

**THIS DOCUMENT AND THE ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the Acquisition, the contents of this Circular, or as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank, solicitor, accountant, fund manager or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent professional adviser in the relevant jurisdiction.**

If you sell, have sold or otherwise transferred all of your Ordinary Shares you should send this Circular and the accompanying documents 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 Circular and/or any accompanying documents into certain jurisdictions other than the United Kingdom may be restricted by law. Therefore, persons into whose possession this Circular 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 Ordinary Shares you should retain these documents.

The Company and the Directors of the Company, whose names appear in the Part entitled “Directors, Company Secretary, Registered Office and Advisers” of this Circular, accept responsibility for the information contained in this Circular. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Circular is not a prospectus but a shareholder circular relating to the Acquisition which has been prepared in accordance with the Listing Rules and does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of or issue, or any solicitation of any offer to sell, otherwise dispose of, issue, purchase, otherwise acquire or subscribe for, any security. This Circular has been approved by the Financial Conduct Authority (the “FCA”).

Application will be made to the FCA for the Consideration Shares to be admitted to the premium listing segment of the Official List and will be made to the London Stock Exchange for the Consideration Shares to be admitted to trading on the main market for listed securities of the London Stock Exchange plc (“Admission”). The Company will publish a prospectus in connection with Admission in due course. It is expected that Admission will become effective, and that dealings in the Consideration Shares will commence on the Business Day immediately following the date of Completion which, subject to the satisfaction of the Conditions, is expected to occur in the second half of 2020 (and not earlier than 1 July 2020).

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## **JUPITER FUND MANAGEMENT PLC**

*(a public limited company incorporated and registered in England and Wales under number 6150195)*

### **PROPOSED ACQUISITION OF MERIAN GLOBAL INVESTORS LIMITED**

#### **Circular to Shareholders and Notice of General Meeting**

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**Your attention is drawn to the letter from Nichola Pease, the Chairman of Jupiter Fund Management plc (the “Company”) which is set out in Part I (*Letter from the Chairman of Jupiter Fund Management plc*) of this Circular and which contains the unanimous recommendation of the Directors that you vote in favour of the Resolution to be proposed at the General Meeting referred to below. Please read the whole of this Circular and, in particular, the risk factors set out in Part II (*Risk Factors*).**

Notice of the General Meeting to be held at The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ, United Kingdom at 3.15 p.m. or, if later, immediately after the conclusion or adjournment of the Annual General Meeting, on 21 May 2020 is set out at the end of this Circular. Shareholders are able to appoint one or more proxies to exercise all or any of their rights to vote at the General Meeting. Such a proxy need not also be a Shareholder of the Company but Shareholders are encouraged to appoint the Chairman of the General Meeting as their proxy given the current UK Government restrictions on attendance at public gatherings. The Company is not distributing a hard copy form of proxy unless specifically requested and Shareholders are encouraged to vote electronically. Please see the notes accompanying the Notice of General Meeting for details regarding the methods available to appoint a proxy, which in each case must be received by the Company’s registrar, Link Asset Services Limited (“Link”) no later than 3.15 p.m. on 19 May 2020 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the

adjourned meeting). Completion of a form of proxy will not prevent a Shareholder from attending the General Meeting or any adjournment thereof, should the situation regarding the coronavirus (Covid-19) outbreak and the applicable UK Government restrictions change such that Shareholders are permitted to, and subsequently wish to, do so. Amended instructions must also be received by Link by the deadline for receipt of forms of proxy.

If Shareholders wish to raise a question in relation to the business of the General Meeting, they should follow the instructions set out in paragraph 20 of Part I (*Letter from the Chairman of Jupiter Fund Management plc*).

No Ordinary Shares or any other securities in the Company have been marketed to, nor are available for purchase, in whole or in part, by the public in the United Kingdom or elsewhere in connection with the admission of the Consideration Shares to the Official List and the London Stock Exchange. **This Circular does not constitute or form part of any invitation to purchase, subscribe for, sell or issue, or any solicitation of any offer to purchase, subscribe for, sell or issue Ordinary Shares.**

Fenchurch Advisory Partners LLP (“**Fenchurch**”), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively as financial adviser for the Company and no one else in connection with the Acquisition and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in connection with the Acquisition and will not regard any other person (whether or not a recipient of this Circular) as its client in relation to the Acquisition, the contents of this Circular or any matter or arrangement referred to in this Circular.

J.P. Morgan Securities plc (“**J.P. Morgan**”), which is authorised by the Prudential Regulation Authority (the “**PRA**”) and regulated by the FCA and the PRA in the United Kingdom, is acting exclusively as financial adviser, sponsor and corporate broker for the Company and no one else in connection with the Acquisition and/or the Admission and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in connection with the Acquisition and/or Admission and will not regard any other person (whether or not a recipient of this Circular) as its client in relation to the Acquisition and/or Admission, the contents of this Circular or any matter or arrangement referred to in this Circular.

Numis Securities Limited (“**Numis**”), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively as corporate broker for the Company and no one else in connection with the Acquisition and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in connection with the Acquisition and will not regard any other person (whether or not a recipient of this Circular) as its client in relation to the Acquisition, the contents of this Circular or any matter or arrangement referred to in this Circular.

Apart from the responsibilities and liabilities, if any, which may be imposed on Fenchurch, J.P. Morgan and/or Numis by the FSMA or the regulatory regime established thereunder, neither Fenchurch, J.P. Morgan and/or Numis nor any of their respective affiliates accept any responsibility or liability whatsoever and make no representations or warranties, express or implied, in relation to the contents of this Circular, including its accuracy, completeness or verification or for any other statement made or purported to be made by the Company, or on the Company’s behalf, in connection with the Group, the Enlarged Group, the Acquisition, Admission or the Consideration Shares, and nothing contained in this Circular is, or shall be, relied upon as a promise or representation in this respect, whether or not as to the past or the future. Fenchurch, J.P. Morgan and Numis and their respective affiliates accordingly disclaim to the fullest extent permitted by applicable law all and any duty, liability or responsibility whatsoever (whether direct or indirect and whether arising in tort, contract, under statute or otherwise (save as referred to above)) which they might otherwise be found to have in respect of this Circular or any such statement.

**YOU SHOULD READ THE WHOLE OF THIS CIRCULAR AND ALL DOCUMENTS INCORPORATED INTO IT BY REFERENCE IN THEIR ENTIRETY. IN PARTICULAR, YOU SHOULD TAKE ACCOUNT OF PART II (RISK FACTORS) OF THIS CIRCULAR FOR A DISCUSSION OF THE RISKS THAT MIGHT AFFECT THE VALUE OF YOUR SHAREHOLDING IN THE COMPANY.**

**THE CONTENTS OF THIS CIRCULAR OR ANY SUBSEQUENT COMMUNICATION FROM THE COMPANY, FENCHURCH, J.P. MORGAN, NUMIS OR ANY OF THEIR RESPECTIVE AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS ARE NOT TO BE CONSTRUED AS LEGAL, FINANCIAL OR TAX ADVICE. EACH PROSPECTIVE INVESTOR**

**SHOULD CONSULT HIS, HER OR ITS OWN SOLICITOR, INDEPENDENT FINANCIAL ADVISER OR TAX ADVISER FOR LEGAL, FINANCIAL OR TAX ADVICE.**

### **NOTICE TO OVERSEAS INVESTORS**

The release, publication or distribution of this Circular in jurisdictions other than the United Kingdom may be restricted by law. No action has been taken by the Company, Fenchurch, J.P. Morgan or Numis to permit the release, publication or distribution of this Circular in any jurisdiction (other than the United Kingdom) where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this Circular nor any advertisement may be released, published or distributed in any other jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Circular comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

### **NOTICE TO UNITED STATES INVESTORS**

The Consideration Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”), or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, pledged, or otherwise transferred, directly or indirectly, in the United States absent registration under the US Securities Act or an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

The Consideration Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or any other governmental or regulatory authority in the United States, nor have any of the foregoing authorities confirmed, passed upon, determined or endorsed the merits of the Acquisition or the accuracy or adequacy of the information contained in this Circular. Any representation to the contrary is a criminal offence in the United States.

The Consideration Shares generally should not be treated as “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act and persons who receive securities under the Acquisition (other than “affiliates” as described below) may resell them without restriction under the US Securities Act. Under US securities laws, persons who are or will be deemed to be affiliates (as defined under the US Securities Act) of the Company or Merian prior to, or of the Company after, the date of Completion may not resell the Consideration Shares received in connection with the Acquisition without registration under the US Securities Act, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Whether a person is an affiliate of a company for such purposes depends upon the circumstances, but affiliates of a company can include certain officers and directors and significant shareholders. Sellers who believe they may be affiliates for the purposes of the US Securities Act should consult their own legal advisers prior to any resale of Consideration Shares received in connection with the Acquisition.

This Circular is dated 27 April 2020

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## **IMPORTANT INFORMATION**

### **FORWARD-LOOKING STATEMENTS**

Certain statements contained in this Circular constitute “forward-looking statements”. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company’s control and all of which are based on the Directors’ current beliefs and expectations about future events. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms “targets”, “believes”, “estimates”, “plans”, “prepares”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology.

Such forward looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Group, the Merian Group and/or the Enlarged Group will operate in the future. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances which may or may not occur in the future. Forward-looking statements are not guarantees of future performance. Actual results, performance or achievements of the Group, the Merian Group and/or the Enlarged Group, or industry results, may be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. In addition, even if actual performance, results of operations, internal rate of return, financial condition, distributions to Shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this Circular, those results or developments may not be indicative of results or developments in subsequent periods.

Key risks, uncertainties and other factors that could cause actual results to differ from those expected are set out more fully in Part II (*Risk Factors*) of this Circular. Investors should specifically and carefully consider these factors, which could cause actual results to differ, before making an investment decision.

Each forward-looking statement speaks only as at the date of the particular statement and is not intended to provide any representations, assurances or guarantees as to future events or results. To the extent required by the Prospectus Regulation, the Listing Rules, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation and other applicable regulation, the Company will update or revise the information in this Circular. Otherwise, the Company undertakes no obligation to update or revise any forward-looking statements or other information, and will not publicly release any revisions it may make to any forward-looking statements or other information that may result from events or circumstances arising after the date of this Circular.

For the avoidance of doubt, nothing in this Circular constitutes a qualification to the working capital statement set out in paragraph 16 of Part V (*Additional Information*) of this Circular.

### **NO PROFIT FORECASTS, ESTIMATES OR QUANTIFIED FINANCIAL BENEFITS STATEMENTS**

No statement in this Circular is intended as a profit forecast, profit estimate or quantified financial benefits statement for any period and no statement in this Circular should be interpreted to mean that earnings or earnings per share for the Enlarged Group, the Company and/or Merian for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share of the Company or Merian.

### **FINANCIAL INFORMATION RELATING TO THE MERIAN GROUP**

All financial information relating to the Merian Group contained in this Circular, unless otherwise stated, has been prepared to reflect the combined and consolidated historical financial performance of the Merian Group, applying accounting policies (as described in the notes to the combined and consolidated historical financial information in Part III (*Historical Financial Information relating to the Merian Group*) of this Circular) which are consistent with those used by the Group in its audited financial statements as at and for the year ended 31 December 2019.

Unless otherwise stated, all financial information relating to the Merian Group in this Circular has been prepared in accordance with the basis of preparation set out in note 2.1 to the historical financial information set out in Section B of Part III (*Historical Financial Information relating to the Merian Group*) of this Circular and should be read in conjunction with PricewaterhouseCoopers LLP’s report thereon set out in Section A of Part III (*Historical Financial Information relating to the Merian Group*) of this Circular.

### **PRO FORMA FINANCIAL INFORMATION**

Certain unaudited *pro forma* financial information in relation to the Enlarged Group is set out in Part IV (*Unaudited Pro Forma Financial Information*) of this Circular.

### **ALTERNATIVE PERFORMANCE MEASURES**

The Group utilises a range of alternative performance measures to assess the Group's performance. These are defined in the section of the Annual Report 2019 entitled "The Use of Alternative Performance Measures (APMs)", which together with the relevant paragraphs and sections of the Annual Report 2019 providing reconciliations of such alternative performance measures to IFRS, are incorporated by reference into and form part of this Circular.

### **CURRENCY PRESENTATION**

Unless otherwise indicated, all references in this Circular to "pounds", "pounds sterling", "£", "pence" or "p" are to the lawful currency of the United Kingdom.

### **ROUNDING**

Certain figures contained in this Circular or incorporated into this Circular by reference, including financial and numerical information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables contained in this Circular or incorporated into this Circular by reference may not conform exactly to the total figure given for that column or row.

### **REFERENCES TO DEFINED TERMS**

Certain terms used in this Circular, including certain capitalised terms and certain technical and other terms, are defined, and certain selected industry and technical terms used in this Circular are defined and explained in Part VI (*Definitions*) of this Circular.

