,719
Insurance	263,909	258,948	270,841
Travel and entertainment	965,087	747,633	783,760
Audit, accountancy and tax fees	192,833	107,126	199,235
Other cash costs	623,632	458,444	535,141
Total other costs before depreciation and amortisation	6,328,003	5,244,563	5,016,237
Depreciation and amortisation	1,085,347	1,357,847	1,304,634
Total other costs	7,413,350	6,602,410	6,320,871

5. Finance expense and finance income

	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	\$	\$	\$
Finance income:			
Interest on cash and cash equivalents	16,256	38,416	38,948
Other	3,660	2,202	2,485
Total finance income	<u>19,916</u>	<u>40,618</u>	<u>41,433</u>
Finance expense:			
Interest payable on borrowings	(12,087,508)	(10,681,064)	(10,917,587)
Depreciation and amortisation	(425,963)	(511,257)	(356,834)
Total finance expense	<u>(12,493,555)</u>	<u>(11,151,703)</u>	<u>(11,232,988)</u>

6. Taxation

Numeric is treated as a partnership for federal and state income taxes. A partnership's income or loss is allocated directly to the partners, or members in a limited liability company, for income tax purposes. Accordingly, there is no provision for federal and state income taxes in the accompanying consolidated financial statements.

7. Cash, liquidity and borrowings

Liquidity and borrowings

The business is cash generative at an operating level and has the ability to generate significant cash through performance and management fees.

Total liquidity resources aggregated to US\$32.2 million, US\$24.2 million, and US\$31.8 million at 31 December 2013, 2012 and 2011, respectively, and comprised cash and cash equivalents of US\$29.2 million, US\$21.2 million, and US\$26.8 million at 31 December 2013, 2012 and 2011, respectively, and the undrawn committed revolving credit facility of US\$3.0 million, US\$3.0 million, and US\$5.0 million as at 31 December 2013, 2012 and 2011, respectively. Cash and cash equivalents at period end is comprised of US\$11.6 million, US\$12.8 million, and US\$4.4 million of cash on hand at banks at 31 December 2013, 2012 and 2011, respectively, US\$16.5 million, US\$8.0 million, and US\$22.4 million in short-term deposits, net of overdrafts of nil, at 31 December 2013, 2012 and 2011, respectively, and US\$1.1 million, US\$0.4 million, and US\$0.0 million of restricted cash at 31 December 2013, 2012 and 2011, respectively.

Liquidity resources support on-going operations and the ability to meet current and future financial obligations of a short-term and long-term nature. Numeric manages its liquidity through regular monitoring and projections of needs. The company operates with a fixed margin as described in its operating agreements, and as such the ability for management to influence the liquidity profile of Numeric is limited. Revenues are formulaically allocated between operating expenses (including compensation), note interest and principle payments to lenders, and distributions to equity partners. The Numeric Board reviews Numeric's financial results and projections at each Numeric Board meeting.

Cash is invested in short-term investments with maturities of three months or less when purchased and is exposed to credit risk. At 31 December 2013, 2012 and 2011, all cash and cash equivalent amounts were held with two banks. All of the counterparty bank exposure was held with A rated banks.

The following tables summarize the maturity profile of outstanding borrowings on an undiscounted basis, the committed revolving credit facilities, and Numeric's available liquidity as at 31 December 2013, 2012 and 2011. The balances in the table below include the undiscounted cash flows relating to

principal and interest on borrowings and as such will not agree directly with the balances on the consolidated statement of financial position.

<u>31 December 2013</u>	<u>Total</u>	<u>Less Than 1 Year</u>	<u>2 Years</u>	<u>3 Years</u>	<u>Greater Than 3 Years</u>
Senior Credit Agreement	14,500,000	5,000,000	9,500,000	—	—
Senior Credit Agreement—Interest	653,985	486,719	167,266	—	—
Junior Subordinated Debenture Agreement	65,488,648	7,500,000	15,000,000	15,000,000	27,988,648
Junior Subordinated Debenture Agreement—Interest	6,181,984	6,181,984	—	—	—
Trade payables	871,801	871,801	—	—	—
Borrowings, Net	87,696,418	20,040,504	24,667,266	15,000,000	27,988,648
Cash and Cash Equivalents	29,227,274	28,817,274	—	—	410,000
Senior Credit Agreement Revolving Line of Credit	3,000,000	—	3,000,000	—	—
Credit Agreement Revolving Loan Facility	—	—	—	—	—
Total Liquidity	32,227,274	28,817,274	3,000,000	—	410,000

<u>31 December 2012</u>	<u>Total</u>	<u>Less Than 1 Year</u>	<u>2 Years</u>	<u>3 Years</u>	<u>Greater Than 3 Years</u>
Senior Credit Agreement	19,500,000	5,000,000	5,000,000	9,500,000	—
Senior Credit Agreement—Interest	1,329,393	675,408	486,719	167,266	—
Junior Subordinated Debenture Agreement	65,488,648	—	65,488,648	—	—
Junior Subordinated Debenture Agreement—Interest	17,376,520	11,194,536	6,181,984	—	—
Trade payables	533,078	533,078	—	—	—
Borrowings, Net	104,227,639	17,403,022	77,157,351	9,667,266	—
Cash and Cash Equivalents	21,179,330	20,769,330	—	—	410,000
Senior Credit Agreement Revolving Line of Credit	3,000,000	—	—	3,000,000	—
Credit Agreement Revolving Loan Facility	—	—	—	—	—
Total Liquidity	24,179,330	20,769,330	—	3,000,000	410,000

<u>31 December 2011</u>	<u>Total</u>	<u>Less Than 1 Year</u>	<u>2 Years</u>	<u>3 Years</u>	<u>Greater Than 3 Years</u>
Junior Subordinated Debenture Agreement	80,995,000	15,500,000	—	65,495,000	—
Junior Subordinated Debenture Agreement—Interest	27,606,552	10,230,032	11,194,536	6,181,984	—
Trade payables	101,789	101,789	—	—	—
Borrowings, Net	108,703,341	25,831,821	11,194,536	71,676,984	—
Cash and Cash Equivalents	26,770,122	26,770,122	—	—	—
Credit Agreement Revolving Loan Facility	5,000,000	5,000,000	—	—	—
Total Liquidity	31,770,122	31,770,122	—	—	—

The mix of debt and liquidity is a matter determined by the Numeric Board based on funding needs. Borrowings are initially recorded at fair value net of transaction costs incurred, and are subsequently stated at amortized cost. The difference between the amount repayable at maturity on the borrowings

and the carrying value is amortized over the period up to the expected maturity of the associated debt in accordance with the effective interest method.

Senior Credit Agreement

On 1 August 2012, Midco entered into a loan and security agreement (the “**Senior Credit Agreement**”) with Fifth Third Bank which provides two credit facilities described below. The Senior Credit Agreement is due on the earlier of 1 August 2015 or 91 days prior to the final maturity of the Debentures. The Senior Credit Agreement is guaranteed by Opco who has granted a security interest in substantially all of its assets to the lender. Borrowings under the Senior Credit Agreement bear interest at either the Fifth Third Index Rate, (as defined in the Senior Credit Agreement), plus 2.5 per cent. or the LIBOR rate plus 3.5 per cent., at the Company’s option. The Senior Credit Agreement contains certain covenants and financial ratios with which Midco must comply. Midco was in compliance with these covenants and ratios at 31 December 2013.

The first credit facility is a term loan facility of US\$20.5 million. Amounts due bear a variable interest rate equal to LIBOR plus 3.5 per cent. per annum (3.75 per cent. at 31 December 2013). Principal payments due and paid in 2013 and 2012 totalled US\$5,000,000 and US\$1,000,000, respectively. Future principal payments will be US\$1.25 million per quarter until maturity, at which time all of the remaining principal is due.

The second credit facility is a US\$3 million revolving line of credit. The revolving line of credit includes a US\$1 million letter of credit facility. The revolving line of credit provides for an “unused fee” of 0.35 per cent. on the unused portion of the revolving facility. There were no borrowings on this revolving line of credit as at 31 December 2013 and 2012.

Junior Subordinated Debenture Agreement

In connection with its recapitalization in 2004, Numeric is a party to a junior subordinated debenture agreement (the “**Junior Subordinated Debenture Agreement**”). The Junior Subordinated Debenture Agreement provides for the issue of debentures of US\$80,995,000 in aggregate (the “**Debentures**”). The debt matures on 30 June 2014 and may not be prepaid. The debt is subordinated to the Credit Agreement. In connection with the Redemption Agreement (see Note 14), US\$15,506,352 of the Debentures were redeemed by Numeric in 2012. The debt is subordinated to the Senior Credit Agreement. The Junior Subordinated Debenture Agreement contains certain covenants and financial ratios with which Numeric must comply. Numeric was in compliance with these covenants and ratios, or obtained a waiver, at each quarter-end during 2013, 2012 and 2011.

In connection with this debt, Numeric issued to the debenture holders warrants to purchase 47,366 Class A units (as described in Note 13) (the “**Warrants**”). The relative fair value of the Warrants originally issued as determined under a valuation model, US\$1,400,000, was recorded as members’ equity and as a debt discount on the Debentures. The discount is being amortized to interest expense over the term of the debt and amortization amounted to US\$113,207, US\$177,964, and US\$140,000 in 2013, 2012, and 2011, respectively. In connection with the Redemption Agreement, 9,068 Warrants were redeemed in 2012. The Warrants may be exercised by the election of at least two-thirds of the warrant holders with written notice to Numeric, in whole but not in part, at any time from the earlier to occur of (a) the third anniversary of issuance and (b) immediately prior to the consummation of a “liquidity event”, until the tenth anniversary of issuance. The exercise price of the Warrants is US\$1,710 per unit. The Warrants have been classified as members’ equity. The Debentures may be surrendered in payment for the exercise price of the Warrants.

Numeric’s management expects that the entire balance due will be converted to members’ equity in connection with the exercise of the Warrants. If the debenture holders do not convert or extend the due date, Numeric’s management has obtained a letter of intent from Fifth Third Bank, as holder the debt under the Senior Credit to refinance up to US\$75 million over a five year term.

The Debentures originally required interest of 47.37 per cent. of the Gross Revenue, as defined below. In the event of a partial redemption of the Debentures, the applicable percentage of Gross Revenue (as initially stated in the first sentence above) in effect immediately prior to such partial redemption shall be reduced by multiplying (a) the then applicable percentage by (b) one minus a fraction, the numerator of which is the principal amount of Debentures so redeemed and the denominator of which is the principal amount of Debentures outstanding immediately prior to such redemption. As a

result of the Redemption Agreement, the Debentures now require interest of 38.3 per cent. of the Gross Revenue.

“**Gross Revenue**” is defined as the greater of (I) zero or (II) the excess of (i) 52.5 per cent. multiplied by all revenue of Numeric on a consolidated cash basis in the relevant period (or portion thereof, if applicable) over (ii) the sum of (A) the interest expense paid in cash by Numeric or Midco in such period on the outstanding principal amount of the senior notes and the senior subordinated notes (which were paid off in 2007) and all ongoing fees paid by Midco to the lenders as required by and pursuant to the Senior Credit Agreement in cash during such period, plus (B) the quotient obtained by dividing (1) the sum of (a) cash expenditures of Numeric on a consolidated basis which are paid for capital expenditures made during the relevant period, plus (b) all repayments of principal under the Senior Credit Agreement and senior subordinated notes paid by Numeric or Midco, in cash during the relevant period, plus (c) all required co-investments actually funded in partnerships or similar entities managed by Numeric in cash, during the relevant period (or portion thereof, if applicable), by (2) the difference between 1.0 and the then applicable unit holders’ assumed tax rate.

The outstanding Debentures may be redeemed at any time after the 9th anniversary of the closing date of the Junior Subordinated Debenture Agreement (16 June 2013) provided that outstanding balances of the Senior Credit Agreement have been paid in full. The debenture holders holding a majority in interest of the outstanding principal amount of the Debentures may give written notice to Numeric of their election to cause Numeric to redeem one-half of the then outstanding Debentures at a purchase price equal to the outstanding principal balance of the Debentures being purchased without set-off, deduction or counterclaim, together with all interest thereon. At any time after the 9th anniversary (16 June 2013) and prior to the 10th anniversary (16 June 2014) of the closing date of the Junior Subordinated Debenture Agreement, provided that outstanding balances of the Senior Credit Agreement have been paid in full, the debenture holders holding a majority in interest of the outstanding principal amount of the Debentures may give written notice to Numeric of their election to cause Numeric to redeem either (i) in the event that the debenture holders have made the preceding election, all of the then outstanding Debentures, or (ii) in the event the debenture holders have not made the preceding election, then one-half of the then outstanding Debentures at a purchase price equal to the outstanding principal balance of the Debentures being purchased without set-off, deduction or counterclaim, together with all interest thereon.

