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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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**ANNUAL AUDITED REPORT**  
**FORM X-17A-5**  
**PART III**

SEC

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Section

MAR 04 2014

Washington DC

SEC FILE NUMBER
8-32575

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/13 AND ENDING 12/31/13  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: MAN Investments Inc

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
452 FIFTH AVENUE, 26TH FLOOR

NEW YORK NY 10018  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
SHIRAZ KAJEE (212) - 649 - 6625  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

PRICEWATERHOUSECOOPERS LLP

(Name - if individual, state last, first, middle name)

300 MADISON AVENUE NEW YORK NY 10017  
(Address) (City) (State) (Zip Code)

**CHECK ONE:**

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

DD  
3/18/14

OATH OR AFFIRMATION

I, SHIRAZ KAJEE, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of MAN INVESTMENTS INC. of FEBRUARY 28, 2014, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

[Signature]
Signature
Controller - FinOp
Title

[Signature]
Notary Public

MONICA CHENG
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02CH6212464
Qualified in New York County
Commission Expires Oct 13, 2017

This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss).
(d) Statement of Changes in Financial Condition.
(e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
(f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
(g) Computation of Net Capital.
(h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
(i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
(j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
(k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
(l) An Oath or Affirmation.
(m) A copy of the SIPC Supplemental Report.
(n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

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**Man Investments Inc.**  
**Statement of Financial Condition**  
**December 31, 2013**



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**Man Investments Inc.**  
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## Independent Auditor's Report

To the Board of Directors and  
Stockholder of Man Investments Inc.

We have audited the accompanying statement of financial condition of Man Investments Inc. (the "Company") as of December 31, 2013.

### *Management's Responsibility for the Statement of Financial Condition*

Management is responsible for the preparation and fair presentation of the statement of financial condition in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of statement of financial condition that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the statement of financial condition based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of financial condition. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the statement of financial condition, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the statement of financial condition in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the statement of financial condition. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the accompanying statement of financial condition presents fairly, in all material respects, the financial position of Man Investments Inc. at December 31, 2013, in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers LLP".

February 28, 2014

**Man Investments Inc.**  
**Statement of Financial Condition**  
**December 31, 2013**

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<b>Assets</b>	
Cash	\$ 17,943,701
Due from affiliates	3,267,766
Prepaid expenses	1,164,558
Fees receivable from affiliates	323,315
Total assets	<u>\$ 22,699,340</u>
<b>Liabilities and Stockholder's Equity</b>	
Accrued expenses and other payables	\$ 2,443,274
Payable to broker dealers	1,057,245
Due to affiliates	2,379,224
Taxes payable to affiliate	1,020,969
State taxes payable to affiliate	235,628
Total liabilities	<u>7,136,340</u>
Common stock, \$1 par value; 10,000 shares authorized and 3,600 issued and outstanding	3,600
Additional paid-in capital	33,591,400
Accumulated deficit	<u>(18,032,000)</u>
Total stockholder's equity	<u>15,563,000</u>
Total liabilities and stockholder's equity	<u>\$ 22,699,340</u>

The accompanying notes are an integral part of this financial statement.

# **Man Investments Inc.**

## **Notes to Statement of Financial Condition**

### **December 31, 2013**

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#### **1. Organization and Description of Business**

Man Investments Inc. (the "Company") is a wholly owned subsidiary of Man Investments Holdings Inc. (the "Parent") which, in turn, is wholly owned by Man Investments USA Holdings Inc. ("MIUHI"). MIUHI is ultimately a wholly owned subsidiary of Man Group plc ("Man Group"), a United Kingdom public limited company, thus the Company, too, is an indirect wholly owned subsidiary of Man Group plc.

The Company is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company's activities are limited to selling shares of limited partnerships, direct participation programs and registered investment companies sponsored by affiliates of the Parent.

#### **2. Summary of Significant Accounting Policies**

##### **Basis of Accounting**

The accompanying financial statement has been prepared in conformity with accounting principles generally accepted in the United States of America.

##### **Cash**

Cash represents cash deposits held at banks used in the ordinary course of business.

##### **Fair Value**

Financial assets and financial liabilities are recorded at amounts that approximate fair value. The fair value of the assets or liabilities represents the amount that would be received to sell an asset or, paid to transfer the liability in an orderly transaction between market participants. The Company's financial assets consist of receivables due from affiliates which are generally settled in 30 days. The liabilities owed by the Company consist of general accrued expenses and payables due to broker dealers and affiliates that have short settlement periods and insignificant nonperformance risk.