### **NO INCORPORATION OF WEBSITE INFORMATION**

The contents of the Group's and the Merian Group's websites do not form part of this Circular.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The times and dates set out in the expected timetable of principal events below and mentioned throughout this Circular are based on the Directors' current expectations and will depend, amongst other things, on the dates upon which the Conditions to the Acquisition are satisfied (or, where permitted, waived). The times and dates set out below may be adjusted by the Company in which event details of the new times and dates will be notified to the FCA, the London Stock Exchange and, where appropriate, Shareholders through a Regulatory Information Service. Notwithstanding the foregoing, Shareholders may not receive any further written communication. All references to times in this Circular are to London times unless otherwise stated.

<b>Event</b>	<b>Time and/or Date</b>
Announcement of the Acquisition	17 February 2020
Publication of this Circular	27 April 2020
Latest time and date for receipt of forms of proxy for the General Meeting	3.15 p.m. on 19 May 2020
Voting record time for the General Meeting	Close of business on 19 May 2020
General Meeting	3.15 p.m. (or, if later, immediately after the conclusion or adjournment of the Annual General Meeting) on 21 May 2020
Publication of the Prospectus	Three Business Days prior to Admission
Completion of the Acquisition	Second half of 2020 (and not earlier than 1 July 2020) <sup>(2)</sup>
Admission and commencement of dealings in the Consideration Shares on the London Stock Exchange	By 8.00 a.m. on the Business Day immediately following the date of Completion
Longstop Date	31 December 2020 <sup>(3)</sup>

Notes:

- (1) Methods available to appoint a proxy include: (i) completing the online form of proxy by logging on to <http://www.signalshares.com> and selecting Jupiter Fund Management plc; (ii) requesting a hard copy of proxy from Link; and (iii) in the case of CREST members through the CREST electronic proxy appointment service. Please see the notes accompanying the Notice of General Meeting for more details.
- (2) This is dependent on satisfaction (or, where permitted, waiver) of the Conditions. The Company will confirm the date of Completion of the Acquisition at the relevant time through a Regulatory Information Service.
- (3) Or such later date as Mintaka (a fund advised by TA Associates, which is the institutional Seller under the SPA) and the Company may agree or as may be determined in accordance with the SPA.

## INDICATIVE STATISTICS

Number of Ordinary Shares in issue as at the Latest Practicable Date (with no Ordinary Shares held in treasury)	457,699,916 <sup>(1)</sup>
Number of Consideration Shares to be issued to the Sellers in connection with the Acquisition	95,360,825
Number of Ordinary Shares in issue immediately following Admission	553,060,741 <sup>(1)</sup>
Consideration Shares as a percentage of the issued share capital of the Company immediately following Admission	approximately 17.2 per cent. <sup>(1)</sup>

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Note:

- (1) These figures are calculated assuming that the number of Ordinary Shares in issue and to be issued as at close of business on the Latest Practicable Date do not change and that no issues of Ordinary Shares, other than the Consideration Shares, occur between the Latest Practicable Date and Admission.



## **DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS**

Directors	Nichola Pease, Chairman Jonathon Bond, Senior Independent Director Edward Bonham Carter, Executive Vice Chairman Andrew Formica, Chief Executive Officer Wayne Mepham, Chief Financial Officer Bridget Macaskill, Independent Non-Executive Director Karl Sternberg, Independent Non-Executive Director Polly Williams, Independent Non-Executive Director Roger Yates, Independent Non-Executive Director
Company Secretary	Lisa Daniels
Registered Office	The Zig Zag Building 70 Victoria Street London SW1E 6SQ United Kingdom
Joint Financial Adviser	Fenchurch Advisory Partners LLP 110 Bishopsgate London EC2N 4AY United Kingdom
Joint Financial Adviser, Sponsor and Joint Corporate Broker	J.P. Morgan Securities plc 25 Bank Street Canary Wharf London E14 5JP United Kingdom
Joint Corporate Broker	Numis Securities Limited 10 Paternoster Square London EC4M 7LT United Kingdom
Legal Adviser to the Company	Clifford Chance LLP 10 Upper Bank Street London E14 5JJ United Kingdom
Legal Adviser to the Sponsor	Linklaters LLP One Silk Street London EC2Y 8HQ United Kingdom
Auditor and Reporting Accountants	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT United Kingdom
Registrar	Link Asset Services Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom

## PART I

### LETTER FROM THE CHAIRMAN OF JUPITER FUND MANAGEMENT PLC

#### JUPITER FUND MANAGEMENT PLC

*(Incorporated and registered in England and Wales with registered number 6150195)*

**Directors:**

Nichola Pease  
Jonathon Bond  
Edward Bonham Carter  
Andrew Formica  
Wayne Mepham  
Bridget Macaskill  
Karl Sternberg  
Polly Williams  
Roger Yates

**Registered Office:**

The Zig Zag Building  
70 Victoria Street  
London SW1E 6SQ  
United Kingdom

27 April 2020

Dear Shareholder,

### PROPOSED ACQUISITION OF MERIAN GLOBAL INVESTORS LIMITED

and

### NOTICE OF GENERAL MEETING

1. **INTRODUCTION**

On 17 February 2020, Jupiter Fund Management plc (the “**Company**”) announced that it had entered into a conditional agreement to acquire Merian Global Investors Limited (“**Merian**”) from Mintaka LP (“**Mintaka**”) (a fund advised by TA Associates Management LP) and certain members of Merian’s management (amongst others) for upfront equity consideration to be satisfied through the issue to the Sellers of 95,360,825 new Ordinary Shares (the “**Consideration Shares**”) (which, based on the Company’s prevailing share price as at such date represented a valuation of £370 million and based on the Company’s prevailing share price as at 22 April 2020 represent a valuation of approximately £195.5 million) representing approximately 17.2 per cent. of the enlarged issued ordinary share capital of the Company, with an additional deferred earn-out of up to £20 million for the five Key Merian Management Shareholders and their respective teams plus an additional £10 million which Mintaka will bear the cost of by way of an indemnity to the Company. Following Admission, Mintaka is expected to own approximately 15.9 per cent. of the enlarged issued share capital of the Company and the Key Merian Management Shareholders are expected collectively to own approximately 0.5 per cent. of the enlarged issued share capital of the Company (in each case, based on the position at the time of signing of the SPA but which may change depending on, among other things, the market price of the Company’s Ordinary Shares shortly before Completion).

Merian will be acquired with target net debt of £29 million if Completion occurs on 1 July 2020 or otherwise on or before the record date for the Company’s 2020 interim dividend, and with target net debt of £35 million if Completion occurs after the record date for the Company’s 2020 interim dividend subject, in each case, to an adjustment if net debt at Completion exceeds the relevant amount.

The Company will also benefit from downside protection through a purchase price adjustment mechanism (the “**Purchase Price Adjustment**”), to be settled in cash, up to a maximum value of £100 million. The Purchase Price Adjustment will be primarily determined with reference to the Merian Group’s AUM as at 31 December 2021 (taking account of the net impact of subscriptions and redemptions on funds managed by the Key Merian Desks between the date of the General Meeting and 31 December 2021 and excluding market movements, in accordance with the terms of the SPA).

The Board believes that the Acquisition enhances the Group's position as one of the UK's leading active-only asset managers, with the Enlarged Group expected to have approximately £50.7 billion of AUM on a combined basis (based on the Group's and the Merian Group's respective AUM as at 31 March 2020), and provides significant benefits to its clients and compelling strategic and financial benefits for its Shareholders.

Shareholders will be well aware of the volatility in the UK and in the global economy and financial markets generally and of share prices in the asset management sector, including the Company's share price, principally as a result of the impact of the coronavirus (Covid-19) pandemic. The Board is continuing to monitor these developments closely and to take appropriate actions to mitigate the impact on clients, Shareholders, employees and other stakeholders, but remains convinced of the compelling strategic and financial benefits of the Acquisition as set out herein and that the combination of the two businesses will create an Enlarged Group which is, in the Board's view, more resilient and better able to address the challenges and opportunities arising from the current volatility, as well as future challenges and opportunities.

Owing to its size, the Acquisition constitutes a class 1 transaction for the purposes of the Listing Rules and therefore requires the approval of the Company's Shareholders. Accordingly, the General Meeting has been convened for 3.15 p.m. or, if later, immediately after the conclusion or adjournment of the Annual General Meeting, on 21 May 2020 at The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ, United Kingdom. The notice convening the General Meeting is set out at the end of this Circular and an explanation of the Resolution to be proposed at the General Meeting is set out in paragraph 17 below.

Regrettably, under the UK Government's current guidance on social distancing and the prohibition on non-essential travel and public gatherings, it will not be possible for Shareholders to attend the General Meeting in person unless both the coronavirus (Covid-19) situation and the UK Government guidance has changed by the date of the meeting. Your Board and I very much regret the need to impose this restriction on attendance but it is important that the Company, its employees and Shareholders comply with the law and adopt the measures needed to slow the spread of the virus. Ensuring that Shareholders are able to vote at the General Meeting and to raise questions on the business of the meeting is our objective. Information regarding the revised arrangements for voting and submitting questions, together with details of the proposed format of the General Meeting, is set out below and in the Notice of General Meeting which is set out at the end of this Circular. Your Board believes it is important to proceed with convening the General Meeting at this time, notwithstanding the current restrictions, as it has always been the intention to complete the Acquisition on, or as soon as possible after, 1 July 2020 and holding the General Meeting on the same day as the Company's Annual General Meeting will help achieve this and avoids the need to make separate arrangements for the General Meeting, especially as there can be no certainty as to the duration of the current restrictions on public gatherings. I would like to thank all Shareholders for their co-operation and understanding.

I am writing to give you further details of the Acquisition, including the background to and reasons for it, to explain why the Board considers it to be in the best interests of the Company and Shareholders as a whole and to seek your approval of the Resolution at the General Meeting.

## 2. **BACKGROUND TO AND REASONS FOR THE ACQUISITION**

The Board believes there is a compelling strategic and financial rationale for the Acquisition and that the Acquisition will provide attractive strategic, commercial and financial benefits to the Group, its clients and its Shareholders as outlined below:

### **Client Benefits**

- Significantly enhances the Group's UK investment capability by adding scale across investment style and market capitalisation range.
- Widens the Group's range of investment capabilities available to clients beyond the UK.
- Adds scale to strategic investments in the Group's capabilities; for example, the build-out of Fixed Income and Global Emerging Markets.
- Enhances the ability of the Enlarged Group to develop new strategies over the longer term.

- Provides greater opportunity to invest in the Enlarged Group; for example, the capacity to invest in technology to support alpha generation and improve client servicing.

### **Strategic Benefits**

#### **Enhances the Group's position as one of the UK's leading high-conviction active asset managers**

- The Enlarged Group, operating primarily under the Jupiter brand, will be a leading UK active specialty manager which is expected to have approximately £50.7 billion of AUM, including approximately £27.3 billion of AUM invested in equities, £11.8 billion of AUM invested in fixed income, £8.0 billion of AUM invested in multi-asset products and £3.5 billion of AUM invested in alternatives, in each case on a combined basis (based on the Group's and the Merian Group's respective AUM as at 31 March 2020).

#### **Complementary and additive acquisition – involving two businesses with aligned cultures and investment philosophy – which will not alter the Group's purpose and focus**

- The Group and the Merian Group share a commitment to high-conviction, active asset management with no imposed house view, providing fund managers with the freedom to make investment decisions, reinforcing the Group's position as an attractive home for leading investment talent.
- In the announcement of the Acquisition it was stated that the Merian Group had approximately 53 per cent. of its mutual fund AUM above median over three years to 31 December 2019, and approximately £8 billion of mutual fund AUM in the top decile over ten years to 31 December 2019. It was also stated that both firms have a long track record of delivering attractive returns for clients, with the Enlarged Group having approximately 66 per cent. of AUM above median over three years on a combined basis to 31 December 2019.
- As a result of challenged investment performance due to recent volatility in market conditions, and as a result of strong historic performance falling outside of the relevant updated measurement period to 31 March 2020, these figures have decreased from those previously stated. The Merian Group had approximately 21 per cent. of its mutual fund AUM above median over three years to 31 March 2020, and approximately £3.7 billion of mutual fund AUM in the top decile on a combined basis over ten years to 31 March 2020. The Enlarged Group has approximately 63 per cent. of AUM above median over three years on a combined basis to 31 March 2020.

#### **Reinforces the Group's core UK franchise by broadening UK capabilities and strengthening its UK retail distribution presence**

- Adds to the Group's capabilities in UK equities, bringing additional expertise in UK all-cap growth and small and mid-cap strategies and complementing the Group's strong value franchise.
- Expected to create the second largest manager of retail funds in the UK, with the Enlarged Group expected to have approximately £30.0 billion AUM on a combined basis (based on the Group's and the Merian Group's respective UK mutual fund AUM as at 31 March 2020).

#### **Strengthens and diversifies the Group's client base with distinct client sets in international markets, particularly the Middle East, APAC and Latin America / US Offshore**

- Limited institutional client overlap, adds new relationships with leading global institutions and sovereign wealth funds.
- Provides meaningful AUM in geographies including the Middle East, APAC and Latin America / US Offshore.
- The Acquisition will also add scale and capability to the Group's investment trust business through the addition of Merian Chrysalis.

### **Extends the Group's capabilities into product gaps with growth potential and adds scale to other existing capabilities**

- Extends the Group's investment capabilities into new areas such as global systematic equity and contingent capital and increases scale in growth areas such as emerging market debt, multi-sector bonds, liquid alternatives and corporate bonds and equity.