The debenture holders may elect to sell all or any Debentures back to Numeric (any amount the debenture holders may sell back may be limited to the percentage of voting power transferred depending on the type of liquidity event) upon the occurrence of a liquidity event.

Numeric is entitled to an optional redemption as follows: no earlier than the date of exercise of all of the Warrants by the holders thereof pursuant to a warrant purchase agreement (the “**Warrant Purchase Agreement**”) and the delivery to such holders of the Class A units due upon such exercise, Numeric may give notice to the debenture holders of its election to purchase all of the outstanding Debentures at a purchase price equal to the outstanding principal balance of the Debentures being purchased without set-off, deduction or counterclaim, together with all interest thereon. No earlier than the date of any specifically permitted redemption by Numeric, pursuant to the provisions of the Warrant Purchase Agreement, of any portion of the Warrants held by any holder thereof and the receipt by the holder of such Warrants of the consideration payable therefore, Numeric may give notice to such holder of its election to purchase a percentage of the outstanding Debentures held by such holder, such percentage to be equal to the product of the amount of Warrants so redeemed from such holder divided by the total amount of Warrants held by such holder immediately prior to such redemption of Warrants, at a purchase price equal to the outstanding principal balance of the Debentures being purchased without set-off, deduction or counterclaim, together with all interest thereon.

The debenture holders may at any time that any Warrants are then exercisable deliver any Debentures as payment for the exercise price of any Warrant thereunder, and Numeric shall thereupon pay in cash all interest on the Debenture(s) so delivered, and any Debenture(s) so delivered shall be considered redeemed as to the exercise price of such Warrants, and in the case of any Debenture whose outstanding principal amount exceeded such exercise price, Numeric shall issue to such debenture holder a replacement Debenture in the principal amount equal to such excess amount with such Debenture having the same maturity, rate of interest, provisions, terms and conditions of the Debenture(s) so surrendered.

Numeric's management's expectation of debt maturities for both the Senior Credit Agreement and Debentures over the next five years assuming the execution of the bank's letter of intent in May 2014 is as follows:

<u>Year ending 31 December</u>	
2014	\$12,500,000
2015	24,500,000
2016	15,000,000
2017	15,000,000
2018	12,941,486
	<u>\$79,941,486</u>

Credit Agreement

Opco had entered into an agreement with a bank (the "Credit Agreement"), which provided a US\$5 million revolving loan facility. Amounts could be borrowed under the terms of either a Eurodollar or ABR revolving loan. Amounts due under any Eurodollar revolving loan carried interest at the Eurodollar rate, plus an applicable margin of 2.25 per cent.. Amounts due under any ABR revolving loan carried interest at the greater of the prime rate or the federal funds rate plus 0.5 per cent., plus an applicable margin of 1.25 per cent.. The debt was secured by all assets of Opco and guaranteed by Midco and Numeric. At 31 December 2011, US\$390,000 was reserved in connection with the irrevocable standby letter of credit used as a security deposit on the lease. The Credit Agreement contained certain covenants and financial ratios with which Opco was to comply. Opco was in compliance with these covenants and ratios, or had obtained a waiver, at each applicable quarter end as reported to the bank. No amounts were due under the Credit Agreement at 31 December 2011. The Credit Agreement was terminated on 22 June 2012.

Notes payable to Class D unit holders

Dependent upon the cash needs of Numeric at each year end, Class D unit holders may be required to loan Numeric cash, up to predefined limits, in exchange for promissory notes payable. Numeric did not require any Class D unit holder promissory notes during the years ended 31 December 2013, 2012 and 2011.

Deferred Lease Incentive

The lease agreement for Numeric's primary business location requires monthly rental payments of US\$142,340 to 30 June 2011, US\$150,397 from 1 July 2011 to 30 June 2015, and US\$158,454 from 1 July 2015 to 30 June 2018. Numeric is responsible for a pro rata share of real estate tax and operating expense over a base year amount. In connection with this lease, Numeric entered into a US\$390,000 irrevocable standby letter of credit for use as a security deposit which is secured by US\$410,000 of restructured cash (see Note 7).

Numeric received lease incentives in connection with its lease consisting of the increasing rental requirements over the life of the lease described above plus a landlord contribution toward the leasehold improvements. Lease incentives are amortized as follows:

- Total minimum rental payments required over the life of the lease are expensed on a straight-line basis over the life of the lease in the amount of US\$150,397 per month. The difference between the amount expensed and the actual rental payments is recorded as a deferred lease incentive liability (deferred rent), on the consolidated balance sheet.
- The landlord contribution to leasehold improvements which amounts to US\$1,683,900 is also recorded as a deferred lease incentive liability (deferred rent) and is amortized over the life of the lease, US\$14,032 per month, as a reduction of rent expense.

Interest rate risk

The Numeric Group is subject to risk from changes in interest rates on monetary assets and liabilities. In respect of the Numeric Group's monetary assets and liabilities which earn/incur interest indexed to floating rates, as at 31 December 2013, a 0.5 per cent. increase/decrease in interest rates, with all other variables held constant, would have resulted in a US\$14,493 decrease or a US\$73,869 increase in net

income. As at 31 December 2012, a 0.5 per cent. increase/decrease in interest rates, with all other variables held constant, would have resulted in a US\$41,818 decrease or a US\$61,584 increase in net income. As at 31 December 2011, a 0.5 per cent. increase/decrease in interest rates, with all other variables held constant, would have resulted in a US\$114,781 increase or a US\$38,948 decrease in net income.

8. Investments in fund products

	<u>Year ended 31 December 2013</u>	<u>Year ended 31 December 2012</u>	<u>Year ended 31 December 2011</u>
	Financial assets at fair value through profit or loss	Financial assets at fair value through profit or loss	Financial assets at fair value through profit or loss
	\$	\$	\$
Limited partnerships	255,630	257,368	263,259

Numeric has investments in limited partnerships. The purpose of the limited partnerships is to provide capital appreciation and income to the respective limited partners through the investment of limited partnership assets.

Opcos is the investment advisor and general partner for each limited partnership. These investments are classified as fair value through profit or loss. Purchases and sales of investments are recognised on trade date.

The fair values of limited partnerships are derived from the reported net asset values (“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 and the timings of being able to redeem the fund product. The valuation of the underlying assets is determined by third party administrators based on an agreed valuation policy and methodology. The fair value hierarchy of financial assets is disclosed in Note 17.

Whilst these valuations are performed independently of Numeric, Numeric has established oversight procedures and due diligence processes to ensure that the net asset values reported are reliable and appropriate.

Limited partnerships expose Numeric to market risk and therefore the commitment process is subject to limits consistent with the Numeric Board’s risk appetite.

9. Fee and other receivables

	<u>Year ended 31 December 2013</u>	<u>Year ended 31 December 2012</u>	<u>Year ended 31 December 2011</u>
	\$	\$	\$
Fee receivables	27,217,043	13,350,811	11,578,383
Prepayments and accrued income	1,661,023	2,981,994	520,452
Other receivables	36,857	267,670	107,278
	<u>28,914,923</u>	<u>16,600,475</u>	<u>12,206,113</u>

Fee and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Fee receivables represent management and performance fees from fund products and are received in cash based on either the average or ending account values for the day, month or quarter, as indicated in each investment management contract. Fee and other receivables due relate to institutions and qualified institutional investors who have historically paid amounts due within the allotted time. Furthermore, some fund fees are deducted from the NAV of the respective funds by the independent administrators. As such, Numeric has deemed the credit risk of fee receivables to be minimal. No balances were overdue or delinquent at year end.

10. Trade and other payables

	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	\$	\$	\$
Accruals	11,277,875	2,889,340	1,935,776
Accrued Interest—Senior Credit Agreement	98,646	130,727	—
Accrued Interest—Junior Subordinated Debenture Agreement	8,674,824	4,608,451	4,786,942
Trade payables	871,801	533,078	101,789
	<u>20,923,146</u>	<u>8,161,596</u>	<u>6,824,507</u>

Accruals primarily relate to year-end tax distributions to members, year-end bonus, audit, legal and interest expenses. Trade payables primarily relate to general and administrative expenses. Payables are initially recorded at fair value and subsequently measured at amortised cost. The Numeric Group's policy is to meet its contractual commitments and pay suppliers according to agreed terms.

Accrued interest relates to borrowings which are explained further in Note 7.

11. Leasehold improvements and equipment

	Year ended 31 December 2013				Year ended 31 December 2012				Year ended 31 December 2011			
	Leasehold Improvements	Equipment	Computer software	Total	Leasehold Improvements	Equipment	Computer software	Total	Leasehold Improvements	Equipment	Computer software	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost:												
At beginning of the year	6,467,281	3,675,204	827,284	10,969,769	6,467,281	4,525,377	836,079	11,828,737	6,467,281	4,293,973	709,418	11,470,672
Additions	—	320,224	24,497	344,721	—	132,880	6,205	139,085	—	231,404	126,661	358,065
Disposals	—	(838,880)	(4,500)	(843,380)	—	(983,053)	(15,000)	(998,053)	—	—	—	—
At year end	6,467,281	3,156,548	847,281	10,471,110	6,467,281	3,675,204	827,284	10,969,769	6,467,281	4,525,377	836,079	11,828,737
Aggregate amortisation:												
At beginning of the year	(3,018,321)	(3,175,725)	(655,823)	(6,849,869)	(2,377,018)	(3,593,061)	(519,994)	(6,490,073)	(1,721,970)	(3,097,805)	(365,663)	(5,185,438)
Amortisation	(641,264)	(293,194)	(150,889)	(1,085,347)	(641,303)	(376,682)	(150,829)	(1,168,814)	(655,048)	(495,256)	(154,331)	(1,304,635)
Disposals	—	838,158	4,500	842,658	—	794,020	15,000	809,020	—	—	—	—
At year end	(3,659,585)	(2,630,761)	(802,212)	(7,092,558)	(3,018,321)	(3,175,723)	(655,823)	(6,849,867)	(2,377,018)	(3,593,061)	(519,994)	(6,490,073)
Net book value at year end	2,807,696	525,787	45,069	3,378,552	3,448,960	499,481	171,461	4,119,902	4,090,263	932,316	316,085	5,338,664

All leasehold improvements, equipment and computer software are shown at cost, less subsequent depreciation and impairment. Depreciation is calculated using the straight-line method over the asset's estimated useful life as follows: leasehold improvements over the shorter of the life of the lease and the improvement; equipment over 3-7 years; and computer software over 3-5 years.

12. Deferred compensation arrangements

Numeric operates equity settled share-based schemes. The Numeric Group accounts for the ownership awards as equity based compensation. Details of these schemes may be found below.

During fiscal years 2013, 2012, and 2011, the amounts included in compensation cost related to equity settled share-based awards was US\$2.5 million, US\$2.7 million, and US\$3.9 million, respectively.

The Numeric Group recognizes compensation costs resulting from the issuance of equity-based awards to its employees as an expense in the statement of income over the requisite service period based on the fair value of the award, with a corresponding increase to members' equity. For awards granted with participation rights in profits, such participation rights vest immediately upon issuance, as the requisite service period is deemed to have been met at the date of issuance. Accordingly, Numeric recognizes compensation expense and a corresponding increase to members' equity for the full value of the participation rights in profits component of the award classified based on the grant date fair value of the award. For awards that vest upon a liquidity event as described below, the expense is recognized over the requisite service period which has been determined to be an estimated ownership period of two years for the 2013 awards, three years for the 2012 and 2011 awards, four years for the 2010 and 2009 awards and five years for all previous awards.

Numeric Associates II Limited Partnership (“NALP II”), the owner of certain Class D units in Numeric, awarded some of its ownership interests to employees of Opco. On 1 January 2013, 2012 and 2011, 18, 282, and 101 NALP II units were issued, respectively. Also, on 1 January 2011, 404 NALP II liquidity event-only units were issued for the first time.