US GAAP requires disclosure of the estimated fair value of certain financial instruments and the methods and significant assumptions used to estimate their fair values. Certain financial instruments that are not carried at fair value on the balance sheet are carried at amounts that approximate fair value due to their short term or demand nature and generally negligible credit risk. These instruments include cash, due from affiliates, fees receivable from affiliates, accrued expenses and other liabilities, payables to broker-dealers, due to affiliates, taxes payable to affiliates and state taxes payable to affiliates. They are all considered Level 2 financial assets and liabilities, except for cash which is considered Level 1.

##### **Income Taxes**

The Company is included in the consolidated federal and state income tax return filed by MIUHI (an affiliate and parent company in the United States). The Company files a standalone tax return for New York State, New York City and Florida.

Income taxes are determined on a benefit-and-loss basis pursuant to an informal tax sharing agreement between the Company and MIUHI. The Company accounts for income taxes under the asset and liability method. Under this method, deferred taxes are provided for the differences between financial reporting and tax bases of assets and liabilities and are measured using enacted tax rates and laws that will be in effect when these differences are expected to reverse.

**Man Investments Inc.**  
**Notes to Statement of Financial Condition**  
**December 31, 2013**

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Uncertainty in income tax positions (ASC 740-10) is accounted for by recognizing in the financial statements the impact of a tax position when it is more likely than not (i.e., greater than 50 percent) that the tax position would be sustained upon examination by the tax authorities based on the technical merits of the position. Management considers the facts and circumstances available in order to determine the appropriate tax benefit to recognize, including tax legislation and statutes, legislative intent, regulations, rulings and case law. Differences could exist between the ultimate outcome of the examination of a tax position and management's estimate.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**Contingencies**

In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. However, based on experience, management expects the risk of loss to be remote.

**3. Related Party Transactions**

The Parent provides the Company with technology support, legal and compliance, as well as finance and administration services. The Company reimburses the Parent, generally on a monthly basis, for its share of the expenses incurred by the Parent based on the terms listed in the Administrative Services and Expense Funding Agreement.

The Company may at times carry receivable or payable balances with affiliates. At December 31, 2013, the Company owed affiliates \$3,635,821, which is identified on the statement of financial condition.

As described in Note 4, certain employees of the Company participate in deferred compensation incentive plans sponsored by Man Group. To fund the purchase of the shares and fund units, the Company pays Man Group's Employee Benefit Trust. As of December 31, 2013, the company had paid \$1,106,962 for the cost of awards not yet vested, which is included in prepaid expenses in the statement of financial condition.

Substantially all of the Company's revenue is earned from related parties of Man Group. Further, substantially all of the Company's expenses, with the exception of sales load and servicing fees and professional fees, are allocated from related parties of Man Group.

**4. Stock Based Compensation Plans**

Certain employees of the Company participate in stock-based incentive plans sponsored by Man Group. The Company records compensation costs related to share-based transactions based on the fair value of the underlying options.

**Man Investments Inc.**  
**Notes to Statement of Financial Condition**  
**December 31, 2013**

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**Deferred Share Plan**

The Man Deferred Share plan, a long-term incentive plan for selected employees, replaced the Man Co-Investment plan in June 2008. Participants are awarded options for shares in Man Group with no exercise price subject to continuing service throughout the vesting period. There is an incremental vesting over four years subsequent to the award date, in which 10% vests in year one, 15% vests in year two, 20% vests in year three and 55% vests in year four. Effective April 1, 2011, Man Group plc amended the vesting period to 3 years with 1/3<sup>rd</sup> of the award vesting in each year. Awards issued prior to April 1, 2011 continue to vest under the original four-year plan.

At December 31, 2011, the Man US Fund Deferral plan was approved, which is similar to the Man Deferred Share plan in terms of vesting but references the return of selected fund products rather than the issuance of Man Group stock.

The Company estimated the fair value of each share award or option on the date of grant. The valuation of the award depends on a number of financial and demographic assumptions, including dividend yield, volatility and the risk-free interest rate. These were all assumed to be constant over the term of each award. The Company estimated the fair value of each fund product award on the date of grant and through the year ended December 31, 2013. The Company used the assumption that pre-vesting forfeitures are at the rate of 3% per annum, however, the accounting charge is adjusted to reflect actual forfeitures. Therefore, the assumption only affects the timing of the accounting expense, not the amount ultimately charged.