### **Delivers improvement in fund diversification**

- The Acquisition will meaningfully improve the Group's fund diversity, with the proportion of AUM managed by its largest five funds falling from approximately 50 per cent. to approximately 36 per cent. of the Enlarged Group's AUM following Completion (based on the Group's and the Merian Group's respective AUM as at 31 March 2020).
- The number of funds with AUM above £1 billion is expected to increase from nine to thirteen (based on the AUM of the Group's and the Merian Group's respective funds as at 31 March 2020).
- Top four capabilities move from 79 per cent. of the Group's AUM to 58 per cent. of the Enlarged Group's AUM following Completion (based on the Group's and the Merian Group's respective AUM as at 31 March 2020).

### **Increases the Group's resilience and ability to navigate wider market and economic volatility**

- The Enlarged Group is expected to be better positioned to successfully navigate periods of instability with enhanced scale, greater diversification of its Products and a more efficiently utilised operating platform delivering enhanced margins, compared to the Group on a standalone basis.
- The Enlarged Group is also expected to have greater capacity to absorb short term impact from market volatility.

### **Increases the Group's capacity to invest, positioning the business better to execute its growth agenda**

- Provides greater scale and the financial resources with increased capacity to invest in future growth, particularly through recruitment of investment talent, expansion of the Group's distribution footprint and the development of new products for the benefit of clients.
- Better positions the Group over the longer term to invest in the growth of its international, institutional and investment trust capabilities and execute its strategic priorities to diversify the business by channel, geography and product.

## **Financial Rationale**

### **Compelling financial benefits for Shareholders**

- Attractive value creation opportunity for Shareholders, underpinned by significant cost saving from removal of operational overlap and duplication within the Enlarged Group.
- Expected to deliver attractive accretion in Underlying EPS from Completion, and increasing in 2022 onwards relative to the Group's expected standalone financial performance for the same periods, with returns to the Group in excess of its cost of capital.
- Following completion of the integration of the Merian Group's business and extraction of the anticipated cost synergies from across the Enlarged Group, on a fully-phased basis, the Board expects the acquired business to have the potential to contribute at an Operating Margin not below 40 per cent. on prudent asset level assumptions as at the date of this Circular.

### **Clear integration plan**

- The Merian Group's business will be largely integrated and migrated to the Group's scalable operating platforms, which have benefited from substantial recent investment.
- Clear and well-designed integration plan to deliver cost savings whilst ensuring stability, overseen by the Group's experienced management team.
- The Enlarged Group will operate primarily under the Jupiter brand.

- One-off transaction and integration costs are estimated to be £40 million to £45 million, and of this amount £27 million to £31 million relate to integration and the delivery of the anticipated cost synergies, substantially all of which are expected to be incurred in the first 12 months post-Completion.

### 3. SUMMARY OF THE TERMS OF THE ACQUISITION

#### Sale and Purchase Agreement

On 17 February 2020, the SPA was entered into by the Company and the Sellers to give effect to the Acquisition. Pursuant to the terms of the SPA and subject to the satisfaction, or, where permitted, waiver of the conditions set out therein, the Sellers have agreed to sell the entire issued and to be issued share capital of Merian to the Company. The principal terms of the SPA are briefly summarised below and further detail is set out in Part V (*Additional Information*) of this Circular.

#### Consideration

In consideration for the sale of the entire issued and to be issued share capital of Merian to the Company, the Sellers will receive in aggregate 95,360,825 Consideration Shares, with Mintaka expected to own approximately 15.9 per cent. of the Ordinary Shares in issue at that time and the Key Merian Management Shareholders collectively expected to own approximately 0.5 per cent. of the Ordinary Shares (in each case, based on the position at the time of signing of the SPA). Whilst the total number of Consideration Shares to be issued to the Sellers pursuant to the SPA is fixed, the SPA contains a mechanism regulating the allocation of the Consideration Shares among the Sellers depending, among other things, on the market price of the Company's Ordinary Shares shortly before Completion. This may result in Mintaka owning less than 15.9 per cent. of the Ordinary Shares in issue following Admission. The precise figures will not be known until shortly before Completion and will be publicly announced through a Regulatory Information Service at or shortly after Completion.

The number of Consideration Shares to be issued has been calculated based on a price of 388 pence per Consideration Share on the basis of the volume weighted average price of an Ordinary Share over the period of 20 trading days ending on and including 14 February 2020.

If there is a reduction in Merian AUM over the period from close of business on the date on which the Resolution is passed at the General Meeting to close of business on 31 December 2021, including certain net flows over the period, but excluding market movements, the Purchase Price Adjustment will be triggered. The Purchase Price Adjustment will be determined by reference to the following thresholds such that the value of the Purchase Price Adjustment will be:

- zero, if the Merian AUM at the end of the measurement period is 85 per cent. (or more) of the Merian AUM at the beginning of the measurement period;
- the value represented by 5,154,639 Consideration Shares (being £20 million divided by £3.88), if the Merian AUM at the end of the measurement period is 84.99 per cent. of the Merian AUM at the beginning of the measurement period;
- the value represented by 10,309,278 Consideration Shares (being £40 million divided by £3.88), if the Merian AUM at the end of the measurement period is 74.99 per cent. of the Merian AUM at the beginning of the measurement period; and
- the value represented by 25,773,196 Consideration Shares (being £100 million divided by £3.88), if the Merian AUM at the end of the measurement period is 59.99 per cent. or lower of the Merian AUM at the beginning of the measurement period.

A linear interpolation will apply if the Merian AUM at the end of the measurement period is an amount that falls between the thresholds set out above.

Any pre-tax profit retained by the Company in respect of performance fees generated by Merian between Completion and 31 December 2021 will be applied to reduce Mintaka's liability, if any, to make a payment in respect of the Purchase Price Adjustment.

The Purchase Price Adjustment is payable as an amount in cash by Mintaka. The cash payment is expected to be funded through a sale by Mintaka of the relevant number of Consideration Shares as determined on the basis summarised above, with the proceeds arising from such sale of that number of shares at the then prevailing market price (net of dealing costs) being paid to the Company.

Certain of Mintaka's payment obligations pursuant to the SPA and other transaction documents, including any payment in respect of the net debt adjustment, the Purchase Price Adjustment and certain indemnification obligations in connection with the Acquisition (including the deferred earn-out plan) are subject to a guarantee provided by certain funds managed by members of TA Associates' Group.

#### *Conditions*

Completion is subject to the satisfaction (or, where permitted, waiver) of certain customary conditions by 31 December 2020 (or any later date as the Company and Mintaka may agree or as is determined in accordance with the terms of the SPA). Such conditions include approval of the Acquisition by the Shareholders at the General Meeting to be convened pursuant to the Notice of General Meeting set out at the end of this Circular; the Consideration Shares having been allotted to the Sellers (unconditionally subject only to Completion and Admission); and the FCA and the London Stock Exchange having confirmed to the Company that the respective applications for Admission have been approved and that Admission will become effective. In addition, Completion is also conditional upon necessary regulatory approvals having been obtained. In particular, approvals from the FCA (in the United Kingdom) and regulators in Hong Kong, the Republic of Ireland, Luxembourg and Taiwan are required.

#### *Warranties and indemnification*

The SPA contains warranties and limitations customary for a transaction of this type. In addition, the SPA contains a post-Completion net debt adjustment whereby there would be a pound-for-pound indemnification by Mintaka to the Company to the extent that the Merian Group's actual net debt at Completion exceeds an agreed target net debt figure of £29 million if Completion occurs on 1 July 2020 or otherwise on or before the record date for the Company's 2020 interim dividend, such target increasing to £35 million if Completion occurs after the record date for the Company's 2020 interim dividend. Warranty and indemnity insurance has been obtained to provide recourse for the Company in the event that certain warranties are breached and/or payment becomes due pursuant to the deed of tax indemnity.

#### *Conduct before Completion and termination rights*

The Sellers (other than Zedra Trust Company) have agreed to comply with customary provisions relating to the conduct of the Merian Group's business during the period between the date of the SPA and Completion. The SPA may be terminated by the Company in certain circumstances including a material breach of certain provisions of the SPA and may also be terminated by the mutual agreement of the Sellers and the Company.

#### **Restrictive covenants**

The Key Merian Management Shareholders and other Merian Group employees will be subject to customary restrictive covenants in their employment agreements, including non-solicit and non-compete obligations for the duration of their employment by the Enlarged Group and for a period following termination of employment. The SPA also contains customary restrictions to prevent the Merian Management Shareholders from competing with the business of the Group, or soliciting Enlarged Group employees, customers or clients, in each case, for a period of two years following Completion.

#### **Relationship Agreement**

The Company has entered into a relationship agreement with Mintaka, as the direct shareholder of the Company, and TA Associates, as the indirect shareholder of the Company (the "**Relationship Agreement**") which will, conditional upon Admission and for such time as Mintaka, together with any member of TA Associates' Group, holds in aggregate 10 per cent. or more of the Ordinary Shares in issue from time to time, regulate the on-going relationship between the Company, Mintaka and TA Associates following Admission.

The Relationship Agreement contains customary provisions to ensure that the Company is independent for the purposes of the Listing Rules and includes undertakings from Mintaka and TA Associates that: (i) transactions and arrangements between them (and/or any of their respective associates) and the Group will be conducted at arm's length and on normal commercial terms; (ii) neither of them nor any of their respective associates will take any action that would have the effect of preventing the

Company from complying with its obligations under the Listing Rules; and (iii) neither of them nor any of their respective associates shall propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules.

Pursuant to the Relationship Agreement, for so long as Mintaka, together with any member of TA Associates' Group, holds in aggregate 10 per cent. or more of the Ordinary Shares in issue from time to time, Mintaka and TA Associates shall be entitled to jointly nominate one non-executive director for appointment to the Board (a "**Shareholder Director**"), who shall be appointed as a director of the Company subject to certain conditions.

Christopher Parkin has been nominated as the initial Shareholder Director by Mintaka and TA Associates for appointment to the Board and is expected to be appointed as a director with effect from, and conditional upon, Admission.

Any Shareholder Director will be subject to certain non-solicit and non-compete restrictions whilst he or she is a member of the Board and for a period of time after he or she has ceased to be a director of the Company.

#### **TA Associates Lock-Up Agreement**

Mintaka has entered into a share lock-up agreement with the Company (the "**TA Associates Lock-Up Agreement**") in respect of the Consideration Shares to be received by Mintaka on Admission. The TA Associates Lock-Up Agreement is conditional upon Admission and restricts Mintaka from disposing of any of its Consideration Shares for a period of 24 months following Completion. During that period, Mintaka will be permitted to dispose of Consideration Shares with the Company's consent or in accordance with certain customary exceptions which are set out in paragraph 12.2 of Part V (*Additional Information*) of this Circular. Mintaka is also permitted to dispose of Consideration Shares to the extent required to fund any payment in relation to the Purchase Price Adjustment and/or payments under indemnities provided by Mintaka in favour of the Company under other transaction documents and/or any payment in relation to the net debt arrangements under the SPA as referred to above.

Mintaka will also be restricted from taking any action that would increase TA Associates' Group's aggregate shareholding in the Company beyond that received on Admission.

Following the end of the lock-up period and except with the Company's prior written consent, or in certain other limited circumstances, Mintaka is restricted from disposing of, in any rolling three-month period, such number of Consideration Shares equal to or more than 5 per cent. of the total number of Ordinary Shares in issue at such time and from disposing of, in any rolling six-month period, such number of Consideration Shares equal to more than 7.5 per cent. of the total number of Ordinary Shares in issue at such time.

#### **Merian Management Shareholders Lock-Up Agreements**

The Key Merian Management Shareholders have each entered into a share lock-up agreement with the Company (the "**Merian Management Shareholders Lock-Up Agreements**") in respect of the Consideration Shares to be received by each such Key Merian Management Shareholder. The Merian Management Shareholders Lock-Up Agreements are conditional upon Completion and restrict the relevant Key Merian Management Shareholders from disposing of: (i) any of their respective Consideration Shares for a period of 12 months following Completion; and (ii) more than 25 per cent. of their respective Consideration Shares (including when aggregated with any previous disposals they have made) for three years following Completion, in each case subject to certain exceptions which are set out in paragraph 12.3 of Part V (*Additional Information*) of this Circular.

#### **Deferred Earn-Out Plan**

The five Key Merian Management Shareholders and their respective teams will be able to benefit from a deferred earn-out plan of up to £20 million, vesting in existing Ordinary Shares on the fourth and fifth anniversaries of Completion based on a number of Ordinary Shares determined on the third anniversary of Completion, for growing and retaining revenues in their investment strategies, subject to such individuals' continued employment by the Enlarged Group. No newly issued Ordinary Shares will be used for the plan.



In addition, Mintaka will bear the cost of an additional deferred earn-out amount of up to £10 million payable in cash on the third anniversary of Completion (subject to the satisfaction of certain performance conditions), in respect of which the Company has the benefit of an indemnity from Mintaka for such amount (with the amount of any performance fees earned and accrued by Merian funds existing at the date of signing the SPA (and any successor of such funds) for the period from Completion to 31 December 2021 being offset against that indemnity obligation to the extent not utilised in relation to the Purchase Price Adjustment).