If a unit holder leaves the employment of Opco, all annual profit rights cease and units are forfeited, except that, in the case of a liquidity event, the following proportion of units are non-forfeitable: 30 per cent. after 3 years of service, 40 per cent. after 4 years and 50 per cent. after 5 years. All unforfeited and unvested units are considered fully vested upon the occurrence of a liquidity event.

The fair value of the share awards granted in exchange for employee services is calculated using the Monte Carlo simulation model that approximates the probability of certain outcomes by performing multiple trial runs, called simulations, using random variables. The probability distribution of the results is calculated and analyzed in order to infer which values are most likely to be produced. The fair value is determined based on the features and timing of the awards and other assumptions used in the Monte Carlo simulation model including industry accepted formulas based on revenue and the corresponding assumptions applicable at that specific point in time. The fair value as determined using a Monte Carlo simulation model for units awarded in 2013, 2012 and 2011, amounted to US\$90,701 and US\$991,790, and US\$7.7 million, respectively, based on the following weighted average assumptions:

	Class D Units		
	Year ended 2013	Year ended 2012	Year ended 2011
Grant dates	1/1/2013	1/1/2012	1/1/2011
Units granted in the period	18	282	541
Expected vesting period (years)	2	3	3
Average fair value per unit award granted (\$)	5,039	3,517	7,118
Revenue growth	10%	10%	10%
Volatility	20%	20%	20%
Risk-free rate of return	0%	0%	0%
Dividend yield	21%	16%	16%
Forfeiture rate	6%	6%	6%
Dilution	11%	11%	11%

	Class E Units
Grant dates	4/1/2011
Units granted in the period	5,000
Vesting period (years)	3
Average fair value per unit award granted (\$)	763
Revenue growth	10%
Volatility	20%
Risk-free rate of return	0%
Dividend yield	16%
Forfeiture rate	6%
Dilution	0%

Movements in the number of share options outstanding are as follows:

	Class D Units		
	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	Number	Number	Number
Units outstanding at beginning of the year	2,442	2,294	1,818
Granted	18	282	541
Forfeited	—	(134)	(65)
Share units outstanding at year end	<u>2,460</u>	<u>2,442</u>	<u>2,294</u>
Share units vested at year end	<u>2,357</u>	<u>2,038</u>	<u>1,862</u>

	Class E Units		
	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	Number	Number	Number
Units outstanding at beginning of the year	10,000	10,000	5,000
Granted	—	—	5,000
Forfeited	—	—	—
Share units outstanding at year end	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Share units vested at year end	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

13. Capital management

Investor confidence is an important element in the sustainability of Numeric’s business. Numeric has continued to maintain available liquidity. This available liquidity supports on-going operations and the ability to meet current and future financial obligations of a short-term and long-term nature (See Note 7). The Numeric Group monitors its capital and liquidity requirements through continuous review of its financial results and projections at each Numeric Board meeting.

Class of unit holders

The Operating Agreement provides for different classes of unit holders as follows:

	Year ended 31 December 2013				
	Class A Units	Class B Units	Class C Units	Class D Units	Class E Units
At 1 January 2013	<u>355</u>	<u>5,476</u>	<u>34,043</u>	<u>34,043</u>	<u>10,000</u>
At 31 December 2013	<u>355</u>	<u>5,476</u>	<u>34,043</u>	<u>34,043</u>	<u>10,000</u>
	Year ended 31 December 2012				
	Class A Units	Class B Units	Class C Units	Class D Units	Class E Units
At 1 January 2012	<u>439</u>	<u>10,952</u>	<u>36,243</u>	<u>36,243</u>	<u>10,000</u>
Redemption—2012 recapitalization	<u>(84)</u>	<u>(5,476)</u>	<u>(2,200)</u>	<u>(2,200)</u>	<u>—</u>
At 31 December 2012	<u>355</u>	<u>5,476</u>	<u>34,043</u>	<u>34,043</u>	<u>10,000</u>
	Year ended 31 December 2011				
	Class A Units	Class B Units	Class C Units	Class D Units	Class E Units
At 1 January 2011	<u>439</u>	<u>10,952</u>	<u>36,243</u>	<u>36,243</u>	<u>5,000</u>
Issue of Class E units	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,000</u>
At 31 December 2011	<u>439</u>	<u>10,952</u>	<u>36,243</u>	<u>36,243</u>	<u>10,000</u>

The Class A units were originally issued in connection with the Junior Subordinated Debenture Agreement (see Note 7) and the Class B units were issued to the partners of Numeric Investors L.P. The remaining Class C and D units were issued to a partner of Numeric Investors L.P. and NALP II, respectively. The Class E units include 150 units which are non-forfeitable for liquidity event purposes.

At any time within 30 days prior to or after the 9th anniversary, and prior to the 10th anniversary of the date of the Operating Agreement, the holders of the outstanding Class A and B units may give notice to Numeric, upon the occurrence of certain events, to cause Numeric to redeem all of their then outstanding units, **provided that** outstanding balances of the Senior Credit Agreement (see Note 7) have been paid in full. Numeric shall purchase from each unit holder the units then held at the redemption prices defined in the LLC Agreement including US\$1,710 per unit plus, in certain cases, an allocable portion of net distributable profit and certain other adjustments, as defined. Additionally, as specified in the Redemption Agreement (see Note 14), the Class B unit holders have agreed not to elect to exchange their Class B units for new debentures pursuant to Section 3.09 of the Operating Agreement unless certain circumstances occur.

In accordance with the terms of the Operating Agreement, the allocation of profit and loss to the unit holders is as follows:

- *Profits*—Except for special allocations, the operating profit of Numeric for any fiscal period (and each item thereof) shall be allocated as follows: (i) to the extent any Class A or Class B unit holder has been allocated operating loss that has not been offset by subsequent allocations of operating profit, to such unit holders to the extent of and in proportion to such operating losses; (ii) to the extent any Class C or Class E unit holder has been allocated operating loss that has not been offset by subsequent allocations of operating profit, to such Unit holders to the extent of and in proportion to such operating losses; and (iii) to the Class A, Class B, Class D and Class E unit holders *pro rata* in proportion to the number of units owned.
- *Losses*—Except for special allocations, the operating loss of Numeric for any fiscal period (and each item thereof) shall be allocated as follows: (i) to the extent any Class A, Class B, Class D or Class E unit holder has been allocated operating profit that exceeds the sum of subsequent allocations of operating loss under this clause and distributions to such unit holders to the extent of and in proportion to such operating profits; (ii) to the Class C and Class E unit holders *pro rata* in proportion to their respective positive capital accounts until their capital accounts equal zero; and (iii) to the Class A and Class B unit holders *pro rata* in proportion to the number of units owned.
- *Other Profit or Loss*—profit or loss other than operating profit or operating loss shall be allocated such that the capital account of each unit holder equals the amount of the distributions from or after a liquidity event to which such unit holder (i) is entitled if such profit or loss is the result of a liquidity event or (ii) would be entitled if all assets of Numeric were sold for their gross asset value and the net proceeds thereof, after payment of all liabilities of Numeric, were distributed in accordance with distributions from or after a liquidity event.

The Operating Agreement provides for distributions to unit holders as follows:

- Numeric may make distributions of net distributable profit calculated on a cumulative basis up through the preceding 30 June to the holders of units other than Class C units by 31 August of each year or from time to time thereafter in such amounts as may be determined by Numeric, in proportion to the unit holders' respective Class A, B, D, and E units.
- Numeric shall, with respect to any taxable year during which Numeric is a partnership for U.S. federal income tax purposes, make a tax liability distribution to the unit holders. Numeric shall determine in good faith the projected unit holders' tax liability for each of its taxable years computed on a quarterly basis and will make quarterly distributions to unit holders on a *pro rata* basis so as to permit the unit holders to make the quarterly estimated tax payments due for such periods.

Numeric and its members are parties to a security holder agreement which restricts the transfer of units and includes co-sale rights, as defined in the agreement.

14. Recapitalizations

Numeric completed a recapitalization with the Partnership pursuant to the terms of a restructuring agreement dated 16 June 2004. All ownership interests in the Partnership were either redeemed, transferred or converted into members' equity of Numeric in this recapitalization. The excess of disbursements to partners and conversions of partnership interests over partnership equity on the date of the agreement in the amount of US\$(142,064,671) has been reflected as redemption payments in excess of partner capital accounts in the accompanying consolidated balance sheets.

On 31 July 2012, Numeric completed a second recapitalization when Numeric along with its members and the holders of the Debentures entered into a security redemption agreement (the "**Redemption Agreement**"). Under the terms of the Redemption Agreement, Numeric redeemed certain unit holders as follows: 84 Class A, 5,476 Class B, 2,200 Class C and 2,200 Class D units, for a total of US\$13,269,602. Also under the terms of the Redemption Agreement, Numeric redeemed US\$15,506,352 of the outstanding Debentures (See Note 7) and the related Warrants to acquire 9,068 Class A units. Numeric entered into a Senior Credit Agreement (see Note 7) and borrowed US\$20,500,000 in connection with this second recapitalization.

15. Pension benefits

Numeric pays contributions to a defined contribution profit sharing plan (the “**Plan**”) that allows Numeric to determine, on a discretionary basis, the amount to be allocated to the Plan. Numeric has no further payment obligation once the contributions have been paid. Defined contribution pension costs totalled US\$1.8 million, US\$0.7 million and US\$0.8 million for the 12 months to 31 December 2013, 2012 and 2011, respectively. The contributions are recognised as pension costs when they are due.

16. Geographical disclosure

Disclosure of revenue by geographic location is required by IFRS based on the registered domicile of the fund entity paying Numeric’s fees.

	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	Revenue by fund location	Revenue by fund location	Revenue by fund location
	\$	\$	\$
Bermuda	12,058,067	5,744,307	3,296,919
British Virgin Islands	14,390,743	6,196,791	5,283,301
Canada	1,985,378	1,543,264	1,750,034
Cayman Islands	—	63,916	118,748
France	1,791,413	1,357,130	333,021
Guam	681,589	533,055	470,343
Ireland	1,221,189	703,414	830,089
Japan	1,245,951	765,689	953,261
New Zealand	—	3,015,571	4,582,738
The Netherlands	31,721,615	11,399,307	3,725,878
United Kingdom	601,568	244,677	40,130
United States of America	23,615,179	19,384,770	19,989,767
	<u>89,312,692</u>	<u>50,951,891</u>	<u>41,374,229</u>

For the 12 months to 31 December 2013, 2012 and 2011, revenue from two institutional relationships accounted for approximately 44 per cent., 30 per cent. and 11 per cent., respectively, of Numeric’s management and performance fees.

Average number of directors, employees and partners

The table below provides average headcount by location. These numbers include non-employee partners and non-employee directors.

	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	Number	Number	Number
United States of America	105	98	96
Netherlands	—	—	1
	<u>105</u>	<u>98</u>	<u>97</u>

17. Fair value of financial assets/liabilities

Numeric discloses the fair value measurement of financial assets and liability using three levels, as follows:

- *Level 1.* Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2.* Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3.* Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial assets and liabilities can be analysed as follows:

	Year ended 1 December 2013			Year ended 31 December 2012			Year ended 31 December 2011		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets held at fair value:									
Limited Partnerships	—	255,630	—	—	257,368	—	—	263,259	—
	—	255,630	—	—	257,368	—	—	263,259	—

Numeric did not have any financial liabilities held at fair value at 31 December 2013, 2012 and 2011.

During the year, there were no significant changes in the business or economic circumstances that affected the fair value of the Numeric Group's financial assets and no significant transfers of financial assets or liabilities held at fair value between categories. For limited partnerships, Level 2 investments comprise holdings primarily in active and liquid funds, which have weekly or daily pricing derived from third party information.

A transfer into Level 3 would be deemed to occur where the level of prolonged activity 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 material holdings within this category are priced on a recurring basis based on information supplied by third parties without adjustment. Numeric had no Level 3 financials assets at 31 December 2013, 2012 and 2011.

18. Related party transactions

Related parties comprise key management personnel and associates. Transactions with related parties include domestic and foreign commingled investment funds that permit Numeric to waive the management fees and performance allocations in whole or part for related parties. Numeric is the investment advisor to numerous commingled investment funds that are structured as limited partnerships where Opco is the general partner of the limited partnerships.

