

## Man and Nomura launch an alternative fixed income fund in UCITS format

**London, 10 July 2013** - Man Group plc (“Man”), the global alternative investment manager, and Nomura, Asia’s global investment bank, have launched the Nomura Man Systematic Fixed Income UCITS Fund (the “Fund”). The Fund provides investors with an innovative approach to investing in fixed income markets in the current low interest rate environment. It aims to deliver strong annual returns and offers investors daily liquidity.

The underlying strategy, which has been accessible via a variety of investible formats since summer 2012, is run by Man Systematic Strategies (MSS), Man’s award winning specialist investment manager.<sup>1</sup> MSS merged with AHL, Man’s flagship managed futures manager, to form a joint quantitative investment unit earlier this year.

The strategy seeks to capture largely directional opportunities in emerging and developed swap, futures and FX markets. It trades a balanced portfolio of 50 markets, based on around 300 systematic trading signals, which benefit from the extensive research and trading experience of AHL and MSS. The strategy is managed by Andre Rzym and Stefan Sluke, who both previously worked on AHL’s managed futures funds. Andre has over 20 years of experience in fixed income markets, having headed fixed income at AHL, after working as a fixed income trader at JP Morgan.

When developing the strategy, great attention was paid in particular to how it would behave in times of market stress. Alternative fixed income strategies have been characterised by the use of high leverage and occasional large losses, typically during crisis periods.<sup>2</sup> To mitigate this risk, the strategy trades liquid instruments, uses a low margin-to-equity ratio and does not pursue opportunities with a pronounced tail risk.

**Sandy Rattray, CEO of AHL-MSS said:** “Traditional fixed income investing is clearly challenged in the current environment with interest rates being close to zero per cent. In contrast, the backdrop for alternative fixed income investing is favourable: the competition for pursuing alpha opportunities has diminished as banks have reduced their risk taking in fixed income markets considerably since 2008, creating the potential to generate strong returns. However, it has been difficult for investors to tap into these opportunities in a UCITS-compliant way with daily liquidity. We are therefore pleased to make such an offering available to investors.”

Man’s collaboration with Nomura builds on a long-established relationship between the two companies. MSS is responsible for running the underlying investment strategy, with Nomura providing access via a range of investment products that benefit from robust on-going monitoring oversight.

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<sup>1</sup> Winner of the “Most Innovative Hedge Fund” category in the Hedge Funds Review’s 12th Annual European Single Manager Awards 2012. The awards are for information purposes only and should not be construed as an endorsement of Man, its affiliates or its products.

<sup>2</sup> In 2008, for instance, the Dow Jones Credit Suisse Fixed Income Arbitrage Index fell 28.8%. Source: Man database.

**Jean-Philippe Royer, CEO of Nomura Alternative Investment Management, said:** “A systematic fixed income UCITS fund offering daily liquidity and desirable tail behaviour is a compelling alternative for investors looking for returns in the current environment. This partnership with Man is a great addition to our existing range of UCITS funds and we are pleased to be able to bring such an innovative strategy to a wider audience of investors.”

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**Man Systematic Strategies**

AHL-MSS is led by Tim Wong, Executive Chairman and Sandy Rattray, CEO. It has USD 16.3bn in assets under management (as of 31<sup>st</sup> March, 2013). MSS, which merged with AHL in February 2013, manages three other successful strategies: the Man GLG Europe Plus Source ETF, a broker-based long only equities strategy which draws on analysis and evaluation of the most compelling broker ideas; TailProtect, an actively-managed, long-only volatility fund which aims to provide investors with affordable, optimised tail risk protection; and the Man Commodities Fund, which provides investors with long-only commodities exposure in a UCITS format.

**Nomura**

Nomura is a leading financial services group and the preeminent Asian-based investment bank with worldwide reach. Nomura provides a broad range of innovative solutions tailored to the specific requirements of individual, institutional, corporate and government clients through an international network in over 30 countries. Based in Tokyo and with regional headquarters in Hong Kong, London, and New York, Nomura employs over 27,000 staff worldwide. Nomura's unique understanding of Asia enables the company to make a difference for clients through three business divisions: retail, asset management, and wholesale (global markets and investment banking). For further information about Nomura, please visit [www.nomura.com](http://www.nomura.com).

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