The plan will be operated by the Company's remuneration committee and structured to meet the Group's regulatory requirements.

#### 4. **SUMMARY FINANCIAL INFORMATION ON THE MERIAN GROUP AND BENEFITS AND FINANCIAL EFFECTS OF THE ACQUISITION**

The combined and consolidated historical financial information of the Merian Group for the three years ended 31 December 2019 as reported on by PricewaterhouseCoopers LLP to the Company is set out in Part III (*Historical Financial Information relating to the Merian Group*) of this Circular.

On a *pro forma* basis: (i) assuming the Acquisition had occurred on 1 January 2019, the Enlarged Group would have had net revenues of £559.1 million and profit before taxation of £157.2 million for the year ended 31 December 2019 and (ii) assuming that the Acquisition had occurred on 31 December 2019, the Enlarged Group would have had net assets of approximately £795.8 million as at 31 December 2019, as more fully described in Part IV (*Unaudited Pro Forma Financial Information*) of this Circular.

At the time of announcement on 17 February 2020, the Acquisition was expected to deliver low to mid-teen accretion in Underlying EPS from 2021, and increasing in 2022 onwards relative to the Group's expected standalone financial performance for the same periods, with returns to the Group in excess of its cost of capital. Based on AUM for the Group and the Merian Group as at 31 March 2020, and assuming no further changes in AUM from these levels, the Underlying EPS accretion resulting from the Acquisition would be improved relative to expectations as at the time of announcement. This reflects reduced expectations for the Group and Merian Group's future financial performance in light of the coronavirus (Covid-19) outbreak, while the expected quantum of cost synergies (as described in paragraph 5 of this Part I (*Letter from the Chairman of Jupiter Fund Management plc*) below) has not changed. The actual accretion achieved will be sensitive to current and future market conditions and resulting asset values, the relative financial performance of the Group and the Merian Group, and the delivery of such cost synergies.

#### 5. **POTENTIAL SYNERGIES AND INTEGRATION PLANNING**

Following completion of the integration of the Merian Group's business and extraction of the anticipated cost synergies from across the Enlarged Group, on a fully-phased basis at the time of the announcement of the Acquisition on 17 February 2020 the Board expected the Merian Group's business to have the potential to contribute at an Operating Margin for the Enlarged Group not below 50 per cent. on prudent asset level assumptions and up to 60 per cent., which compares with the Group's 2019 Operating Margin of 43 per cent.

Subsequently, the Merian Group's AUM has fallen from £22.4 billion as at 31 December 2019 to £15.7 billion as at 31 March 2020 principally through the reduction in asset values, but also as a result of client outflows, which have occurred since the announcement of the Acquisition primarily as a result of the coronavirus (Covid-19) outbreak. The associated estimated run-rate net management fees for the Merian Group as at 31 March 2020 are approximately £98 million per annum, down from approximately £140 million as at 31 December 2019.

Taking into account the reduction in estimated run-rate net management fees, while assuming no recovery or further decline in asset values and prudent assumptions for future client flows, the Board now expects the acquired business to have the potential to contribute at an Operating Margin not below 40 per cent. following the completion of the integration of the Merian Group's business and realisation of the anticipated cost synergies from across the Enlarged Group, on a fully-phased basis. The Board currently expects the improvement in the Operating Margin of the acquired business can be delivered while maintaining a compensation ratio broadly in line with current Group levels and is contingent on the timely execution of management's integration plans and in particular there being no material delay in completion of the integration as a result of any operational disruption caused by the

coronavirus (Covid-19) outbreak. Whilst at present there is no change to the expected timeline for integration and the realisation of cost synergies, both could be delayed by further or prolonged disruption as a result of the outbreak.

At the time of the announcement of the Acquisition on 17 February 2020, and based on December 2019 run-rate net management fees, the Board anticipated that shortly following Completion, the Operating Margin of the Merian Group would be close to 50 per cent. In light of the fall in run-rate management fees in the three months to 31 March 2020, whilst the expected quantum and phasing of cost savings has not changed, the Board now expects the Operating Margin of the Merian Group shortly following Completion to be lower than originally anticipated, but still attractive.

The efficiency benefits are expected to be realised from a combination of the migration of the Merian Group's business to the Group's operating model, elimination of duplicative overheads and through operational economies of scale (including a reduction in the combined headcount of the Enlarged Group). One-off costs of approximately £27 million to £31 million are currently expected to be incurred with respect to the proposed integration into the Group of the Merian Group's business. The financial benefits and cost synergies are expected to be fully realised within 24 months following Completion, after full integration of the Merian Group, and are expected to be a recurring benefit.

The potential efficiency savings have been calculated using the latest available management information. In arriving at the estimate of the potential efficiency savings and associated non-recurring costs to achieve such savings, the Company has made a number of key assumptions, including that:

- Completion will occur in the second half of 2020;
- by the time of Completion, there will be no material operational impediments resulting from the coronavirus (Covid-19) outbreak and measures to contain the outbreak that prevent the timely execution of management's integration plans; and
- there will be (i) no further material change to macro-economic or political conditions (subsequent to the material changes which have been experienced since the time of the announcement of the Acquisition on 17 February 2020 as a result of the coronavirus (Covid-19) outbreak) and (ii) no material change to regulatory, tax or legal conditions, in each case in the markets or regions in which the Enlarged Group will operate that will materially impact the implementation of the revised operating model.

The anticipated financial benefits and cost synergies referred to above reflect both the beneficial elements and relevant costs. Such anticipated financial benefits and cost synergies are contingent on Completion of the Acquisition and could not be fully achieved independently.

The Group has a detailed and well-designed plan to integrate the Merian Group's business, with a focus on the limitation of disruption and maintaining a positive client experience throughout for clients of both the Group and the Merian Group. The Group aims to run both the Group's and the Merian Group's platforms from a single location on the first Business Day following Completion, before fully migrating fund operations, middle and back office operations to the Group's scalable operating platforms, which have benefited from substantial recent investment.

The governance and leadership of the integration of the Merian Group into the Group's business has already been established, and will be overseen by a highly experienced integration project office, led by the Group's Head of Change with executive oversight by Paula Moore, the Group's Chief Operating Officer, supported by external resources, where necessary.

## 6. INFORMATION ON THE GROUP

The Group is an independent, high-conviction, active asset management business, managing mutual funds, segregated mandates and investment trusts on behalf of individuals and institutions across the UK and internationally. The Group's primary purpose is to help clients achieve their long-term investment objectives through delivering superior returns after all fees on client assets. Asset classes covered by the Group's funds include equities, fixed income, multi-asset, multi-manager and alternatives (including absolute return funds).

The Group is a market leading fund manager in the UK mutual fund market based on the size of its AUM and gross sales, its strong investment performance track record, the strength of its brand and presence in multiple distribution channels. As at 31 December 2019, approximately 88 per cent. of the Group's AUM was in mutual funds, the majority of which are open-ended funds directed towards

investors through intermediated distribution channels in the UK, EMEA (excluding the UK), Asia and Latin America. In addition, the Group provides investment management services to institutional clients and investment trusts. The Group has offices in London, Hong Kong, Singapore, Austria, Germany, Italy, Luxembourg, Spain, Sweden and Switzerland.

As at 31 December 2019, the Group had approximately £42.8 billion of AUM, as compared to approximately £24.1 billion as at 31 December 2010. It was the seventh largest fund manager of UK mutual funds by AUM as at November 2019 (Source: The Investment Association). In common with other asset management businesses (including the Merian Group), the Group's AUM and financial performance for the year to date has been adversely affected principally by the coronavirus (Covid-19), which has resulted in a fall in its AUM to £35.0 billion as at 31 March 2020.

**Investors should read the whole of this Circular and not rely solely on summarised financial information in this Part I (*Letter from the Chairman of Jupiter Fund Management plc*).**

## 7. INFORMATION ON THE MERIAN GROUP

The Merian Group is a leading independent, global asset management firm which utilises an active high-conviction investment strategy. The Merian Group distributes its products to wholesale, retail and institutional investors in the UK, EMEA (excluding the UK), the Americas and Asia. The Merian Group provides world-class investment expertise across virtually all major asset classes, in addition to highly-regarded capabilities in a number of specialist areas, offering a broad range of fundamental and systematic active fund strategies, with the largest strategies being global equities and UK equities. In addition, the Merian Group has strong capabilities in fixed income, European equities, Asian equities, alternatives and global asset allocation.

The Merian Group's purpose and objective is to help its clients meet their long-term financial objectives and aspirations by investing their assets in a responsible way and delivering sustainable value to them. In order to meet the high expectations of its clients and their advisers, the Merian Group focuses on identifying and maintaining intelligent and repeatable ways in which to generate positive investment outcomes. It approaches this work in a way that enables it to have a positive impact on its clients, employees and society through the implementation of its "responsible business principles".

As at 31 December 2019, the Merian Group had AUM of £22.4 billion, including £16.4 billion in equities, £1.8 billion in fixed income and £4.0 billion in alternatives and asset allocation. In common with other asset management businesses (including the Group), the Merian Group's AUM and financial performance for the year to date has been adversely affected principally by the coronavirus (Covid-19) outbreak, which has resulted in a fall in its AUM to £15.7 billion as at 31 March 2020.

**Investors should read the whole of this Circular and not rely solely on summarised financial information in this Part I (*Letter from the Chairman of Jupiter Fund Management plc*). Further financial information is contained in Part III (*Historical Financial Information relating to the Merian Group*) of this Circular.**

## 8. INFORMATION ON TA ASSOCIATES

TA Associates is a private equity firm with a 50 year track record and investments in hundreds of companies in multiple industries around the world. TA Associates was previously a major shareholder in the Company following its initial public offering in 2010, with two non-executive directors. Following Admission, TA Associates, through Mintaka, will once again become a significant long-term shareholder and is expected to own approximately 15.9 per cent. of the enlarged issued share capital of the Company (based on the position at the time of signing of the SPA but which may change depending, among other things, on the market price of the Company's Ordinary Shares shortly before Completion, as described under paragraph 3 of this Part I (*Letter from the Chairman of Jupiter Fund Management plc*)). As mentioned above, Mintaka and TA Associates, for as long as Mintaka, together with any member of TA Associates' Group, directly or indirectly holds in aggregate 10 per cent. or more of the Ordinary Shares in issue from time to time, shall be entitled to jointly nominate one non-executive director for appointment to the Board.

## 9. CURRENT TRADING, TRENDS AND PROSPECTS

Since 31 December 2019, in common with the asset management industry as a whole, the Group and the Merian Group have faced challenging market conditions, largely brought about by the global coronavirus (Covid-19) outbreak, which has had a significant adverse impact on global financial markets and asset values and, consequently, on the Group's and the Merian Group's respective AUM. During this volatile period, which has seen most asset classes experience significant falls in value, the Group's relative investment performance has strengthened, with 80 per cent. of AUM above median over three years, 75 per cent. in the top quartile. This level of performance on behalf of the Group's clients is testimony to the expertise of the Group's investment teams and reaffirms the Board's belief that active management delivers long term returns to clients and supports the Group's commitment to high-conviction active management.

The health and wellbeing of the Group's employees and their families is of the utmost importance to the Company. Since early March 2020, the Group has adopted remote working arrangements for all employees. From a business and operational perspective, these have been implemented without any material disruption to the Group's business or its ability to deliver for clients. The Group continues to monitor closely all developments relating to the coronavirus outbreak and its impact on working patterns, employees and key service providers, with the principal aim of ensuring the welfare of the Group's employees and on the continuity of the Group's business and maintenance of high standards of service for the Group's clients.

In this uncertain environment, the Group's commitment to maintaining an appropriate cost base remains as important as ever, and the Group continues to review and challenge costs within the business, making reductions to costs where it is able to without affecting its ability to deliver the investment returns and high standards of service the Group's clients expect. The Group notes the swift and decisive measures taken by the UK Government to support businesses during this difficult time but confirms that it has no current intention to furlough any staff or to take advantage of any such government scheme during this period. As announced in the Group's year end results, the Group made its scheduled ordinary dividend payment to shareholders on 9 April 2020.

The Company's Q1 2020 Trading Update is incorporated by reference into, and forms part of, this Circular.

### *Group Assets Under Management and Flows*

The Group's AUM reduced from £42.8 billion as at 31 December 2019 to £35.0 billion as at 31 March 2020, with the majority of the decline due to market movements, but also as a result of client net outflows, which for the three months to 31 March 2020 totaled £2.3 billion.

The table below sets out details of changes in the Group's AUM and flows for the three months ended 31 March 2020:

	<b>31 December 2019</b>	<b>Q1 net flows</b>	<b>Market/FX movement</b>	<b>31 March 2020</b>
		<i>(£ million)</i>		
Mutual funds.....	37,692	(2,891)	(4,130)	30,671
Segregated mandates.....	4,811	575	(1,302)	4,084
Investment trusts.....	328	(2)	(96)	230
<b>Total.....</b>	<b>42,831</b>	<b>(2,318)</b>	<b>(5,528)</b>	<b>34,985</b>

Net mutual fund outflows for the Group were £2.9 billion during the quarter, of which £1.0 billion in net outflows were from the Group's Fixed Income strategy, £0.7 billion from the European Growth strategy (£0.4 billion of which was a transfer into a segregated mandate) and £0.6 billion from the Alternatives strategy. Segregated mandates saw £0.6 billion net inflows during the quarter, predominantly driven by the opening of one new mandate and a transfer of funds from a mutual fund into a mandate.