Domestic and foreign commingled investments

Total management fees waived amounted to approximately US\$0.4 million, US\$0.4 million and US\$0.4 million during the years ended 31 December 2013, 2012 and 2011, respectively. Total performance allocations waived amounted to approximately US\$0.6 million, US\$0.3 million and US\$36,000 during the years ended 31 December 2013, 2012 and 2011, respectively.

Limited partnerships

Numeric earns a monthly or quarterly management fee for each limited partnership. Management fees earned directly from limited partnerships amounted to US\$1.9 million, US\$1.3 million and US\$2.0 million during the years ended 31 December 2013, 2012 and 2011, respectively. Accounts receivable include amounts due from the limited partnership for management fees totalling US\$0.5 million, US\$0.3 million and US\$0.3 million at 31 December 2013, 2012 and 2011, respectively.

Key management compensation

Members of Numeric's executive committee, together with Numeric's non-executive directors are considered to be Numeric's key management, being those directors, partners and employees having

authority and responsibility for planning, directing and controlling the activities at the Numeric Group. Key management compensation is reported in the table below:

<u>Key management compensation^(a)</u>	<u>Year ended 31 December 2013</u>	<u>Year ended 31 December 2012</u>	<u>Year ended 31 December 2011</u>
Salaries and other short-term employee benefits ^(b)	20,357,153	7,547,098	2,216,548
Post-employment benefits ^(c)	—	—	—
Share-based payments ^(d)	4,879,338	4,449,706	4,067,614
Other long-term benefits ^(d)	—	—	—
Termination benefits	—	380,000	—
Total	<u>25,236,491</u>	<u>12,376,804</u>	<u>6,284,162</u>

Notes

- (a) Key management includes members of Numeric's management committee.
- (b) Salary, benefits (including cash pension allowance) and cash bonus.
- (c) Money purchase pension.
- (d) Refer to Note 12 for further explanation of share-based deferred compensation arrangements.

19. Financial guarantees and commitments

Future operating lease commitments are as follows:

	<u>Year ended 31 December 2013</u>	<u>Year ended 31 December 2012</u>	<u>Year ended 31 December 2011</u>
	\$	\$	\$
Due within one year	1,812,453	1,818,955	1,818,955
One to five years	6,606,740	7,468,467	7,385,970
After five years	—	950,726	2,852,178

Rent and associated expenses for all leases are recognised on a straight-line basis over the life of the respective lease.

20. Post balance sheet events

There were no subsequent events that require adjustment to or disclosure in the financial information.

PART VI:

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

Section A: Unaudited Pro Forma Financial Information of the Enlarged Group

The unaudited *pro forma* statement of net assets of the Enlarged Group in this Part VI has been based on the net assets of the Man Group as at 31 December 2013 and prepared on the basis of the notes set out below. The unaudited *pro forma* statement of net assets has been prepared to illustrate the effect of the Acquisition on the net assets of the Man Group as if Completion had taken place on 31 December 2013.

The unaudited *pro forma* statement of net assets has been prepared in a manner consistent with the accounting policies adopted by the Man Group in preparing the audited financial statements for the year ended 31 December 2013.

The unaudited *pro forma* statement of net assets has been prepared for illustrative purposes only and, because of its nature, it addresses a hypothetical situation and does not represent the Enlarged Group's actual financial position or results.

	Man Group net assets Note (a)	As at 31 December 2013 Adjustments		Pro forma Enlarged Group Note (d)
		Numeric net liabilities Note (b)	Acquisition accounting Note (c)	
	(US\$ million)			
Assets				
Cash and cash equivalents	992	29	(234)	787
Trade and other receivables	388	29	—	417
Investments in fund products and other investments . . .	273	1	—	274
Pension asset	71	—	—	71
Investments in associates	31	—	—	31
Leasehold improvements and equipment	68	3	—	71
Goodwill and acquired intangible assets	1,328	—	303	1,631
Other intangible assets	26	—	—	26
Non-current assets held for sale	56	—	—	56
Total assets	<u>3,233</u>	<u>62</u>	<u>69</u>	<u>3,364</u>
Liabilities				
Trade and other payables	725	21	110	856
Current tax liabilities	37	—	—	37
Borrowings	—	81	(81)	—
Deferred tax liabilities	58	—	—	58
Non-current liabilities held for sale	6	—	—	6
Total liabilities	<u>826</u>	<u>102</u>	<u>29</u>	<u>957</u>
Net assets/(liabilities)	<u>2,407</u>	<u>(40)</u>	<u>40</u>	<u>2,407</u>

Note (a) The consolidated financial information of the Man Group as at 31 December 2013 has been extracted without material adjustment from the audited consolidated financial statements of Man for the year ended 31 December 2013.

Note (b) The consolidated financial information relating to the Numeric Group as at 31 December 2013 has been extracted from Part V (Consolidated Historical Financial Information on the Numeric Group) of this document and reflects the audited US GAAP consolidated financial information of Numeric as at 31 December 2013 adjusted for:

- i. Adjustments for material differences between the accounting standards and accounting policies of Man and Numeric; and
- ii. Reclassifications in order to present the information on a basis consistent with the consolidated financial statements of the Man Group.

Note (c) The unaudited *pro forma* statement of net assets has been prepared on the basis that the Acquisition will be accounted for using the acquisition method of accounting. The excess of consideration over the book value of the assets acquired has been reflected as goodwill. A fair value exercise will be completed post acquisition; therefore no account has been taken of any additional intangible assets, fair value adjustments or deferred taxes which may arise on the Acquisition. Before Completion, the junior subordinated borrowings (US\$66 million at 31 December 2013) of Numeric will be converted to equity and the remaining borrowings (US\$15 million at 31 December 2013) will be repaid out of the cash balances of Numeric immediately after Completion, which has been reflected in the table above. The adjustment to cash and cash

equivalents comprises the cash consideration of approximately US\$219 million payable at Completion, and the repayment of the other borrowings of US\$15 million immediately after Completion. The adjustment to trade and other payables represents the estimated aggregate “earn-out” consideration of US\$83 million. The amount of goodwill has been calculated as follows:

	<u>Note</u>	<u>US\$m</u>	<u>US\$m</u>
Cash consideration			219
Year 5 earn-out consideration, annual dividend earn-out consideration and consideration based on any uncrystallised performance fees at the date of Completion	(i)		110
Gross consideration			329
Net liabilities of Numeric		(40)	
Conversion of shareholder’s debt to equity (ii)	(ii)	<u>66</u>	
			<u>26</u>
Goodwill			<u>303</u>

(i) The Year 5 “earn-out” consideration, which relates to both the Equity Interests and Profit Interests, is payable in cash or Man Ordinary Shares, and the annual “earn out” will be paid in the form of dividends. In addition, an amount based on uncrystallised performance fees at the date of Completion will be added to the purchase consideration. The net present value of an estimate of the “earn out” consideration and an estimate of the uncrystallised performance fees are used in the above table.

(ii) As stated in Note (c) above, US\$66 million of Numeric’s borrowings will be converted to equity before Completion, and hence the acquired net liabilities of Numeric have been adjusted.

Note (d) No adjustment has been made to reflect either the trading results of the Man Group or Numeric since 31 December 2013, or the potential additional consideration Man Group will be required to pay for any net working capital balance at Completion in excess of US\$3 million as presented on the consolidated balance sheet of Numeric as at the date of Completion. The net working capital at Completion being all accounts receivable and other current assets (excluding cash), less all amounts payable and accrued expenses, accrued interest payable and current deferred lease incentives (but excluding indebtedness and expenses relating to the Transaction), determined in accordance with US GAAP and consistent with the accounting policies of Numeric.

Section B: Accountants' Report on the Unaudited Pro Forma Financial Information of the Enlarged Group



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on behalf of Man Group plc
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7 August 2014

Dear Sirs,

Man Group plc (the “Company”)

We report on the pro forma financial information (the “Pro forma financial information”) set out in Part VI of the Class 1 circular dated 7 August 2014 (the “Investment Circular”), which has been prepared on the basis described Section A, for illustrative purposes only, to provide information about how the transaction might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ended 31 December 2013. This report is required by Annex I item 20.2 of Commission Regulation (EC) No 809/2004 (the “Prospectus Directive Regulation”) as applied by Listing Rule 13.3.3R and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the “Directors”) to prepare the Pro forma financial information in accordance with Annex II items 1 to 6 of the Prospectus Directive Regulation as applied by Listing Rule 13.3.3R.

It is our responsibility to form an opinion, as to the proper compilation of the Pro forma financial information and to report that opinion to you in accordance with Annex II item 7 of the Prospectus Directive Regulation as applied by Listing Rule 13.3.3R.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to the Company’s ordinary shareholders as a result of the inclusion of this report in the Investment Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R (6), consenting to its inclusion in the Investment Circular.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom.

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In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us or others at the dates of their issue.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards or practices.

Opinion

In our opinion:

- (a) the Pro forma financial information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Yours faithfully

Deloitte LLP
Chartered Accountants

**PART VII:
ADDITIONAL INFORMATION**

1. Responsibility

Man and each of the Directors, whose names appear in Part I (Letter from the Chairman of Man), accept responsibility for the information contained in this document. To the best of the knowledge and belief of Man and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Company Details

Man was incorporated and registered in England and Wales on 8 August 2012 under the 2006 Act as a public company limited by shares with registered number 08172396.

The principal legislation under which Man operates is the 2006 Act and the regulations thereunder.

Man's registered office and principal place of business is at Riverbank House, 2 Swan Lane, London EC4R 3AD, United Kingdom (telephone number +44 (0)20 7144 1000).

The current Directors and their functions are set out on page 5 of this document. The Senior Managers of the Man Group are:

<u>Name</u>	<u>Position</u>
Jonathan Eliot	Man Chief Risk Officer
Luke Ellis	President of Man Group
Robyn Grew	Man Global Head of Compliance & Regulatory
Keith Haydon	CIO of FRM
Rene Herren	Man Deputy Head of Sales
Teun Johnston	Co-CEO of GLG
Mark Jones	Co-CEO of GLG
Pierre Lagrange	Chairman of Man Asia and Senior Managing Director of GLG
Michelle McCloskey	Senior Managing Director of FRM
Tim Rainsford	Man Global Head of Sales & Marketing
Sandy Rattray	CEO of AHL & MSS
Jasveer Singh	Man General Counsel
Simon White	Man Global Head of Technology & Operations
Tim Wong	Chairman of AHL & MSS

3. Directors' and Senior Managers' interests in Man Ordinary Shares

(a) *Directors' and Senior Managers' shareholdings*

Directors

As at 6 August 2014 (the latest practicable date prior to the date of this document), the Directors and Senior Managers, and persons connected with them, have the following beneficial interests in Man Ordinary Shares:

<u>Director</u>	<u>Number of Man Ordinary Shares</u>	<u>Percentage of voting rights in respect of issued ordinary share capital of Man</u>
Jon Aisbitt	1,681,251	0.10
Phillip Colebatch	10,000	0
Andrew Horton	50,000	0
Matthew Lester	22,692	0
Emmanuel Roman ⁽¹⁾	19,629,418	1.12
Dev Sanyal	63,080	0
Nina Shapiro	28,258	0
Jonathan Sorrell	544,361	0.03

Notes

(1) Emmanuel Roman also holds 50,000 deferred sterling shares of £1 each, which are held to satisfy a requirement of the Companies Act 2006 and carry no voting rights or rights to distributions.

Senior Managers

<u>Senior Manager</u>	<u>Number of Man Ordinary Shares</u>	<u>Percentage of voting rights in respect of issued ordinary share capital of Man</u>
Jonathan Eliot	0	0
Luke Ellis	0	0
Robyn Grew	193,095	0.01
Keith Haydon	0	0
Rene Herren	0	0
Teun Johnston	0	0
Mark Jones	0	0
Pierre Lagrange	32,026,140	1.82
Michelle McCloskey	43,728	0
Tim Rainsford	643,210	0.04
Sandy Rattray	82,199	0
Jasveer Singh	17,899	0
Simon White	41,987	0
Tim Wong	7,840,099	0.45

The interests set out above are based on the interests of the Directors and the Senior Managers in Man Ordinary Shares which: (a) have been notified by the relevant Director or Senior Manager to Man pursuant to Chapter 3 of the Disclosure and Transparency Rules on or before 6 August 2014 (the latest practicable date prior to the date of this document); or (b) are interests of connected persons (within the meaning of the Disclosure and Transparency Rules) of a Director or Senior Manager which have been notified to Man by each such connected person pursuant to the Disclosure and Transparency Rules.