A summary of the activity of awards granted under the Deferred Share plans as of December 31, 2013 and changes during the year then ended is presented below:

	<b>Deferred Share Plans</b>	
	<b>Awards</b>	<b>Weighted-Average Grant Date Fair Value (per Award) <sup>(1)</sup></b>
<b>Nonvested as of January 1, 2013</b>	1,083,436	\$ 2.86
Granted	869,672	1.47
Exercised	(578,096)	2.93
Transfers in (out) <sup>(2)</sup>	528	2.81
Forfeited	(210,778)	1.65
<b>Nonvested as of December 31, 2013</b>	<u>1,164,762</u>	
Total unrecognized compensation expense remaining	\$ 714,823	
Weighted average years expected to be recognized	0.95	

**Man Investments Inc.**  
**Notes to Statement of Financial Condition**  
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	Key Executive Options	
	Awards	Weighted-Average Exercise Price
<b>Outstanding at January 1, 2013</b>	1,246,134	\$ 4.63
Granted	-	
Exercised	-	
Transfers in <sup>(2)</sup>	6,123	4.19
Forfeited	-	
<b>Outstanding at December 31, 2013</b>	1,252,257	
Total unrecognized compensation expense remaining	\$ 37,246	
Weighted average years expected to be recognized	0.89	

<sup>(1)</sup> As Man Group shares trade in Pounds Sterling, all exercise price information has been translated into U.S. dollars using relevant exchange rates during the year.

<sup>(2)</sup> Transfers represent awards for employees that moved entities during the year as the awards follow the employee to the new employing entity.

	Fund Product Plans	
	Awards	Weighted-Average Grant Data Fair Value (per Award) <sup>(1)</sup>
<b>Nonvested as of January 1, 2013</b>	218,726	\$ 3.28
Granted	3,251	149.04
Exercised	(159,351)	2.16
Transfers in (out) <sup>(2)</sup>	2,310	20.43
Forfeited	-	
<b>Nonvested as of December 31, 2013</b>	64,936	
Total unrecognized compensation expense remaining	\$ 354,893	
Weighted average years expected to be recognized	0.69	

<sup>(2)</sup> Transfers represent awards for employees that moved entities during the year as the awards follow the employee to the new employing entity.

**5. Regulatory Requirements**

The Company is subject to the SEC Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and that the ratio of aggregate indebtedness to net capital shall not exceed 15 to 1.

At December 31, 2013, the Company had net capital, as defined, of \$10,807,361 which was \$10,331,605 in excess of the required minimum net capital of \$475,756. The Company's ratio of aggregate indebtedness to net capital was .66 to 1.

**Man Investments Inc.**  
**Notes to Statement of Financial Condition**  
**December 31, 2013**

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The Company operates as an introducing broker and does not hold any customer's funds or securities. Therefore, the Company is exempt from the Customer Protection rule as defined under SEC Rule 15c3-3.

In the normal course of business, the Company may be named as a defendant in certain litigation, arbitrations and regulatory actions arising out of its activities as a broker dealer in securities. Management accrues for such amounts as may be probably and estimable. Management, after consultation with outside counsel, does not believe that any current actions could be material to the financial condition of the Company.

**6. Income Taxes**

The Company has recorded a gross deferred tax asset in the amount of \$4,949,831 at December 31, 2013 primarily due to differences in the book and tax bases of the Company's accrued compensation and net operating loss carryforwards. A full valuation allowance has been established against the net deferred tax asset because the Company has determined that the recoverability of the net deferred tax asset is not more likely-than-not. The table below represents the components of deferred tax asset.

<b>Deferred tax assets</b>	
Net operating losses	\$ 3,815,604
Accrued compensation	836,386
Lease provisions	146,648
Other	151,193
Total deferred tax asset	<u>4,949,831</u>
Valuation allowance	<u>(4,827,475)</u>
Net deferred tax asset	<u>122,356</u>
<b>Deferred tax liabilities</b>	
Deferred rent	<u>122,356</u>
Total deferred tax liabilities	<u>122,356</u>
Net deferred tax asset	<u>\$ -</u>

Tax years 2009 to the present are open for examination by the Federal, state, and local tax authorities. The 2007 through 2009 tax years are currently under examination by New York State.

At December 31, 2013, the Company has no reserve for uncertain tax positions.

**7. Concentration of Credit Risk**

The Company is engaged in various activities in which counterparties primarily include broker-dealers, affiliates and other financial institutions. In the event the counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty. It is the Company's policy to review, as necessary, the credit standing of each counterparty. The Company expects the risk of loss to be remote.

The Company maintains its cash in noninterest bearing accounts at three banks, which at times may exceed Federal insurance limits. At December 31, 2013, the Company held cash above the FDIC limits in the amount of \$17,443,701.

**Man Investments Inc.**  
**Notes to Statement of Financial Condition**  
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**8. Subsequent Events**

The Company performed an evaluation of subsequent events through February 28, 2014, which is the date the financial statement was available to be issued, and did not identify any subsequent events which would require disclosure in this financial statement.



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