Month to date flows in April 2020 for the Group have stabilised and are broadly flat.

### ***Merian Group Assets Under Management and Flows***

The Merian Group's AUM reduced from £22.4 billion as at 31 December 2019 to £15.7 billion as at 31 March 2020, with the majority of the decline due to market movements, but also as a result of client net outflows, which for the three months to 31 March 2020 totaled £2.6 billion.

The table below sets out details of changes in the Merian Group's AUM and flows for the three months ended 31 March 2020:

	<b>31 December 2019</b>	<b>Q1 net flows (£ million)</b>	<b>Market/FX movement</b>	<b>31 March 2020</b>
<b>Total</b> .....	<b>22,405</b>	<b>(2,598)</b>	<b>(4,152)</b>	<b>15,655</b>

Merian Group net outflows for the three months to 31 March 2020 were £2.6 billion and mainly comprised £1.4 billion from GEAR and £1.0 billion from other systematic strategies.

Month to date flows in April 2020 for the Merian Group show a marginal outflow.

### ***Prospects***

Recent challenging market conditions are expected to continue for an uncertain period and at least in the short term until the coronavirus pandemic is brought under control and the preventative measures to restrict its spread are relaxed. Accordingly the Group's and the Merian Group's respective AUM may remain at current or lower levels or be subject to potentially greater volatility during this period from market movements, as well as further client outflows. To the extent such market forces continue following Completion, this may also impact the Enlarged Group's AUM.

At present, and in light of the on-going developments regarding the coronavirus (Covid-19) outbreak, the future outlook for market conditions, investor sentiment and therefore, client flows, remains highly uncertain. However, the Group remains as committed as ever to its strategy of delivering active returns for clients and engaging with them to meet their investment needs in the current environment.

## **10. FINANCING OF THE ACQUISITION**

The consideration to be paid by the Company to the Sellers in connection with the Acquisition will comprise 95,360,825 Consideration Shares. The fees and expenses of the Acquisition and Admission will be financed from the Group's existing cash resources.

## **11. MANAGEMENT, EMPLOYEES AND LOCATIONS**

The Company attaches great importance to the skills and experience of the management, fund managers and staff of the Merian Group, who are expected to contribute to the growth of the Enlarged Group.

The five Key Merian Management Shareholders (who together manage funds representing approximately 87 per cent. of the Merian Group's total AUM as at 31 December 2019) have entered into new employment contracts with the Group, which take effect from Completion and which include customary non-compete and non-solicit provisions and have also agreed to lock-up arrangements as described under paragraph 3 of this Part I (*Letter from the Chairman of Jupiter Fund Management plc*) and paragraph 12.3 of Part V (*Additional Information*) of this Circular.

As described under paragraph 3 of this Part I (*Letter from the Chairman of Jupiter Fund Management plc*) above, the five Key Merian Management Shareholders and their respective teams will be able to benefit from a deferred earn-out plan which will deliver up to £20 million in existing Ordinary Shares and £10 million in cash (in respect of which the Company has the benefit of an indemnity from Mintaka) over three to five years following Completion, dependent on the individuals remaining in employment with the Enlarged Group and certain performance conditions being met.

There will be no change to the senior executive leadership team of the Group as a result of the Acquisition. Mark Gregory, currently Chief Executive Officer of Merian, will remain with the business for a transition period before stepping down and leaving the Enlarged Group. However, as mentioned in paragraph 3 above and explained further in paragraph 9 of Part V (*Additional Information*) of this

Circular, following Completion, Christopher Parkin is expected to be appointed to the Board of the Company with effect from, and conditional upon, Admission, following his nomination by Mintaka and TA Associates pursuant to the terms of the Relationship Agreement.

Christopher is co-head of TA Associates' EMEA Services Group. Christopher joined TA Associates in 2006 and has more than 15 years of experience in the private equity industry. During this time, Christopher has closed 16 investments for TA with a primary focus on financial services, business services and consumer facing companies.

It is intended that the Merian Group's operations will be largely transferred to the Group's operating platform, which will necessitate the restructuring of the Merian Group's operational and administration functions. The Board confirms that the existing statutory and contractual employment rights, including accrued pension rights of all Merian Group employees, will be fully safeguarded upon and following Completion.

Following Completion, it is expected that all employees of the Enlarged Group based in London will come together to work from a single office location and offices will also be combined in other jurisdictions where both the Group and the Merian Group currently have operations, such as in Hong Kong and Singapore.

## 12. REGULATORY CAPITAL

The Group is lead-regulated by the FCA in the UK and subject to the FCA's prudential and capital regulation. The Group's regulatory capital requirements are calculated in accordance with a limited licence full scope investment group under the EU Capital Requirements Directive. The Group's capital methodology forms part of its ICAAP.

Furthermore, each entity within the Group's corporate structure also satisfies, and will continue to satisfy, its local regulators' respective capital requirements. The Group's capital and liquidity framework is designed to be suitably conservative, allowing it to invest in the growth of its business whilst protecting the Group against downside risks. The Group utilises capital to support the operation of the investment management process and the launch of new investment products.

As at 31 December 2019, the Group had a regulatory capital surplus of £147 million.

Whilst the Acquisition will result in an increase in the Enlarged Group's regulatory capital requirements, the Directors believe the Enlarged Group will continue to maintain a strong balance sheet with an appropriate regulatory capital surplus. In particular, the issue of £50 million Tier 2 Notes by the Company is estimated to result in a regulatory capital surplus of approximately £60 million to £90 million as at Completion.

## 13. DIVIDENDS AND DIVIDEND POLICY

The Board operates a progressive dividend policy which targets an ordinary dividend pay-out of 50 per cent. of the Group's Underlying EPS and, except in exceptional circumstances, an ordinary dividend that is no less than the previous year. The Board's ordinary dividend policy remains unchanged as a result of the Acquisition. No special dividend was declared for the year ended 31 December 2019 as the Company balances investment for long-term growth with distribution to Shareholders. The Board's priority continues to be to maintain its capital strength, including a robust surplus over regulatory capital requirements and it remains committed to returning surplus regulatory capital in excess of needs to Shareholders, aligned to its capital allocation framework. The Board will consider the trading performance and financial position of the Group, as well as prevailing market conditions and outlook, in determining the level of ordinary dividend to be declared at the time of the Company's interim results in July 2020.

Total dividends for the year ended 31 December 2019 were 17.1 pence per Ordinary Share (2018: 28.5 pence, including a special dividend of 11.4 pence).

## 14. SETTLEMENT, LISTING AND DEALINGS IN CONSIDERATION SHARES

Applications will be made to: (i) the FCA for the Consideration Shares to be admitted to the premium listing segment of the Official List and (ii) the London Stock Exchange for the Consideration Shares to be admitted to trading on the main market for listed securities of the London Stock Exchange. The Company will publish a prospectus in connection with Admission in due course.

It is expected that, subject to the necessary approvals, Admission will become effective, and that dealings in the Consideration Shares will commence on the London Stock Exchange, by no later than 8.00 a.m. on the Business Day immediately following the date of Completion, which subject to the satisfaction (or, where permitted, waiver) of the Conditions, is expected to occur in the second half of 2020 (and not earlier than 1 July 2020).

No application has been made or is currently intended to be made by the Company for the Consideration Shares to be admitted to listing or trading on any other exchange.

#### 15. **DILUTION**

If Completion occurs, it will result in the issue of 95,360,825 Consideration Shares to the Sellers, which will result in the Sellers holding in aggregate approximately 17.2 per cent. of the enlarged issued share capital of the Company and existing Shareholders of the Company suffering an immediate dilution following which they will hold approximately 82.8 per cent. of the enlarged issued share capital of the Company (in each case, assuming no other Ordinary Shares are issued by the Company prior to Admission).

#### 16. **RISK FACTORS**

For a discussion of certain risk factors which should be taken into account when considering whether or not to vote in favour of the Resolution, see Part II (*Risk Factors*) of this Circular.

#### 17. **GENERAL MEETING AND THE RESOLUTION**

The implementation of the Acquisition is conditional upon, among other things, Shareholders' approval of the Resolution being obtained at the General Meeting. Accordingly, you will find, set out at the end of this Circular, a notice convening a general meeting to be held at The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ, United Kingdom at 3.15 p.m. or, if later, immediately after the conclusion or adjournment of the Annual General Meeting, on 21 May 2020 at which the Resolution will be proposed to approve the Acquisition and other related matters.

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: (i) the Acquisition be approved and the Directors be authorised to implement the Acquisition and (ii) the Directors be authorised to allot 95,360,825 Consideration Shares in connection with the Acquisition with an aggregate nominal amount of £1,907,216.50.

The authority to issue and allot the Consideration Shares represents approximately 17.2 per cent. of the total issued ordinary share capital of the Company as at the Latest Practicable Date. If the Resolution is passed, this authority will expire on the conclusion of the AGM in 2021. As at the Latest Practicable Date, the Company held no Ordinary Shares in treasury.

Voting on the Resolution at the General Meeting will be conducted on a poll rather than a show of hands.

The full text of the Resolution is set out in the Notice of General Meeting.

#### 18. **ACTION TO BE TAKEN**

Shareholders are strongly encouraged to vote on the resolutions to be proposed at the General Meeting. However, in light of the guidance in paragraph 19 of this Part I (*Letter from the Chairman of Jupiter Fund Management plc*) below regarding precautions to be taken in light of the coronavirus (Covid-19) outbreak, Shareholders are encouraged to vote by proxy as outlined below and to raise questions in advance of the General Meeting, given they will not be able to attend the General Meeting in person unless the current situation changes.

Shareholders are able to complete and return a form of proxy in accordance with the procedures set out below in order to vote in advance of the General Meeting. Arrangements have also been made to allow Shareholders to submit questions to the Board in advance of the General Meeting via email (see paragraph 20 of this Part I (*Letter from the Chairman of Jupiter Fund Management plc*) below). Shareholders are strongly encouraged to appoint the Chairman of the General Meeting as their proxy, which will ensure their votes are cast in accordance with their wishes, even where the Shareholder, or any other person they might wish to appoint as proxy, is unable to attend the meeting in person. Shareholders may alternatively appoint one or more persons other than the Chairman of the General

Meeting to be their proxy or proxies to exercise all or any of their rights to vote at the General Meeting and such a proxy need not also be a Shareholder of the Company, but under current UK Government guidance and restrictions, such persons would not be permitted to attend and vote at the General Meeting. Where more than one proxy is appointed, each proxy must be appointed to exercise the rights attached to a different Ordinary Share or Shares held by the Shareholder. The Company is not distributing a hard copy form of proxy unless specifically requested and Shareholders are encouraged to vote electronically. The methods available to appoint a proxy are set out below:

- (i) completing the online form of proxy by logging on to <http://www.signalshares.com> and selecting Jupiter Fund Management plc. If you have not yet registered with <http://www.signalshares.com> you will need your IVC which is detailed on your share certificate or is available by calling the Registrar, Link, on +44 (0)371 664 0300<sup>(1)</sup>;
- (ii) requesting a hard copy form of proxy from Link on the telephone number shown above and returning the completed form to the address shown on the form;
- (iii) in the case of CREST members, using the CREST electronic proxy appointment service, in accordance with the procedures set out in Note 4 of the notes accompanying the Notice of General Meeting,

and in each case with instructions to be received by Link no later than 3.15 p.m. on 19 May 2020 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). Completion of a form of proxy will not prevent a Shareholder from attending the General Meeting or any adjournment thereof should the situation change such that they are permitted to, and subsequently wish to, do so. Amended instructions must also be received by Link by the deadline for receipt of forms of proxy.

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(1) Calls cost 12 pence per minute plus network extras, lines are open 9.00 a.m. to 5.30 p.m. Monday to Friday excluding bank holidays.

## 19. CORONAVIRUS (COVID-19)

The Board is monitoring closely the evolving coronavirus (Covid-19) situation and public health concerns in the United Kingdom and elsewhere and will continue to have regard to developments over the coming weeks ahead of the General Meeting. However, regrettably, under the UK Government's current guidance on social distancing and prohibition on non-essential travel and on public gatherings, it will not be possible for Shareholders to attend the General Meeting in person unless both the coronavirus (Covid-19) situation and the UK Government guidance has changed by the date of the meeting.

The Board recognises that holding the General Meeting at the current time means that Shareholders will not be able to attend in person but it has always been the intention to complete the Acquisition on, or as soon as possible after, 1 July 2020 and holding the General Meeting on the same day as the Annual General Meeting avoids the need to gather together even the limited number of people required to hold the General Meeting on the basis outlined in this letter. Accordingly, the Board believes it is appropriate to proceed with holding the General Meeting in the manner and on the date proposed. I would like to thank all Shareholders for their co-operation and understanding in these challenging and unprecedented times.