Save as set out above or in paragraph 3(b) below, no Director or Senior Manager (nor any person connected with a Director or Senior Manager): (a) has any interests (beneficial or non-beneficial) in the share capital of Man; or (b) holds any interest in any other securities of the Man Group.

(b) *Directors' and Senior Managers' share options*

Directors

As at 6 August 2014 (the latest practicable date prior to the date of this document), the Directors held the following options and/or awards over Man Ordinary Shares. Such options and/or awards are held under the Man Share Plans:

Deferred Bonus Share and Option Plan ("DBSOP")

	<u>Date of grant</u>	<u>Number of Man Ordinary Shares under options/award</u>	<u>Option exercise price</u>	<u>Earliest exercise/transfer date</u>	<u>Latest exercise date</u>
Jonathan Sorrell	March 2013	1,138,605	n/a	March 2016	March 2016

Deferred Executive Incentive Plan ("DEIP")

	<u>Date of grant</u>	<u>Number of Man Ordinary Shares under options/award</u>	<u>Option exercise price</u>	<u>Earliest exercise/transfer date</u>	<u>Latest exercise date</u>
Emmanuel Roman	March 2014	362,660	n/a	March 2017	March 2019
Jonathan Sorrell	March 2014	226,661	n/a	March 2017	March 2019

Deferred Share Plan ("MDSF")

	<u>Date of grant</u>	<u>Number of Man Ordinary Shares under options/award</u>	<u>Option exercise price</u>	<u>Earliest exercise/transfer date</u>	<u>Latest exercise date</u>
Jonathan Sorrell	March 2012	95,879	n/a	March 2015	March 2022

The Man Group Sharesave Scheme

The Man Group Sharesave Scheme is an all-employee plan. The executive directors of Man are eligible to participate in the scheme by making regular savings through monthly deductions from salary in order to fund the exercise prices of the options granted to them.

	<u>Number of Man Ordinary Shares under options/award</u>	<u>Option exercise price</u>	<u>Earliest exercise/transfer date</u>	<u>Latest exercise date</u>
Jonathan Sorrell	23,076	65.0p	October 2017	March 2018

Senior Managers

As at 6 August 2014 (the latest practicable date prior to the date of this document) the number of Man Ordinary Shares outstanding pursuant to options and/or awards over Man Ordinary Shares in respect of the Senior Managers was 9,338,730. Such options and/or awards are held under the Man Share Plans.

4. Major Interests in Man Ordinary Shares

As at 6 August 2014 (the latest practicable date prior to the date of this document), and so far as is known to Man as a result of notifications pursuant to Chapter 5 of the Disclosure Rules and

Transparency Rules, the name of each person who, directly or indirectly, is interested in three per cent. or more of Man's issued share capital, and the amount of such person's interest, is as follows:

Shareholder	Percentage
Odey Asset Management LLP	5.91
TIAA-CREF Investment Management LLC and Teachers Advisors, Inc. ⁽¹⁾	5.17
Société Générale SA, Société Générale Option Europe and Société Générale Acceptance ⁽²⁾	6.76

Notes

(1) As at 4 August 2014, TIAA-CREF Investment Management LLC held a 2.269 per cent. interest in Man's issued share capital and Teachers Advisors, Inc. held a 2.902 per cent. interest in Man's issued share capital. Teachers Advisors, Inc. is affiliated with TIAA-CREF Investment Management LLC.

(2) As at 31 July 2014, Société Générale SA, Société Générale Option Europe and Société Générale Acceptance together held a 6.76 per cent. interest in Man's issued share capital. This consisted of a 0.19 per cent. direct interest and a 0.02 per cent. indirect interest in Man's voting rights attached to shares and a 6.54 per cent. interest in Man's voting rights attached to financial instruments with a similar economic effect to qualifying financial instruments.

5. Directors' Service Contracts and Letters of Appointment

Details regarding the Directors' service contracts and letters of appointment can be found in the Man 2013 Annual Report at pages 44, 46 and 47.

6. Related Party Transactions

Save as disclosed in the following paragraphs, there are no related party transactions between Man and its related parties that were entered into during the financial periods ended 31 December 2011, 31 December 2012 and 31 December 2013 or during the period between 1 January 2014 and 6 August 2014 (the latest practical date prior to the date of this document).

During the nine month period ended 31 December 2011 and as disclosed in note 17 of the Man Group's financial statements for such period, Man entered into arm's length asset management transactions with fund entities deemed to be associates which generated revenue of US\$177 million, and at 31 December 2011, fee receivables and loan balances with fund entities deemed to be associates totalled US\$45 million. In addition Man had entered into committed purchase agreements with fund entities deemed to be associates totalling US\$28 million. All such transactions were carried out on an arm's length basis.

During the financial year ended 31 December 2012 and as disclosed in note 27 of the Man Group's financial statements for such period, Man entered into arm's length asset management transactions with fund entities deemed to be associates which generated revenue of US\$169 million, and at 31 December 2012, fee receivables and loan balances with fund entities deemed to be associates totalled US\$15 million. In addition Man had entered into committed purchase agreements with fund entities deemed to be associates totalling US\$6 million. All such transactions were carried out on an arm's length basis.

During the financial year ended 31 December 2013 and as disclosed in note 27 of the Man Group's financial statements for such period, Man entered into arm's length asset management transactions with fund entities deemed to be associates which generated revenue of US\$137 million, and at 31 December 2013, fee receivables and loan balances with fund entities deemed to be associates totalled US\$40 million. In addition Man had entered into committed purchase agreements with fund entities deemed to be associates totalling US\$1 million. All such transactions were carried out on an arm's length basis.

During the six month period ended 30 June 2014 and as disclosed in note 17 of the Man Group's financial statements for such period, Man entered into arm's length asset management transactions with fund entities deemed to be associates which generated revenue of US\$29 million, and at 30 June 2014, fee receivables and loan balances with fund entities deemed to be associates totalled US\$28 million. In addition Man had entered into committed purchase agreements with fund entities deemed to be associates totalling US\$1 million. All such transactions were carried out on an arm's length basis.

During the period between 1 July 2014 and 6 August 2014 (the latest practicable date prior to the date of this document), all of Man's asset management transactions with related parties in place during the six months to 30 June 2014 have continued on an arm's length basis without material amendment or alteration and Man has not entered into any new transactions with related parties.

7. Material Contracts

(a) *Material contracts of the Man Group*

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by Man and/or members of the Man Group within the two years immediately preceding the date of this document and are, or may be, material to the Man Group or have been entered into at any time by Man or another member of the Man Group and contain provisions under which Man or another member of the Man Group has an obligation or entitlement which is, or may be, material to Man or another member of the Man Group at the date of this document.

US\$1.56 billion Revolving Credit Facility with Barclays Bank plc

On 22 July 2011, Man Investments Finance Limited, Man Investments Limited, Man Investments (UK) Limited, Man-AHL (USA) Limited, GLG Partners International Ltd, GLG Partners UK Ltd, GLG Partners LP (acting by its general partner, GLG Partners Limited) and GLG Partners Investment Funds UK Limited (as borrowers) and Man and Man Investments Finance Limited (as guarantors) entered into an agreement (as amended and restated pursuant to an amendment and restatement agreement dated 7 September 2012) (the "**Revolving Facility Agreement**") with Barclays Bank plc as agent and the financial institutions listed therein for an unsecured revolving credit facility of US\$1,560 million (the "**Revolving Credit Facility**"). As at 20 September 2012, the amount of the Revolving Credit Facility was reduced by US\$35 million to US\$1,525 million, being equal to the participation of one lender who exited the Revolving Credit Facility on that date.

The Revolving Credit Facility comprises a multicurrency revolving facility. The purpose of the Revolving Credit Facility is for financing the general corporate purposes of the Man Group (including for the avoidance of doubt, the making of acquisitions). Each advance made under the Revolving Facility Agreement is to be repaid on the last day of the interest period applicable to that advance and may be re-borrowed. The initial maturity date of the Revolving Facility Agreement is 22 July 2016, but the maturity date may be extended in respect of individual lenders to 22 July 2017 or 22 July 2018 (provided notice of such extension is provided, respectively, by the end of the first and second anniversaries of the date of the Revolving Facility Agreement), with such lender's agreement. The Revolving Facility Agreement was extended accordingly on 7 September 2012 to 22 July 2017 for an amount of US\$1,320 million for the extended period. It was then further extended on 23 July 2013 such that US\$70 million of the facility will mature on 22 July 2016, US\$120 million of the facility will mature on 22 July 2017 and the remaining US\$1,335 million of the facility will mature on 22 July 2018.

Under the terms of the Revolving Facility Agreement, in circumstances involving a change of control or likely change of control of Man, Man is required to notify the agent promptly upon becoming aware thereof (who will in turn notify the lenders). Upon receipt of such notification, each lender is entitled to request certain changes to the Revolving Facility Agreement, or otherwise must notify the agent that it is prepared to continue to participate in the Revolving Facility Agreement on the terms and conditions set out therein or that it is not prepared to continue on any terms.

The prompt performance by the borrowers of their obligations under the finance documents including the Revolving Facility Agreement is guaranteed by the guarantors. The representations, warranties, undertakings and events of default contained in the Revolving Facility Agreement are of a type usual for a transaction of this nature entered into at that time.

Acquisition of FRM

On 17 July 2012, Man Group UK Limited ("**Man Group UK**") completed its acquisition of FRM by way of scheme of arrangement under Jersey law (the "**FRM Acquisition**"). Under the terms of

the FRM Acquisition, no consideration was paid up front, with contingent consideration dependent on asset retention and investment management performance. The contingent consideration payment comprises:

- two earn out payments, payable in cash following the first and third anniversaries of completion, on a sliding scale dependent on levels of net run rate management fees, as follows:
- after one year, up to US\$47.5 million; and
- after three years, up to US\$66.5 million; and
- 47.5 per cent. of net performance fees generated from FRM's existing assets in the three years after completion, capped at US\$60.8 million.

Man Group UK also agreed to pay an estimated US\$71.7 million in cash for an anticipated US\$102.9 million of FRM's net assets, principally cash, representing a discount to book value of approximately US\$31.2 million, subject to completion balance sheet adjustments.

In connection with the FRM Acquisition, the following material contracts were entered into by Man Group UK:

Implementation Agreement dated 21 May 2012

Man Group UK, RBH Holdings (Jersey) Limited (a wholly-owned subsidiary of Man Group UK) ("**RBH**"), FRM Holdings and Adam Street Representative Limited (the "**Sellers' Representative**") entered into an implementation agreement dated 21 May 2012 (the "**Implementation Agreement**") which contains certain obligations in relation to the implementation of the scheme of arrangement relating to the FRM Acquisition (the "**FRM Scheme**").

Under the Implementation Agreement, RBH has given certain warranties to FRM Holdings and the Sellers' Representative, acting on behalf of the selling shareholders of FRM Holdings, including that (i) it has the necessary cash resources available to meet its obligations under the FRM Scheme and (ii) it has fully disclosed the details of all arrangements between itself and Sumitomo Mitsui Trust Bank, Limited ("**SMTB**") and will continue to keep FRM Holdings and the Sellers' Representative fully informed of any material amendments to the terms of the strategic relationship agreement entered into with SMTB during the three years from 17 July 2012, to the extent that such changes may affect the amount of any deferred consideration which the relevant shareholders under the FRM Scheme may have been entitled to receive.

In addition, under the terms of the Implementation Agreement and the FRM Scheme, Man Group UK has agreed unconditionally and irrevocably to guarantee that RBH will perform when due any and all of its obligations relating to the FRM Acquisition, including payment by RBH of the deferred consideration under the FRM Scheme. Man has agreed that if RBH fails to make any payment when it is due, it shall on demand pay the relevant amount to the Sellers' Representative on behalf of FRM Holdings' previous shareholders (other than SMTB) as if it were Man Group UK's obligation to make the payment in the first place.

Strategic Relationship Agreement dated 21 May 2012

SMTB participated in the FRM Scheme by exchanging its shares in FRM Holdings for the issue of certain preference shares in RBH (the "**Preference Shares**"). The Preference Shares entitle SMTB to receive a cumulative preferential dividend equal to a percentage of certain net management fees and net performance fees (the "**Annual Dividend**").