The Board very much regrets that, as things currently stand, it will be necessary to restrict attendance at the General Meeting but the health and well-being of employees, Shareholders and the wider community in which the Group operates is of paramount importance for the Board. However, the Board is also committed to ensuring that Shareholders can exercise their right to vote and ask questions in relation to the Acquisition at the General Meeting.

As such, the Board strongly encourages Shareholders to appoint the Chairman of the General Meeting as their proxy to vote in advance of the General Meeting, utilising one of the methods detailed in paragraph 18 of this Part I (*Letter from the Chairman of Jupiter Fund Management plc*) above. Shareholders are encouraged to appoint a proxy as early as possible, even if they might intend to attend the meeting in person, should the coronavirus (Covid-19) situation and the UK Government's guidance change so as to permit this. If Shareholders appoint the Chairman of the General Meeting as their proxy, this will ensure their votes are cast in accordance with their wishes and avoids the need for another person to attend as a proxy in their place.



If the current restrictions remain in place, we would expect only the Chairman of the General Meeting and a very limited number of Directors and employees, who are required to be at our registered office for necessary work purposes, to be in attendance at the General Meeting to ensure a quorum and to conduct the business of the meeting. No other Directors or members of executive management will attend and social distancing measures will be in place in order to comply with current requirements. Please be aware that, in accordance with current UK Government restrictions, any Shareholder who attempts to attend the General Meeting in person will not be permitted entry.

In light of the potential for the coronavirus (Covid-19) situation in the UK to change rapidly, the Board will keep the situation under review and may need to make further changes to the arrangements relating to the meeting, including how it is conducted. Shareholders should therefore continue to monitor the Company's website and announcements for any updates in relation to the General Meeting arrangements that may need to be provided. Shareholders should also continue to monitor and act in accordance with guidance and/or directions issued by the UK Government and relevant health authorities and act accordingly.

#### 20. **SHAREHOLDER QUESTIONS AND AUDIO WEBCAST**

Depending on the evolving situation, if practicable, arrangements will be made to undertake an audio webcast for the General Meeting to allow Shareholders to listen to the proceedings remotely, given that, as things currently stand, they will be unable to attend in person. If practicable to provide one, Shareholders will be able to access the audio webcast via the Company's website <https://www.jupiteram.com/en/corporate/Investor-Relations/Acquisition-of-Merian/>.

Shareholders will be able to submit questions to the Board in advance of the General Meeting via email to [shareholderservices@jupiteram.com](mailto:shareholderservices@jupiteram.com) and/or during the General Meeting via the audio webcast, if made available. Any such questions will either be answered at the General Meeting or written answers will be provided directly to Shareholders by email. Answers to frequently asked questions will be published on the Company's website ahead of the meeting.

#### 21. **FURTHER INFORMATION**

In considering whether to vote in favour of the Resolution and to approve the Acquisition, you should read the whole of this Circular and not rely solely on the summary information in this Part I (*Letter from the Chairman of Jupiter Fund Management plc*). Your attention is drawn to the further information contained in Part II (*Risk Factors*) and the other parts of this Circular and, to the information incorporated by reference into this Circular (as listed in paragraph 19 of Part V (*Additional Information*)) of this Circular).

#### 22. **FINANCIAL ADVICE**

**The Board has received financial advice from Fenchurch and J.P. Morgan (as joint financial advisors) in relation to the Acquisition. In providing their financial advice to the Board, Fenchurch and J.P. Morgan have relied on the Board's commercial assessments of the Acquisition.**

#### 23. **RECOMMENDATION**

**The Board considers the Acquisition to be in the best interests of the Company and Shareholders as a whole. Accordingly the Board unanimously recommends that Shareholders vote in favour of the Resolution to be put to the General Meeting as the Directors will irrevocably undertake to do in respect of their own beneficial holdings of 10,917,724 Ordinary Shares in aggregate, as at the Latest Practicable Date, representing approximately 2.4 per cent. of the Company's issued ordinary share capital, as at the Latest Practicable Date.**

Yours faithfully,

Nichola Pease, Chairman

## PART II

### RISK FACTORS

*Prior to making any decision as to whether or not to vote in favour of the Acquisition, Shareholders should carefully consider all information contained in this Circular, including in particular the risks described below, and consult with their professional advisers.*

*The following is not an exhaustive list or explanation of all risks that Shareholders may face when making any decision as to whether or not to vote in favour of the Acquisition and should be used as guidance only. Additional risks and uncertainties relating to the Group and, following Completion, the Enlarged Group that are not currently known to the Directors, or that the Directors currently deem to be immaterial, could also, individually or cumulatively, be relevant to any other decisions and/or have a material adverse effect on the business, reputation and brand, sales, results of operations, financial condition and/or prospects of the Group and, following Completion, the Enlarged Group and, if any such risks or uncertainties should materialise, the price of the Ordinary Shares may decline and Shareholders could lose all or part of their investment.*

#### 1. RISKS RELATING TO THE ACQUISITION

##### 1.1 ***There are risks that the Acquisition will not be implemented on a timely basis or at all. The implementation of the Acquisition is subject to a number of the Conditions that may not be satisfied or waived***

The implementation of the Acquisition is subject to the satisfaction, or, where permitted, waiver of the Conditions including among other things, approval of the Acquisition by the Shareholders at the General Meeting and the receipt of certain regulatory clearances and approvals. There is no guarantee that these Conditions will be satisfied on a timely basis or at all prior to the Longstop Date. Failure to satisfy any of these Conditions may result in the Acquisition not being completed.

As a Condition to their clearance of the Acquisition, regulatory authorities have the discretion to impose requirements, limitations or costs or require divestitures or place restrictions on the conduct of the business of the Group, the Merian Group or, following Completion, the Enlarged Group. These requirements, limitations, costs, divestitures or restrictions could jeopardise or delay the Completion of the Acquisition or may reduce the anticipated benefits of the Acquisition.

The coronavirus (Covid-19) outbreak and the restrictions brought in by governments in an effort to contain the outbreak may mean certain Conditions (such as particular regulatory clearances and approvals) take longer to obtain than would typically be the case.

Delay in satisfying any Conditions will likely cause a delay to Completion and therefore, will prolong the period of uncertainty for the Group and the Merian Group, as well as their respective clients, employees, distribution partners and other service providers (which may lead to a decline in sales or a withdrawal of client assets), and may result in the accrual of additional costs to their respective businesses (for example, there may be an increase in costs in relation to the preparation and issue of documentation or other elements of the planning and implementation of the Acquisition), without any of the potential benefits of the Acquisition having been achieved. In addition, the Group's and the Merian Group's management and employees would have spent time in connection with the Acquisition, which could otherwise have been spent more productively in connection with the other activities of the Group and the Merian Group, as applicable.

If the Acquisition does not proceed to Completion, there may be an adverse impact on the reputation and brand of the Group, for example, as a result of negative media scrutiny arising in connection with the attempted Acquisition.

Therefore, the aggregate consequences of a material delay in completing the Acquisition and/or failure to fulfil the Conditions and/or failure to complete the Acquisition may have a material adverse effect on the business, reputation and brand, sales, results of operations, financial condition and/or prospects of the Group, the Merian Group and, if the Acquisition completes, the Enlarged Group.

##### 1.2 ***The Group may incur higher than expected costs related to the Acquisition and integration costs***

The Group has incurred and will incur legal, accounting, financing and transaction fees and other costs related to the Acquisition, the issuance by the Company of the Tier 2 Notes and Admission. The aggregate costs and expenses of the Acquisition, the issuance of the Tier 2 Notes and Admission

payable by the Company are estimated to be £13 million to £14 million (inclusive of VAT). Some of these costs have already been incurred and are not recoverable (such as those related to the issuance by the Company of the Tier 2 Notes) or will be payable regardless of whether the Acquisition is completed.

In addition such costs may be higher than anticipated, for example if the steps required to complete the Acquisition are more complex than expected or there is a delay in completing the Acquisition or because prior to Completion changes in laws or regulations or to the interpretation thereof are made or announced that will have the effect of increasing costs or imposing new obligations in connection with the Acquisition or any step required or contemplated in relation to the Acquisition. Such costs or obligations could involve (without limitation) the requirement for further regulatory or competition law filings or clearances, the requirement for tax filings or clearances or the imposition of tax liabilities arising as a result of the Acquisition taking place.

In addition, following Completion, the Company expects to incur one-off expenses associated with combining the operations of the two groups. These integration costs are anticipated to be approximately £27 million to £31 million (inclusive of VAT), substantially all of which are expected to be incurred in the first 12 months following Completion. However the actual costs incurred could be higher than anticipated, if the integration of the Merian Group into the Group is more complex and/or time-consuming than expected (see also paragraph 2.1 of this Part II (*Risk Factors*) – “*Synergy benefits resulting from the Acquisition may fail to materialise, take longer to realise than anticipated or be materially lower than have been estimated, including as a result of the coronavirus (Covid-19) outbreak*”).

Although the Directors believe that the elimination of duplicative costs, as well as the realisation of other efficiencies related to the integration of the businesses, will more than offset these integration costs (as well as the costs related to the Acquisition, the issuance of the Tier 2 Notes and Admission) at the time of completion of the integration of the Merian Group, this net benefit may not be achieved within the expected timetable. In addition, some of these costs could be higher than anticipated, which could reduce the net benefits of the Acquisition and therefore have a material adverse effect on the business, results of operations, financial condition and/or prospects of the Group and, following Completion, the Enlarged Group.

**1.3 *Existing Shareholders will own a smaller percentage of the Company, following Completion, than they currently own***

Following Completion of the Acquisition, existing Shareholders will own a smaller percentage of the Company than they currently own. Existing Shareholders will, following Completion, own approximately 82.8 per cent. of the Ordinary Shares. As a consequence, existing Shareholders will be able to exercise a lower percentage of voting rights and therefore the influence that may be exerted by them in respect of the Enlarged Group will be reduced.

**2. RISKS RELATING TO THE ENLARGED GROUP IN CONNECTION WITH THE ACQUISITION**

**2.1 *Synergy benefits resulting from the Acquisition may fail to materialise, take longer to realise than anticipated or be materially lower than have been estimated, including as a result of the coronavirus (Covid-19) outbreak***

The Directors believe the combination of the businesses of the Group and the Merian Group will achieve significant cost savings for the Enlarged Group. While the Directors believe that the synergies of the Acquisition have been reasonably estimated, unanticipated events, integration challenges, liabilities, tax impacts or unknown pre-existing issues may arise or become apparent which could result in the integration of the Merian Group into the Group being more complex, time-consuming and/or costly than anticipated, the costs of integration being higher than the realisable benefits and/or the synergies being lower than expected (see also paragraph 1.2 of this Part II (*Risk Factors*) – “*The Group may incur higher than expected costs related to the Acquisition and integration costs*”).

In particular the Group and the Merian Group have been directly adversely affected as a result of the coronavirus (Covid-19) outbreak and the restrictions put in place by governments in the UK and elsewhere, which has caused operational disruption, with employees being required to work from home and generally not able to travel. The outbreak may also potentially directly adversely impact the Group and the Merian Group through increased employee sick-leave, serious illness or fatalities

amongst employees (including key personnel). If such operational disruption is continuing at the time of Completion, this may mean it is more complex or time-consuming to integrate the Merian Group into the Group.

Therefore, there is a risk that the cost savings will fail to materialise, take longer to realise than anticipated or that they may be materially lower than have been estimated, which may have a material adverse effect on the business, results of operations, financial condition and/or prospects of the Enlarged Group.

**2.2 *The Group may fail to successfully integrate the cultures and philosophies of the Group and the Merian Group and integration may be made more difficult by the coronavirus (Covid-19) outbreak***

The Directors believe that the Group's distinctive investment culture and philosophy have been critical to its success. The continued success of the Enlarged Group will be dependent on the successful integration of the cultures and philosophies (including the corporate culture, internal work culture and remuneration structures) of the Group and the Merian Group. Further the Acquisition will likely lead to a disruption to the business and operations of the Enlarged Group in terms of office moves and staff role changes.

Integration of the cultures and philosophies of the Group and the Merian Group is likely to be made more challenging to the extent that the current operational disruption resulting from the coronavirus (Covid-19) outbreak and the restrictions put in place by governments in the UK and elsewhere are continuing at the time of Completion, particularly if employees are still required to work from home (see also paragraph 2.1 of this Part II (*Risk Factors*) – “*Synergy benefits resulting from the Acquisition may fail to materialise, take longer to realise than anticipated or be materially lower than have been estimated, including as a result of the coronavirus (Covid-19) outbreak*”).

A failure to reconcile any differences in those cultures and philosophies, including the approach to remuneration, and/or to mitigate the impact of the disruption could have a material adverse impact on the reputation and brand of the Enlarged Group, the service standards and operations of the Enlarged Group, the motivation and work output of employees and the ability of the Enlarged Group to attract or retain key fund managers, directors, senior management and other key employees, or the Enlarged Group's ability to retain clients or attract new clients, which may in turn have a material adverse effect on the business, reputation and brand, results of operations, financial condition and/or prospects of the Enlarged Group.