Prior to the FRM Acquisition, FRM Holdings and SMTB were parties to a strategic relationship agreement relating to the promotion of interests in certain of the FRM's funds of hedge funds in Japan. In connection with the FRM Acquisition, the original strategic relationship agreement was terminated and replaced with a new strategic relationship agreement between SMTB, RBH, FRM Investment Management Limited and Man Group UK dated 21 May 2012 (the "**SRA**"), which became effective on 17 July 2012. As was the case with the original strategic relationship agreement, the SRA contains (i) the terms on which SMTB promotes interests in certain of Man Group UK's funds of hedge funds in Japan on an ongoing basis and (ii) the terms that govern how SMTB and Man Group UK

will co-operate in relation to the promotion of such funds of hedge funds. The SRA has an initial term of 10 years although it can be terminated earlier in certain circumstances.

In addition to the Annual Dividend, SMTB is entitled, pursuant to the SRA, to receive a portion of the management fees in relation to each fund of hedge funds covered by the SRA (the “**Management Fees**”). In certain circumstances specified in the SRA, (i) SMTB also has the option to put its Preference Shares onto Man Group UK and (ii) Man Group UK has a call option over such Preference Shares. Furthermore, under the SRA, Man Group UK guarantees (i) the obligations of RBH in relation to payment of the Annual Dividend and (ii) the obligations of FRM Investment Management Limited in relation to payments of the Management Fees.

Share Repurchase Agreement

On 5 March 2014, Man entered into an irrevocable, non-discretionary arrangement with Goldman Sachs International to repurchase on its behalf Man Ordinary Shares up to a maximum consideration of US\$115 million and subject to certain pre-set parameters, during the period from 6 March 2014 up to and including 19 December 2014 (the “**Period**”), including during any “close period” or “prohibited period” of the Company (as such terms are defined in the Listing Rules) which fell during the Period. The purpose of the share repurchase arrangement was to return surplus capital to Shareholders and was completed in full on 19 June 2014, with all shares repurchased pursuant to this arrangement having been cancelled. The arrangement was in accordance with the Listing Rules and the Company’s general authority to repurchase its shares.

Sponsor’s Agreement

On 7 August 2014, an agreement was entered into between Man and Credit Suisse whereby Credit Suisse agreed to act as Sponsor. Pursuant to this agreement, the related engagement letter dated 16 June 2014 between Man and Credit Suisse and the related indemnity agreement dated 8 May 2014 between Man and Credit Suisse, Man has agreed to provide Credit Suisse with certain customary indemnities, undertakings and warranties in connection with its role as Sponsor. The indemnities provided by Man indemnify Credit Suisse against claims made against it or losses incurred in connection with its role as Sponsor subject to certain exceptions.

(b) Material contracts of the Numeric Group

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by Numeric and/or members of the Numeric Group within the two years immediately preceding the date of this document and are, or may be, material to the Numeric Group or have been entered into at any time by Numeric or another member of the Numeric Group and contain provisions under which Numeric or another member of the Numeric Group has an obligation or entitlement which is, or may be, material to Numeric or another member of the Numeric Group at the date of this document.

Senior Credit Agreement

In connection with a recapitalization of Numeric, Midco entered into a loan and security agreement (the “**Senior Credit Agreement**”) with Fifth Third Bank on 1 August 2012 for a term loan facility of US\$20.5 million and a revolving credit facility of US\$3 million (which includes a US\$1 million letter of credit). As at 6 August 2014 (the latest practicable date prior to the date of this document) the outstanding balance under the Senior Credit Agreement was US\$12 million. The maturity date of the Senior Credit Agreement is the earlier of (a) (i) if the maturity date of the Debentures (as defined below) is on or prior to 31 October 2014, 30 days prior to the maturity date of the Debentures, (ii) if the maturity date of the Debentures is after 31 October 2014 and on or prior to 31 December 2014, 30 September 2014 and (iii) if the maturity date of Debentures is after 31 December 2014, 90 days prior to the maturity date of the Debentures and (b) 1 August 2015 (provided, that if the Debentures have been repaid in full or converted or exchanged in their entirety for equity interests of Numeric, the maturity date of the Debentures shall be 1 August 2015). The punctual payment and performance by Midco of its obligations under the Senior Credit Agreement is guaranteed by Numeric and is secured by a charge over substantially all of Numeric’s assets. The representations, warranties, undertakings and events of default contained

in the Senior Credit Agreement are of a type usual for a transaction of this nature entered into at that time.

Borrowings under the Senior Credit Agreement bear interest at either the Fifth Third Index Rate (as defined in the Senior Credit Agreement) plus 2.5 per cent. or LIBOR plus 3.5 per cent., at Numeric's option. Numeric has currently opted for the latter rate. An "unused fee" of 0.35 per cent. is charged on any unused portion of the US\$3 million revolving credit facility. As at 31 December 2013, there were no outstanding borrowings on this revolving line of credit.

Fifth Third Bank will have right to terminate the Senior Credit Agreement upon Completion, in which case all amounts outstanding under the Senior Credit Agreement will become immediately due and payable.

Junior Subordinated Debenture Agreement

On 16 June 2004, Numeric entered into a junior subordinated debenture agreement (the "**Junior Subordinated Debenture Agreement**") with TA IX L.P., TA/Atlantic and Pacific IV L.P., TA Strategic Partners Fund A L.P., TA Strategic Partners Fund B L.P., TA Investors II L.P. and Madison Capital Funding LLC (being affiliates of TA Associates Management, L.P.), for the issue of debentures of US\$80,995,000 in aggregate (the "**Debentures**"). As at 6 August 2014 (the latest practicable date prior to the date of this document) the outstanding balance under the Junior Subordinated Debenture Agreement was US\$65 million. The Debentures are subordinated to the Numeric Group's obligations under the Senior Credit Agreement. The Debentures mature on 30 June 2014 and may not be prepaid. The debenture holders have, in connection with the Acquisition, agreed to extend the maturity date of the Debentures to 31 December 2014. Separately, Numeric has obtained a letter of intent from Fifth Third Bank to refinance up to US\$75 million of indebtedness under the Junior Subordinated Debenture Agreement over a five year term. Man understands that subject to the aforementioned maturity extension and Completion, Numeric would pursue this refinancing in the event that the debenture holders do not redeem their Debentures as payment of the exercise price of their Warrants (as defined below) or further extend the maturity date of such Debentures.

The representations, warranties, undertakings and events of default contained in the Junior Subordinated Debenture Agreement are of a customary type for a transaction of this nature entered into at that time.

In connection with the Junior Subordinated Debenture Agreement and pursuant to a warrant purchase agreement entered into on 16 July 2004, Numeric issued warrants to purchase 47,366 Class A units in Numeric (the "**Warrants**") to TA IX L.P., TA/Atlantic and Pacific IV L.P., TA Strategic Partners Fund A L.P., TA Strategic Partners Fund B L.P., TA Investors II L.P. and Madison Capital Funding LLC.

The Warrants may be exercised, in whole but not in part, by the election of at least two-thirds of the warrant holders by written notice to Numeric at any time from the earlier to occur of (a) the third anniversary of issuance and (b) immediately prior to the consummation of a liquidity event, until the tenth anniversary of issuance. The Acquisition will constitute a liquidity event and will therefore enable warrant holders to exercise their Warrants (at US\$1,710 per unit) and to sell their Debentures to Numeric (at principal amount together with all interest thereon). The Debentures may be surrendered in payment for the exercise price of the Warrants.

Redemption Agreement

On 31 July 2012, Numeric, its shareholders and debenture holders under the Junior Subordinated Debenture Agreement entered into a redemption agreement (the "**Redemption Agreement**") pursuant to which Numeric redeemed 84 Class A units, 5,476 Class B units, 2,200 Class C units and 2,200 Class D units in Numeric for a total of US\$13,269,602, US\$15,506,352 of the outstanding Debentures and 9,068 Warrants.

Operating Agreement

On 29 June 2007, Numeric and its existing shareholders (being holders of Class A, Class B, Class C, Class D and Class E units in Numeric) entered into an operating agreement in respect of Numeric (the “**Operating Agreement**”). Under the terms of the Operating Agreement, the Class A, Class B, Class C and Class D units in Numeric issued to its shareholders were fully vested when issued. The Class E units in Numeric are subject to vesting relating to the timing and conditions of the termination of the relevant holder’s employment or of his services as a director. Holders of the Class A, Class B, Class C and Class D units have the right to require Numeric to redeem such units in accordance with the terms of the Operating Agreement.

The Operating Agreement also contains provisions relating to the day-to-day management of Numeric and the composition of the Numeric Board.

Under the terms of the Operating Agreement, distributions to Numeric’s shareholders are, subject to applicable law, required to be made annually in accordance with a prescribed distribution waterfall.

Under the terms of the Operating Agreement, the Acquisition requires the approval of: (i) 75 per cent. of the board of directors of Numeric; (ii) a majority of the holders of Class A units of Numeric; (iii) 60 per cent. of the holders of the Class D and Class E units (voting together); (iv) 65 per cent. of the holders of the Class B units; (v) a majority of the Class E units; (vi) a majority of the Class D units; and (vii) 60 per cent. of the Class C units. Such approvals were granted prior to the entry into the Merger Agreement.

On Completion, the Operating Agreement will be amended and restated in its entirety and all of its terms superseded by the LLC Agreement.

8. Significant Litigation

(a) *Man litigation*

Save as disclosed in this paragraph 8(a) under the heading “*GLG-related claims*”, there are no legal or arbitration proceedings (and Man is not aware of any such proceedings which are pending or threatened), which may have or which have had in the 12 months preceding the date of this document, a significant effect on the financial position or profitability of Man or the Man Group.

Ordinary course claims

The Man Group is subject to various claims, assessments, regulatory enquiries and investigations in the normal course of its business. As at 6 August 2014 (the latest practicable date prior to the date of this document), the Directors do not expect such matters to have a material adverse effect on the business, financial condition or results of operations of the Man Group.

GLG-related claims

GLG Partners LP is defending claims brought in the Commercial Court in London by Richard Desmond and trustees of a pension scheme for Mr Desmond’s benefit (Credit Suisse International is also a defendant to one of the claims brought by Mr Desmond’s pension scheme trustees). GLG Partners LP is a limited partnership established under English law. The general partner of GLG Partners LP is GLG Partners Limited, a member of the Man Group. GLG Partners Limited is defending the claims for and on behalf of GLG Partners LP.

The claims relate to a transaction between Credit Suisse International and Mr Desmond in April 2007 and a second, similar transaction between Credit Suisse International and Mr Desmond’s pension scheme trustees in June 2007. The transactions were linked to the performance of a basket of GLG funds. Man considers the claims, the value of which is said by Mr Desmond and his pension scheme trustees to total up to approximately £42 million (plus interests and costs), to be unsubstantiated and GLG Partners Limited is vigorously defending them; the claims are not considered to have a material adverse effect on the financial position of the Man Group.

Unless the claims are resolved or withdrawn, they are due to be tried by the Commercial Court in London in January 2015.

(b) *Numeric litigation*

There are no legal or arbitration proceedings (and Man is not aware of any such proceedings which are pending or threatened), which may have, or which has had in the 12 months preceding the date of this document, a significant effect on the financial position or profitability of Numeric or the Numeric Group.

9. No significant change in the financial or trading position

(a) *Man*

There has been no significant change in the financial or trading position of the Man Group since 30 June 2014, the date to which Man's last published interim financial statements were prepared.

(b) *Numeric*

There has been no significant change in the financial or trading position of the Numeric Group since 31 December 2013, the date to which Numeric's last published audited financial statements were prepared.

10. Working Capital

Man is of the opinion that, taking into account existing available facilities and existing cash resources available to the Enlarged Group, the working capital available to the Enlarged Group is sufficient for its present requirements, that is, for at least the next 12 months from the date of this document.

11. Consents

Credit Suisse has given and has not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which the name appears.

Deloitte has given and has not withdrawn its written consent to the inclusion of its reports set out in Section A of Part V (Accountants' Report on the Consolidated Historical Financial Information on the Numeric Group) and Section B of Part VI (Accountants' Report on Unaudited *Pro Forma* Financial Information of the Enlarged Group) of this document in the form and context in which they appear.

12. Sources

Certain information contained in this document is derived from eVestment, Bloomberg and MSCI. The information sourced from eVestment, Bloomberg and MSCI has been accurately reproduced and so far as Man is aware and has been able to ascertain from that information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

13. Documents Available for Inspection

Copies of the following documents will be available for inspection, during usual business hours on any Business Day at the registered office of Man, from and including the date of this document up to and including the conclusion of the Man General Meeting:

- (a) the articles of association of Man;
- (b) the audited consolidated accounts of Man for the financial periods ended 31 December 2012 and 31 December 2013 and the unaudited interim consolidated accounts of Man for the six months ended 30 June 2014;
- (c) the audited consolidated accounts of Numeric for the financial periods ended 31 December 2011, 31 December 2012 and 31 December 2013;
- (d) the accountants' reports from Deloitte set out in Section A of Part V (Accountants' Report on the Consolidated Historical Financial Information on the Numeric Group) and Section B of Part VI (Accountants' Report on Unaudited *Pro Forma* Financial Information of the Enlarged Group);

- (e) the unaudited *pro forma* statement of the combined net assets of the Enlarged Group set out in Part VI (Unaudited *Pro Forma* Financial Information of the Enlarged Group);
- (f) the service contracts and letters of appointment of the Directors;
- (g) the written consents referred to in paragraph 11 of this Part VII (Additional Information);
- (h) the Merger Agreement;
- (i) the LLC Agreement;
- (j) the Parent Company Guarantee; and
- (k) this document.

Dated: 7 August 2014

**PART VIII:
DEFINITIONS**

The following definitions apply throughout this document unless the context otherwise requires:

“ 2006 Act ”	the Companies Act 2006 of the United Kingdom
“ Acquisition ”	the proposed acquisition by Man of all outstanding shares of Numeric to be effected by means of the Merger on the terms of and subject to the conditions set out in the Merger Agreement, as more fully described in Part IV (Principal Terms of the Acquisition)
“ Acquisition Agreements ”	the LLC Agreement, the Merger Agreement and the Parent Company Guarantee
“ Actual Operating Expenses ”	means, for any period of determination, the sum of (a) the Operating Expenses for such period plus (b) the Bonus Pool Amount
“ Aggregate Cap ”	has the meaning given to such term in Part II (Risk Factors) of this document
“ AHL ” or “ AHL/MSS ”	the Man Group’s systematic investment specialist business that focuses on delivering a range of absolute return, long-only and momentum-based quantitative funds
“ Announcement ”	the press announcement relating to the Acquisition made by Man on 19 June 2014
“ Annual Dividend ”	has the meaning given to such term in paragraph 7(a) of Part VII (Additional Information) of this document
“ Board ”	the board of directors of Man
“ Board of Managers ”	has the meaning given to such term in paragraph 3 of Part IV (Principal Terms of the Acquisition) of this document
“ Bonus Pool ”	has the meaning given to such term in paragraph 3(d) of Part IV (Principal Terms of the Acquisition) of this document
“ Bonus Pool Amount ”	means, in respect of any relevant period, the greater of (a) the result of (i) the Implied Total Operating Expenses Ratio Amount for such period <i>minus</i> (ii) the Operating Expenses for such period, and (b) zero
“ Business Day ”	a day (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for business in London and, where applicable, New York
“ Call Option ”	has the meaning given to such term in paragraph 3 of Part IV (Principal Terms of the Acquisition) of this document
“ Company Earnings Amount ”	has the meaning given to such term in paragraph 3 of Part IV (Principal Terms of the Acquisition) of this document
“ Completion ”	completion of the Acquisition in accordance with the terms of the Merger Agreement
“ Completion Consideration ”	has the meaning given to such term in paragraph 2(b) of Part IV (Principal Terms of the Acquisition) of this document
“ Core Escrow ”	has the meaning given to such term in paragraph 2(b) of Part IV (Principal Terms of the Acquisition) of this document
“ Core Representations ”	has the meaning given to such term in paragraph 2(d) of Part IV (Principal Terms of the Acquisition) of this document

“Credit Agreement”	has the meaning given to such term in Note 7 of Part V (Consolidated Historical Financial Information on the Numeric Group) of this document
“Credit Suisse”	Credit Suisse Securities (Europe) Limited
“CREST”	the relevant system (as defined in the Regulations) in respect of which Euroclear is the operator (as defined in the Regulations)
“CREST Proxy Instruction”	a properly authenticated CREST message appointing and instructing a proxy to attend and vote in place of a Shareholder at the Man General Meeting and containing the information required to be contained in the CREST manual
“DBSOP”	has the meaning given to such term in paragraph 3 of Part VII (Additional Information) of this document
“Debentures”	has the meaning given to such term in paragraph 7(b) of Part VII (Additional Information) of this document
“DEIP”	has the meaning given to such term in paragraph 3 of Part VII (Additional Information) of this document
“Deloitte”	Deloitte LLP
“Directors”	the directors of Man whose names are set out on page 5 of this document
“Disclosure Rules and Transparency Rules”	the disclosure rules and transparency rules made by the FCA under section 73A of FSMA
“Distribution Amount”	has the meaning given to such term in paragraph 3 of Part IV (Principal Terms of the Acquisition) of this document
“Dividend Amount”	has the meaning given to such term in paragraph 3 of Part IV (Principal Terms of the Acquisition) of this document
“EBITDA”	earnings before interest, tax, depreciation and amortisation
“Employment Agreements”	has the meaning given to such term in paragraph 4 of Part IV (Principal Terms of the Acquisition) of this document
“Enlarged Group”	with effect from Completion, the combined group comprising the Man Group as enlarged following Completion
“Equiniti”	Equiniti Limited, registered in England and Wales with registered number 06226088
“Equity Interests”	has the meaning given to such term in paragraph 3 of Part IV (Principal Terms of the Acquisition) of this document
“Euroclear”	Euroclear UK & Ireland Limited
“FCA”	the UK Financial Conduct Authority
“Form of Proxy”	the form of proxy enclosed with this document, for use by Shareholders in connection with the Man General Meeting
“FRM Acquisition”	has the meaning given to such term in paragraph 7(a) of Part VII (Additional Information) of this document
“FRM”	the Man Group’s open architecture hedge fund and alpha strategy solution for institutional investors including fund of hedge funds, client advisory solutions, outsourced research and consulting
“FRM Holdings”	FRM Holdings Limited
“FRM Scheme”	has the meaning given to such term in paragraph 7(a) of Part VII (Additional Information) of this document

“FSMA”	the Financial Services and Markets Act 2000 of the United Kingdom (as amended)
“FUM”	funds under management
“Fund Product”	any or all of the following, as the context may require: (i) a collective investment scheme, company, unit trust, partnership, note or derivative instrument, bond or other investment vehicle or arrangement in which investors invest and in respect of which any subsidiaries and/or joint ventures of Man and/or of any member within the Man Group directly or indirectly provides investment management, advisory, structuring, risk management, operational or other services; and/or (ii) a collective investment scheme, company, unit trust, partnership, note or derivative instrument, bond or other investment vehicle or arrangement owned, managed or advised by any subsidiaries and/or joint ventures of Man and/or of any member within the Man Group and used directly or indirectly to facilitate or effect the allocation of investor capital to underlying hedge fund strategy and other investment exposures from an investor-facing investment vehicle in respect of which any subsidiaries and/or joint ventures of Man and/or of any member within the Man Group directly or indirectly provides investment management, advisory, structuring, risk management, operational or other services
“GAAP”	generally accepted accounting principles
“GLG”	the Man Group’s discretionary fund management business
“Gross Revenue”	has the meaning given to such term in Note 7 of Part V (Consolidated Historical Financial Information on the Numeric Group) of this document
“HSR Act”	the Hart-Scott-Rodino Antitrust Improvements Act of 1976, 15 U.S.C. §18a
“IFRS”	International Financial Reporting Standards as adopted by the European Union
“Implementation Agreement”	has the meaning given to such term in paragraph 7(a) of Part VII (Additional Information) of this document
“Implied Total Operating Expenses Ratio Amount”	means, for any relevant period, 52.5 per cent. of the aggregate management fees and performance fees received by Newco LLC and its subsidiaries during such period
“IT”	has the meaning given to such term in Part II (Risk Factors) of this document
“Junior Subordinated Debenture Agreement”	shall have the meaning given to such term in paragraph 7(b) of Part VII (Additional Information) of this document
“Listing Rules” or “LR”	the rules and regulations made by the FCA under section 73A of FSMA
“LLC Agreement”	has the meaning given to such term in paragraph 3 of Part IV (Principal Terms of the Acquisition)
“MDSOP”	has the meaning given to such term in paragraph 3 of Part VII (Additional Information) of this document
“Man” or the “Company”	Man Group plc, registered in England and Wales with registered number 08172396

“Man 2013 Annual Report”	the consolidated annual report and accounts of Man for the year ended 31 December 2013
“Management Fees”	has the meaning given to such term in paragraph 7(a) of Part VII (Additional Information) of this document
“Management Interests”	has the meaning given to such term in paragraph 3 of Part I (Letter from the Chairman of Man) of this document
“Management Manager”	has the meaning given to such term in paragraph 3 of Part IV (Principal Terms of the Acquisition) of this document
“Man General Meeting”	the general meeting of Shareholders to be held at 10 a.m. on 5 September 2014 at Riverbank House, 2 Swan Lane, London EC4R 3AD (and any adjournment thereof) for the purposes of considering and, if thought fit, approving the Resolution, notice of which is set out at the end of this document
“Man Group”	Man, its subsidiaries and subsidiary undertakings
“Man Group UK”	has the meaning given to such term in paragraph 7(a) of Part VII (Additional Information) of this document
“Man Guarantor”	Man Strategic Holdings Limited, a company incorporated and registered in England and Wales with registered number 02921462
“Man Merger Holdco”	Man Investments Holdings, Inc., a Delaware corporation and an indirect wholly owned subsidiary of Man
“Man Ordinary Share(s)”	the ordinary shares of 3 ³ / ₇ US cents each in the capital of Man
“Man’s Registrars”	Equiniti
“Man Share Plans”	the DEIP, the DBSOP, the Man Group Sharesave Scheme, the MDSP, the Man Group plc 2012 Deferred Share Plan, the Man Group Partner Deferred Share Plan, the Man Group 2012 Partner Deferred Share Plan, the AHL Partners LLP 2014 Partner Deferred Share Plan, the Man Group Post-Tax Co-Investment Plan and the Man Group Executive Share Option Scheme 2001
“Man Shareholder Approval”	approval of the Resolution by Shareholders at the Man General Meeting
“Man Subsidiary”	Numeric Merger Sub, LLC, a Delaware limited liability company formed to consummate the Merger and a wholly-owned subsidiary of Man Merger Holdco
“Merger”	the merger of Man Subsidiary with and into Numeric dated 18 June 2014 relating to the Merger to implement the Acquisition, further details of which are set out in Part IV (Principal Terms of the Acquisition) of this document
“Merger Agreement”	the agreement and plan of merger between Man, Man Merger Holdco, Man Subsidiary, Man Guarantor, Numeric and TA Associates Management L.P. dated 18 June 2014 relating to the Merger to implement the Acquisition, further details of which are set out in Part IV (Principal Terms of the Acquisition) of this document
“Midco”	has the meaning given to such term in Note 1 of Part V (Consolidated Historical Financial Information on the Numeric Group) of this document
“NAV”	net asset value