**2.3 *Third parties, including clients and distribution partners, may not be supportive of the Acquisition and the strategic and business priorities of the Enlarged Group, which risk may be exacerbated by the coronavirus (Covid-19) outbreak***

The ability of the Group and the Merian Group to retain and grow the combined business and realise the other anticipated benefits and synergies is dependent on third parties such as clients, distribution partners and other third parties being supportive of both the Acquisition and the strategic and business priorities of the Enlarged Group. Clients and distribution partners may elect to reduce or terminate their exposure to Products managed by the Enlarged Group in response to the Acquisition, particularly in light of the aggregation of holdings and clients across the Group and the Merian Group, or to defer investment or maintain rather than grow their current exposure pending further clarity on the effects of the Acquisition. Similarly, investment may be deferred if distribution partners make neutral or unfavourable recommendations regarding Products of the Enlarged Group, or put Products “on hold”, as a consequence of the Acquisition. Further the Acquisition could result in certain fund closures or mergers due to overlaps in the Group's and the Merian Group's respective Product ranges which might also be viewed unfavourably by clients and/or distribution partners and therefore lead to asset withdrawals.

The risk of third parties not being supportive of the Acquisition may be exacerbated by the coronavirus (Covid-19) outbreak which has had and may continue to have a material adverse impact on the AUM and financial performance of the Group and the Merian Group (see paragraph 2.14 of this Part II (*Risk Factors*) – “*The coronavirus (Covid-19) outbreak has had a material adverse effect on the Group and the Merian Group and there may be further pre-closing changes to the Group and the Merian Group*”).

As such, any of the foregoing may have a material adverse effect on the business, results of operations, financial condition and/or prospects of the Enlarged Group.

**2.4 *The Acquisition may impact the ability of the Group to attract and retain key fund managers, directors, senior management and other employees***

The Group's and, following Completion, the Enlarged Group's continued success depends on its ability to attract and retain talented fund managers, as well as experienced directors, senior management and other key employees, including, for example, highly skilled research analysts. The risk of the Group's key fund managers and other individuals leaving may be increased as a result of the Acquisition.

There will be a period of uncertainty for individuals until the "end state" business and operating model and synergies are achieved, noting that the integration of the employee groups of the Group and the Merian Group may include, amongst other things, restructuring of staff arrangements and structures, harmonisation of employment terms and/or redundancies of current employees of the Group or the Merian Group, which could impact employee morale and retention. In addition, whilst in connection with the Acquisition the Key Merian Management Shareholders have agreed to the Merian Management Shareholders' Lock-up Agreements in relation to the Consideration Shares they will receive on Admission pursuant to which they will be restricted from disposing of (i) any of their respective Consideration Shares for a period of 12 months from Completion; and (ii) more than 25 per cent. of their respective Consideration Shares (including when aggregated with any previous disposals they have made) for a period of three years following Completion, subject to certain exceptions, and certain incentivisation arrangements have also been put in place to encourage such individuals to remain with the Enlarged Group, these arrangements will not prevent such individuals from leaving the Enlarged Group or cover all fund managers or other employees of the Merian Group.

A failure to successfully integrate the culture and philosophies of the Group and the Merian Group may also adversely affect the ability of the Enlarged Group to attract and retain key fund managers, directors, senior management and other key employees (see paragraph 2.2 of this Part II (*Risk Factors*) – "*The Group may fail to successfully integrate the cultures and philosophies of the Group and the Merian Group and integration may be made more difficult by the coronavirus (Covid-19) outbreak*"). Any inability of the Enlarged Group to attract and retain key fund managers, directors, senior management and other employees could also impair the ability of the Enlarged Group to properly execute the integration of the Merian Group with the Group or achieve the expected synergies from the Acquisition which may have a material adverse effect on the business, reputation and brand, results of operations, financial condition and/or prospects of the Enlarged Group.

**2.5 *The integration of the Merian Group may cause disruption or failure of the Enlarged Group's IT systems***

The Group is and, following Completion, the Enlarged Group will be highly dependent on its IT systems to operate effectively, including with respect to certain trading activities. The integration of the Merian Group into the Group, including their respective IT systems may cause disruptions or failures in the IT systems of the Enlarged Group. Disruption to IT systems may be more likely to occur to the extent that the current operational disruption resulting from the coronavirus (Covid-19) outbreak and the restrictions put in place by governments in the UK and elsewhere are continuing at the time of Completion (see also paragraph 2.1 of this Part II (*Risk Factors*) – "*Synergy benefits resulting from the Acquisition may fail to materialise, take longer to realise than anticipated or be materially lower than have been estimated, including as a result of the coronavirus (Covid-19) outbreak*").

Such disruptions or failures could damage the reputation of the Enlarged Group, indirectly result in loss of clients and revenues and may adversely affect the integration process. In addition, integration of the IT systems of the Merian Group into the Group could negatively impact the integrity of such systems and accordingly increase the risk of the Enlarged Group being subject to cyber-crime, fraud or misappropriation, misuse, leakage or accidental release or loss of information maintained in the IT systems, which may be in breach of personal data legislation such as GDPR, and which may result in loss of clients, client dissatisfaction or financial claims. As such, any such disruption or failure to the Enlarged Group's IT systems may have a material adverse effect on the business, sales, results of operations, financial condition and/or prospects of the Enlarged Group.

**2.6 *The Acquisition and the integration of the Merian Group could cause disruption to management and operational processes***

The Acquisition and the integration of the Merian Group into the Group could divert management's and other key staff's time, focus and resources from operating the business of the Group and the Merian Group and, following Completion, the Enlarged Group, particularly if integration is more difficult or time-consuming as a result of the coronavirus (Covid-19) outbreak (see also paragraph 2.1 of this Part II (*Risk Factors*) – "*Synergy benefits resulting from the Acquisition may fail to materialise,*

*take longer to realise than anticipated or be materially lower than have been estimated, including as a result of the coronavirus (Covid-19) outbreak*). The integration process may lead to an increase in the level of operational risk events such as administrative errors. Further, the Acquisition will lead to an increased complexity of business and operations for the Enlarged Group following Completion, including exposure to additional jurisdictions (such as the Republic of Ireland and the Cayman Islands) and to new fund structures (such as Irish Collective Asset-management Vehicles).

The increased complexity may lead to a decline in the service standards of the Enlarged Group which in turn may result in an increase in client complaints and client and/or regulatory actions, which may lead to reputational damage and the loss of clients and/or distribution partners by the Enlarged Group. As such any negative impact on management's ability to focus on running the respective businesses, or an increase in the level of operational risk events could have a material adverse effect on the business, reputation and brand, sales, results of operations, financial condition and/or prospects of the Enlarged Group.

**2.7 *The transition of Merian Group Products to the Jupiter brand may cause client confusion***

The Directors expect to transition the majority of the Merian Group's Products to the Jupiter brand over the 12 months following Completion. As a result, there is a risk of client confusion and/or decreased market recognition of the Jupiter and Merian brands during the transition period and beyond, which may have a material adverse effect on the business, reputation and brand, sales, results of operations, financial condition and/or prospects of the Enlarged Group.

**2.8 *Following Completion, the Enlarged Group will be exposed to new investment strategies and instrument types***

Products managed by the Merian Group employ a number of investment strategies, focussing on investments in certain instrument types, which that are not currently utilised by the Group, including for example investment strategies focussed on illiquid investments and systematic strategies. It may be more challenging or time-consuming to integrate those new strategies if the current operational disruption resulting from the coronavirus (Covid-19) outbreak and the restrictions put in place by governments in the UK and elsewhere are continuing at the time of Completion, particularly if employees are still required to work from home (see also paragraph 2.1 of this Part II (*Risk Factors*) – *“Synergy benefits resulting from the Acquisition may fail to materialise, take longer to realise than anticipated or be materially lower than have been estimated, including as a result of the coronavirus (Covid-19) outbreak”*). Any failure of the Enlarged Group to properly integrate those strategies and instruments which will be new to the Group may have a material adverse effect on the business, reputation and brand, sales, results of operations, financial condition and/or prospects of the Enlarged Group.

**2.9 *The Enlarged Group will have increased exposure to regulators and regulatory regimes***

The Group and, following Completion, the Enlarged Group's business is subject to extensive regulation in the UK and elsewhere around the world. The Enlarged Group will have exposure to an increased range of regulators and regulatory regimes. In particular, the Merian Group (unlike the Group) has a group company which is regulated by the Central Bank of Ireland. In addition, since December 2019, the Group has been subject to SMCR. Certain entities within the Group are currently subject to the “core” regime. Following Completion, entities within the Enlarged Group may potentially be subject to more elements of the SMCR, including a change in status for such entities within the Enlarged Group should they be re-classified under the “enhanced” version of the regime (for example if their AUM increases to £50 billion or more as a three-year rolling average as a result of the consolidation of FCA-regulated entities). Under the “enhanced” regime, firms need to, amongst other things, allocate additional senior manager functions, allocate “overall responsibilities” for each activity, business area and management function to relevant senior managers, prepare and maintain a responsibilities map and implement handover procedures. The heavier regulatory burden on the Enlarged Group, as well as the need to deal with additional regulators in different jurisdictions, may increase the complexities of running the Enlarged Group's business and the costs incurred with respect to regulatory compliance and therefore may have a material adverse effect on the business, sales, results of operations, financial condition and/or prospects of the Enlarged Group.

**2.10 *The Group's and, following Completion, the Enlarged Group's regulatory capital requirements will increase following the Acquisition and may further increase in the future***

The Group is and, following Completion, the Enlarged Group will be subject to regulatory capital requirements, which will increase as a result of the Acquisition. Whilst the Directors believe that, based on discussions between the Group and the FCA in connection with the Acquisition, taking into account the Tier 2 Notes, the Enlarged Group's regulatory capital position will be sufficient for present requirements, relevant regulators, including the FCA, typically have broad discretion to impose increased regulatory capital requirements on regulated entities and their consolidating parents (for example, through Pillar 2 capital charges) and as such (in common with all prudentially regulated firms and groups) it is possible that the Group's and, following Completion, the Enlarged Group's regulatory capital requirements may be more onerous than the Directors currently anticipate. Moreover, subsequent changes in law may increase such requirements. Without prejudice to the working capital statement in paragraph 16 of Part V (*Additional Information*) of this Circular, it is possible that the imposition of increased regulatory capital requirements in the future could negatively impact the Enlarged Group's ability to return capital or pay dividends to Shareholders or restrict its ability to make future acquisitions or deploy other capital expenditure, which in each case could have a material adverse effect on the business, reputation and brand, sales, results of operations, financial condition and/or prospects of the Enlarged Group.

**2.11 *Some existing Group and Merian Group contracts may be terminated as a result of the Acquisition***

The Group and the Merian Group are parties to a number of contracts that are important to their respective businesses, including distribution agreements, partnership agreements, investment management agreements and outsourcing agreements. Counterparties who may not be supportive of the Acquisition may choose to exercise certain rights in these contracts or which otherwise arise by operation of law (for example, rights to terminate in the event of a change of control or to enforce obligations for the Enlarged Group relating to exclusivity undertakings in particular businesses or markets). Whilst such contracts are not considered to be material to the Enlarged Group on an individual basis, the termination of a number of such contracts may have a material adverse effect on the business, sales, results of operations, financial condition and/or prospects of the Enlarged Group.

In addition, employment agreements or other employee benefit arrangements with the Merian Group's employees may contain change of control provisions providing for additional payments following a change of control. Such payments may have a material adverse effect on the business, results of operations and/or financial condition of the Enlarged Group.

**2.12 *The Acquisition could cause the market price of the Ordinary Shares to decline or become more volatile***

The market price of the Ordinary Shares may decline or become more volatile as a result of the Acquisition, if, among other reasons, (i) the Company does not achieve the expected benefits of the Acquisition as rapidly or to the extent anticipated by the Company's financial analysts or Shareholders or at all; (ii) the integration of the Merian Group's business is delayed or unsuccessful; or (iii) the impact of the Acquisition on the Group's or the Merian Group's financial results is not consistent with Shareholders' expectations or Shareholders sell a significant number of Ordinary Shares in the open market following Completion.

**2.13 *The due diligence conducted in connection with the Acquisition may not have revealed all relevant considerations, liabilities or regulatory and conduct issues***

The due diligence conducted by the Group on the Merian Group in connection with the Acquisition may not have revealed all relevant considerations, liabilities or regulatory and conduct issues in relation to the Acquisition, including the existence of facts that may otherwise have impacted the decision to proceed with the Acquisition, the determination of the consideration payable to the Sellers or the formulation of a business strategy for the Group, the Merian Group or the Enlarged Group subsequent to Completion. In addition, information provided during the due diligence process may have been incomplete, inadequate or inaccurate. The Group and, following Completion, the Enlarged Group may also be subject to legacy conduct and other exposures with respect to the Merian Group which were not identified through due diligence. If any of the aforementioned occur, the Group could suffer reputational damage and may be liable for losses suffered by an affected party, each of which could have a material adverse effect on the business, reputation and brand, sales, results of operations, financial condition and/or prospects of the Group and, following Completion, the Enlarged Group.