“NALP II”	has the meaning given to such term in Note 12 of Part V (Consolidated Historical Financial Information on the Numeric Group) of this document
“Newco LLC”	has the meaning given to such term in paragraph 2(a) of Part IV (Principal Terms of the Acquisition) of this document
“Newco LLC Interests”	has the meaning given to such term in paragraph 2(a) of Part IV (Principal Terms of the Acquisition) of this document
“Numeric”	Numeric Holdings LLC, a Delaware limited liability company
“Numeric Board”	the board of directors of Numeric
“Numeric Group”	Numeric, its subsidiaries and subsidiary undertakings
“Numeric Group Financial Information”	has the meaning given to such term in the section entitled “Presentation of Financial Information” on page 1 of this document
“Numeric Holders”	has the meaning given to such term in paragraph 2(a) of Part IV (Principal Terms of the Acquisition) of this document
“Numeric Management”	has the meaning given to such term in paragraph 2(a) of Part IV (Principal Terms of the Acquisition) of this document
“Notice of General Meeting” or “Notice”	the notice of general meeting set out at the end of this document
“Opco”	has the meaning given to such term in Note 1 of Part V (Consolidated Historical Financial Information on the Numeric Group) of this document
“Operating Agreement”	has the meaning given to such term in paragraph 7(b) of Part VII (Additional Information) of this document
“Operating Expenses”	means, in respect of any relevant period, the sum of all expenses or costs of doing business required to be recorded during such period by Newco LLC or any of its subsidiaries in relation to the operation of their respective businesses, including, save for certain exceptions, any marketing or distribution costs or other amounts payable by way of rebate to any third-party distributor, intermediary or investor or Man, any expenses or costs of doing business incurred or paid prior to such period in respect of goods or services provided or received during such period, and any increases to the Bonus Pool which remain unrecouped from any prior periods (together with interest thereon)
“Operating Expenses Overage”	means, in respect of any relevant period, the amount (if any) by which the Actual Operating Expenses exceed the Implied Total Operating Expenses Ratio Amount
“Option Consideration”	has the meaning given to such term in paragraph 3 of Part I (Letter from the Chairman of Man) of this document
“Option Period”	the period between Completion and the exercise or expiration of the Call Option or Put Option, as the case may be
“Other Numeric Holders”	has the meaning given to such term in paragraph 2(a) of Part IV (Principal Terms of the Acquisition) of this document
“Parent Company Guarantee”	has the meaning given to such term in paragraph 5 of Part IV (Principal Terms of the Acquisition) of this document
“Partnership”	has the meaning given to such term in Note 1 of Part V (Consolidated Historical Financial Information on the Numeric Group) of this document

“Period”	has the meaning given to such term in paragraph 7(a) of Part VII (Additional Information) of this document
“Plan”	has the meaning given to such term in Note 15 of Part V (Consolidated Historical Financial Information on the Numeric Group) of this document
“Preference Shares”	has the meaning given to such term in paragraph 7(a) of Part VII (Additional Information) of this document
“Prior Expenses Overage”	means, in respect of any relevant period, the aggregate amount of all unrecouped Operating Expenses Overage from all prior periods of determination plus interest thereon
“Pro Forma Statement of Net Assets”	has the meaning given to such term in the section entitled “Presentation of Financial Information” on page 1 of this document
“Profit Interests”	has the meaning given to such term in paragraph 3 of Part I (Letter from the Chairman of Man) of this document
“Prospectus Rules”	the rules for the purposes of Part IV of FSMA in relation to the offers of securities to the public and the admission of securities to trading on a regulated market
“Put Option”	has the meaning given to it in paragraph 3 of Part IV (Principal Terms of the Acquisition) of this document
“RBH”	has the meaning given to such term in paragraph 7(a) of Part VII (Additional Information) of this document
“Redemption Agreement”	has the meaning given to such term in Note 14 of Part V (Consolidated Historical Financial Information on the Numeric Group) of this document
“Regulations”	the Uncertificated Securities Regulations 2001 of the United Kingdom
“Resolution”	the ordinary resolution to be proposed at the Man General Meeting (and set out in the notice of general meeting to be contained in this document) to approve the Acquisition
“Revolving Credit Facility”	has the meaning given to such term in paragraph 7(a) of Part VII (Additional Information) of this document
“Revolving Facility Agreement”	has the meaning given to such term in paragraph 7(a) of Part VII (Additional Information) of this document
“Run Rate Management Fee Revenue”	in respect of a relevant period, the aggregate annualized management fees payable to the Numeric Group in respect of that period, based on the net asset values of applicable client accounts
“Sellers’ Representative”	has the meaning given to such term in paragraph 7(a) of Part VII (Additional Information) of this document
“Senior Credit Agreement”	has the meaning given to such term in Note 7 of Part V (Consolidated Historical Financial Information on the Numeric Group) of this document
“Senior Managers”	those persons employed by the Company to assist in the management of the Company from time to time, whose names are set out in paragraph 2 of Part VII (Additional Information) of this document
“SERP”	has the meaning given to such term in Note 3 of Part V (Consolidated Historical Financial Information on the Numeric Group) of this document

“Shareholders”	holders of Man Ordinary Shares
“SMTB”	has the meaning given to such term in paragraph 7(a) of Part VII (Additional Information) of this document
“Sponsor”	means Credit Suisse in its role as sponsor to Man under the Listing Rules for the purposes of the Acquisition and this document
“SRA”	has the meaning given to such term in paragraph 7(a) of Part VII (Additional Information) of this document
“Standard Fundamental Representations”	has the meaning given to such term in paragraph 2(d) of Part IV (Principal Terms of the Acquisition) of this document
“Supplemental Escrow”	has the meaning given to such term in paragraph 2(b) of Part IV (Principal Terms of the Acquisition) of this document
“Supplemental Indemnity”	has the meaning given to such term in Part II (Risk Factors) of this document
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “in uncertificated form”	in relation to a share or other security, a share or other security which is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“Underlying Third Party Products”	any collective investment scheme, company, unit trust, partnership, note or derivative instrument, bond or other investment vehicle or arrangement in respect of which any third party hedge fund manager or adviser provides investment management or advisory services and to which a Fund Product directly or indirectly allocates capital or otherwise procures investment exposure
“US”, “United States” or “United States of America”	the United States of America (including the states of the United States and the District of Columbia), its possessions and territories and all areas subject to its jurisdiction
“Warrants”	has the meaning given to such term in paragraph 7(b) of Part VII (Additional Information) of this document
“Warrant Purchase Agreement”	has the meaning given to such term in Note 7 of Part V (Consolidated Historical Financial Information on the Numeric Group) of this document

For the purpose of this document, “**subsidiary**”, “**subsidiary undertaking**”, “**undertaking**” and “**associated undertaking**” have the meanings given by the 2006 Act.

All times referred to are London time unless otherwise stated.

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and *vice versa*, and words importing the masculine gender shall include the feminine or neutral gender.

**PART IX:
INFORMATION INCORPORATED BY REFERENCE**

The following information is incorporated by reference into this document in accordance with LR13.1.3.

Document	Section	Page number(s) in such document
The unaudited interim consolidated accounts of Man for the six months ended 30 June 2014	Paragraph 10 of Part I (Letter from the Chairman of Man)	17-33

NOTICE OF GENERAL MEETING

MAN GROUP PLC

*(Incorporated and registered in England and Wales under the Companies Act 2006
with registered number 08172396)*

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a **GENERAL MEETING** of Man Group plc (the “**Company**”) will be held at Riverbank House, 2 Swan Lane, London EC4R 3AD at 10 a.m. on 5 September 2014 for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an ordinary resolution.

ORDINARY RESOLUTION

THAT the proposed acquisition by the Company of Numeric Holdings LLC (the “**Acquisition**”), substantially on the terms (including, without limitation, the put and call options relating thereto) and subject to the conditions set out in the Acquisition Agreements (as defined in the circular to shareholders dated 7 August 2014 accompanying this notice (the “**Circular**”)) (a copy of which is produced to the meeting and signed for identification purposes by the chairman of the meeting) and the associated and ancillary documents contemplated by the Acquisition Agreements and/or described in the Circular be and is hereby approved and the directors of the Company (the “**Directors**”) (or any duly constituted committee thereof) be authorised: (1) to take all such steps as may be necessary or desirable in connection with, and to implement, the Acquisition; and (2) to agree such modifications, variations, revisions, waivers or amendments to the terms and conditions of the Acquisition and/or the Acquisition Agreements (provided such modifications, variations, revisions, waivers or amendments are not material), and to any documents or arrangements relating thereto, in either such case as they may in their absolute discretion think fit.

Dated: 7 August 2014

Registered office:
Riverbank House
2 Swan Lane
London EC4R 3AD

By order of the Board



Rachel Rowson
Company Secretary

Notes:

1. Appointment of proxies

A shareholder is entitled to appoint one or more proxies to exercise their right to attend, speak and vote at the meeting. A shareholder may appoint more than one proxy, **provided that** each proxy is appointed to exercise the rights attached to different shares. Such proxy or proxies need not be shareholders of the Company. Unless you have registered to receive shareholder documents via e-mail alert, a Form of Proxy is enclosed. To appoint more than one proxy, please obtain the appropriate number of additional Form of Proxy from the Company’s Registrars, Equiniti, or if you have received a paper Form of Proxy, photocopy the form you have received.

2. Online proxy voting

Alternatively, a shareholder may register a proxy vote online via the Equiniti website www.sharevote.co.uk subject to the terms and conditions shown on the website. To do this you will need your voting ID, task ID and shareholder reference number shown on your Form of Proxy. Shareholders registered with www.shareview.co.uk can log on and vote through that service.

3. Information rights

A person who is not a shareholder, but who has been nominated by a shareholder to enjoy information rights does not have a right to appoint any proxies. A nominated person may have a right

under an agreement with the relevant shareholder to be appointed as a proxy or to have somebody else appointed as a proxy for the meeting. If a nominated person does not have such a right, or has such a right and does not wish to exercise it, he or she may have a right under an agreement with the relevant shareholder to give instructions as to the exercise of voting rights.

4. Record date for voting

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 and section 360B of the Companies Act 2006, the Company specifies that only those shareholders on the shareholder register as at close of business on 3 September 2014 or, if the meeting is adjourned at close of business on the day two days prior to the adjourned meeting shall be entitled to attend or vote at the meeting in respect of the number of ordinary shares registered in their name at that time. Changes to the register after the close of business on the relevant date shall be disregarded in determining the rights of any person to attend or vote at the meeting or any adjourned meeting.

5. Return date for proxies

To be effective, the Form of Proxy, duly signed, or your online votes, must be sent to the Company's Registrars, Equiniti, so as to be received no later than 10 a.m. on 3 September 2014. If you prefer, you may return the Form in an envelope to Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. The completion and return of a Form of Proxy will not preclude shareholders entitled to attend and vote at the meeting from doing so in person if they so wish.

6. CREST proxy voting

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual which can be viewed at www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. CREST messages must, in order to be valid, be transmitted so as to be received by the company's agent, Equiniti, no later than 10 a.m. on 3 September 2014.

7. Voting by corporate representatives

Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of the same powers as the corporation could exercise if it were an individual shareholder, provided they do not do so in relation to the same shares.

8. Shareholders' right to ask questions

Shareholders have the right to ask questions at the meeting relating to the business of the meeting and the Company has an obligation to answer such questions unless they fall within any of the statutory exceptions.

9. Documents available for inspection

Copies of the following documents will be available for inspection at the Company's registered office during normal business hours on any weekday from the date of this Notice until the conclusion of the meeting. All such documents will also be available at Riverbank House, 2 Swan Lane, London EC4R 3AD from 9:45 a.m. on 5 September 2014 until the conclusion of the meeting:

- (a) the articles of association of Man;
- (b) the audited consolidated accounts of Man for the financial periods ended 31 December 2012 and 31 December 2013 and the unaudited interim consolidated accounts of Man for the six months ended 30 June 2014;
- (c) the consolidated accounts of Numeric for the financial periods ended 31 December 2011, 31 December 2012 and 31 December 2013;
- (d) the accountants' reports from Deloitte LLP set out in the Circular at Section A of Part V (Accountants' Report on the Consolidated Historical Financial Information on the Numeric

Group) and Section B of Part VI (Accountants' Report on Unaudited *Pro Forma* Financial Information of the Enlarged Group) of the Circular;

- (e) the unaudited *pro forma* statement of the combined net assets of the Enlarged Group set out in the Circular at Part VI (Unaudited *Pro Forma* Financial Information of the Enlarged Group) of the Circular;
- (f) the service contracts and letters of appointment of the Directors;
- (g) the written consents referred to in paragraph 11 of Part VII (Additional Information) of the Circular;
- (h) the Merger Agreement;
- (i) the LLC Agreement;
- (j) the Parent Company Guarantee; and
- (k) the Circular.

Unless otherwise stated, capitalised terms and expressions used in this paragraph have the meaning given to them in the Circular.

10. Total voting rights

As at 6 August 2014 (the latest practicable date prior to the date of this Notice) the issued ordinary share capital of the Company with voting rights comprised 1,756,241,351 ordinary shares of 3³/₇ US cents each carrying one vote. The total voting rights in the Company as at 6 August 2014 were, therefore, 1,756,241,351.

11. Copy of notice available on website

A copy of this Notice and other information required by section 311A of the Companies Act 2006 can be found at www.man.com.

12. Use of electronic addresses

You may not use any electronic address provided in either this Notice or the Circular or any other related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