2.14 ***The coronavirus (Covid-19) outbreak has had a material adverse effect on the Group and the Merian Group and there may be further pre-closing changes to the Group and the Merian Group***

Since the SPA was entered into by the Company and the Sellers on 17 February 2020 in connection with the Acquisition, the coronavirus (Covid-19) outbreak has had a significant adverse impact on the UK and global economy and financial markets generally and therefore the AUM of both the Group and the Merian Group (in common with other asset management businesses) and there has been a substantial fall in the Company's share price. On the date the SPA was signed, the value of 95,360,825 Consideration Shares based on the Company's share price as at such date equated to £370 million, whereas based on the Company's share price as at 22 April 2020, the value of the Consideration Shares equated to approximately £195.5 million.

In addition, further events or developments may occur, including changes in trading, operations or outlook of the Group or the Merian Group or other external market factors, which could make the terms of the Acquisition less attractive for the Group and/or result in a situation where the value of the Merian Group is less than the consideration to be paid. Accordingly as a result of the ongoing coronavirus (Covid-19) outbreak or otherwise, the value of the Consideration Shares could continue to decline in the period to Completion.

The Group will only be entitled to terminate the SPA and not implement the Acquisition in certain limited circumstances and therefore, may be obliged to complete the Acquisition notwithstanding such events or developments. This may have a material adverse effect on the business, reputation and brand, sales, results of operations, financial condition and/or prospects of the Group and, following Completion, the Enlarged Group.

3. **RISKS RELATING TO THE ORDINARY SHARES IN CONNECTION WITH THE ACQUISITION**

3.1 ***Substantial future sales of Ordinary Shares or future sales by particular persons could impact the trading price of the Ordinary Shares***

Following Admission, Mintaka is expected to own approximately 15.9 per cent. of the Ordinary Shares in issue at that time and the Key Merian Management Shareholders are collectively expected to own approximately 0.5 per cent. of the Ordinary Shares (in each case, based on the position at the time of signing of the SPA but which may change depending, among other things, on the market price of the Company's Ordinary Shares shortly before Completion). A number of Directors and Senior Managers of the Group will also own Ordinary Shares following Admission.

Mintaka has entered into the TA Associates Lock-up Agreement pursuant to which it will be restricted from disposing of any of its Consideration Shares for a period of 24 months following Completion, subject to certain exceptions, including any disposal as may be required solely to realise funds sufficient to satisfy: (a) any payment obligation of Mintaka in respect of the Purchase Price Adjustment, the net debt indemnity under the SPA, and certain indemnification obligations in connection with the Acquisition (including the deferred earn-out plan); and/or (b) any reasonable and documented transaction costs incurred by Mintaka in connection with the Acquisition (to the extent that any entitlement Mintaka has to interim cash dividends declared by the Company in respect of the year ending 31 December 2020 and with a record date falling after the date of Admission is not sufficient to pay such costs in full). Following the end of the lock-up period and except with the Company's prior written consent, or in certain other limited circumstances, Mintaka is restricted from disposing of, in any rolling three-month period, such number of Consideration Shares equal to or more than 5 per cent. of the total number of Ordinary Shares in issue at such time and from disposing of, in any rolling six-month period, such number of Consideration Shares equal to more than 7.5 per cent. of the total number of Ordinary Shares in issue at such time.

The Key Merian Management Shareholders have entered into the Merian Management Shareholders Lock-up Agreements pursuant to which they will be restricted from disposing of (i) any of their respective Consideration Shares for a period of 12 months from Completion; and (ii) more than 25 per cent. of their respective Consideration Shares (including when aggregated with any previous disposals they have made) for a period of three years following Completion, in each case subject to certain exceptions.

However, future sales of substantial amounts of Ordinary Shares by one or more investors, including by Mintaka or future sales by particular persons such as Directors, Senior Managers or the Key Merian Management Shareholders whose investment decisions may influence other investors (in the



case of Mintaka and the Key Merian Management Shareholders following the expiration of the applicable lock-up periods or in accordance with the exceptions to such lock-up arrangements), or the perception that such sales were imminent, could adversely affect the prevailing trading price of the Ordinary Shares.

3.2 ***Following Admission, TA Associates may be able to exert influence over the Company***

Following Admission, Mintaka is expected to own approximately 15.9 per cent. of the Ordinary Shares in issue at that time (based on the position at the time of signing of the SPA but which may change depending, among other things, on the market price of the Company's Ordinary Shares shortly before Completion). Mintaka and TA Associates will also be entitled under the terms of the Relationship Agreement to nominate one non-executive director to the Board for as long as Mintaka, together with any member of TA Associates' Group, holds 10 per cent. or more of the issued share capital of the Enlarged Group. As a result, TA Associates may have the ability to exercise influence over the business of the Enlarged Group and determine the outcome of certain matters submitted to the vote of Shareholders, including the election of directors and approval of significant corporate transactions. TA Associates' Group may hold investments in other companies or businesses which compete, directly or indirectly, with the Enlarged Group. As such, the interests of TA Associates may not always be aligned with those of other Shareholders.

## PART III

### HISTORICAL FINANCIAL INFORMATION RELATING TO THE MERIAN GROUP

#### SECTION A: ACCOUNTANT'S REPORT IN RESPECT OF THE HISTORICAL FINANCIAL INFORMATION RELATING TO THE MERIAN GROUP



The Directors  
Jupiter Fund Management plc  
The Zig Zag Building  
70 Victoria Street  
London SW1E 6SQ  
United Kingdom

J.P. Morgan Securities plc (the “Sponsor”)  
25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

27 April 2020

Dear Ladies and Gentlemen

#### **Merian Global Investors Limited (“Merian”)**

We report on the financial information of Merian for the three years ended 31 December 2019 set out in Section B of this Part III below (the “**Merian Financial Information Table**”). The Merian Financial Information Table has been prepared for inclusion in the circular of Jupiter Fund Management plc (the “**Company**”) dated 27 April 2020 (the “**Circular**”) on the basis of the accounting policies set out in note 2 to the Merian Financial Information Table. This report is required by item 13.5.21R of the Listing Rules of the Financial Conduct Authority (the “**Listing Rules**”) and is given for the purpose of complying with that item and for no other purpose.

#### **Responsibilities**

The Directors of the Company are responsible for preparing the Merian Financial Information Table in accordance with the basis of preparation set out in note 2 to the Merian Financial Information Table.

It is our responsibility to form an opinion as to whether the Merian Financial Information Table gives a true and fair view, for the purposes of the Circular 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 shareholders of the Company 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 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 item 13.4.1R(6) of the Listing Rules, consenting to its inclusion in the Circular.

#### **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. 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 Merian’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.

**Opinion**

In our opinion, the Merian Financial Information Table gives, for the purposes of the Circular dated 27 April 2020, a true and fair view of the state of affairs of Merian as at the dates stated and of its losses / income, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in note 2.1 to the Merian Financial Information Table.

Yours faithfully

PricewaterhouseCoopers LLP

Chartered Accountants

## SECTION B:

### HISTORICAL FINANCIAL INFORMATION RELATING TO THE MERIAN GROUP

#### Combined and Consolidated Statement of Comprehensive (Loss) / Income

For the year ended 31 December

	Notes	2019	2018	2017
		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Revenue.....	7	232,770	291,959	398,561
Fees and commission expenses.....	9	<u>(52,765)</u>	<u>(67,829)</u>	<u>(61,641)</u>
<b>Net revenue.....</b>		<u>180,005</u>	<u>224,130</u>	<u>336,920</u>
Administrative expenses.....	10	(114,483)	(172,765)	(181,272)
Transaction costs.....	14	—	(16,796)	—
Amortisation of intangible assets.....	20	<u>(36,546)</u>	<u>(18,292)</u>	<u>(2,388)</u>
<b>Operating profit.....</b>		<u>28,976</u>	<u>16,277</u>	<u>153,260</u>
Finance income.....	16	363	510	165
Finance expense.....	17	<u>(43,065)</u>	<u>(23,879)</u>	<u>—</u>
<b>(Loss)/profit before tax.....</b>		<u>(13,726)</u>	<u>(7,092)</u>	<u>153,425</u>
Income tax expense.....	18	<u>(3,071)</u>	<u>(6,881)</u>	<u>(29,725)</u>
<b>(Loss)/profit for the year.....</b>		<u>(16,797)</u>	<u>(13,973)</u>	<u>123,700</u>
Other comprehensive loss, net tax.....		<u>(550)</u>	<u>(150)</u>	<u>—</u>
<b>Total comprehensive (loss)/income for the year.....</b>		<u>(17,347)</u>	<u>(14,123)</u>	<u>123,700</u>
<b>(Loss)/income attributable to equity holders.....</b>		<u>(17,347)</u>	<u>(14,123)</u>	<u>123,700</u>

The notes on pages 40 to 69 are an integral part of the combined and consolidated historical financial information.

## Combined and Consolidated Balance Sheet

As at 31 December

	Notes	2019	2018	2017
		£'000	£'000	£'000
<b>Non-Current Assets</b>				
Goodwill	19	263,429	262,964	—
Intangible assets	20	127,875	164,421	39
Property, plant and equipment	21	17,169	60	176
Deferred acquisition costs		2,509	3,694	4,395
Deferred tax assets	22	6,044	6,639	9,441
Other receivables	24	103	—	—
		<b>417,129</b>	<b>437,778</b>	<b>14,051</b>
<b>Current Assets</b>				
Other receivables	24	27,841	27,916	232,510
Financial assets through profit or loss	23	36,621	31,016	499
Cash and cash equivalents	25	121,277	138,117	147,393
		<b>185,739</b>	<b>197,049</b>	<b>380,402</b>
<b>TOTAL ASSETS</b>		<b>602,868</b>	<b>634,827</b>	<b>394,453</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital	31	5,155	5,152	—
Share premium		15,205	15,196	—
Foreign currency translation reserve	33	(700)	(150)	—
Retained earnings	33	(42,966)	(26,169)	—
Invested capital	31	—	—	156,121
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS</b>		<b>(23,306)</b>	<b>(5,971)</b>	<b>156,121</b>
<b>NON-CURRENT LIABILITIES</b>				
Loans and borrowings	26	156,808	196,404	—
Preference shares	32	334,649	304,227	—
Deferred tax liability	28	21,739	27,950	—
Other payables	27	16,368	—	—
		<b>529,564</b>	<b>528,581</b>	<b>—</b>
<b>CURRENT LIABILITIES</b>				
Current tax liability		5,617	5,870	33,345
Other payables	27	90,993	106,347	204,987
		<b>96,610</b>	<b>112,217</b>	<b>238,332</b>
<b>TOTAL LIABILITIES</b>		<b>626,174</b>	<b>640,798</b>	<b>238,332</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>602,868</b>	<b>634,827</b>	<b>394,453</b>

The notes on pages 40 to 69 are an integral part of the combined and consolidated historical financial information.

## Combined and Consolidated Statement of Changes in Equity

	Share capital	Share Premium	Invested Capital	Foreign currency translation reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
<b>As at 1 January 2019</b> .....	5,152	15,196	—	(150)	(26,169)	(5,971)
Issue of share capital .....	3	9	—	—	—	12
Loss for the year .....	—	—	—	—	(16,797)	(16,797)
Translation loss .....	—	—	—	(550)	—	(550)
<b>As at 31 December 2019</b> .....	<b>5,155</b>	<b>15,205</b>	<b>—</b>	<b>(700)</b>	<b>(42,966)</b>	<b>(23,306)</b>

	Share capital	Share Premium	Invested Capital	Foreign currency translation reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
<b>As at 1 January 2018</b> .....	—	—	156,121	—	—	156,121
Profit for the six-month period .....	—	—	12,196	—	—	12,196
Dividends paid .....	—	—	(35,696)	—	—	(35,696)
In specie dividend paid .....	—	—	(9,100)	—	—	(9,100)
Eliminate reserves of Merian Global Investors Holdings Limited as at 29 June 2018 .....	—	—	(123,521)	—	—	(123,521)
Issue of share capital .....	5,152	15,196	—	—	—	20,348
<b>As at acquisition 29 June 2018</b> .....	<b>5,152</b>	<b>15,196</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>20,348</b>
Loss for the period .....	—	—	—	—	(26,169)	(26,169)
Translation loss .....	—	—	—	(150)	—	(150)
<b>As at 31 December 2018</b> .....	<b>5,152</b>	<b>15,196</b>	<b>—</b>	<b>(150)</b>	<b>(26,169)</b>	<b>(5,971)</b>

	Share capital	Share Premium	Invested Capital	Foreign currency translation reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
<b>As at 1 January 2017</b> .....	—	—	76,940	—	—	76,940
Profit for the year .....	—	—	123,700	—	—	123,700
Share-based payments .....	—	—	252	—	—	252
Dividends paid .....	—	—	(44,771)	—	—	(44,771)
<b>As at 31 December 2017</b> .....	<b>—</b>	<b>—</b>	<b>156,121</b>	<b>—</b>	<b>—</b>	<b>156,121</b>

The notes on pages 40 to 69 are an integral part of the combined and consolidated historical financial information.

## Combined and Consolidated Statement of Cash flows

For the year ended 31 December

	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
(Loss) / profit before tax .....	(13,726)	(7,092)	153,425
Depreciation and amortisation .....	38,522	21,641	804
Impairment .....	—	—	1,783
Decrease / (increase) in receivables .....	10,787	204,592	(119,710)
(Decrease) / increase in payables .....	(27,982)	(98,638)	88,925
Finance costs .....	43,065	23,879	—
Finance income .....	(363)	(512)	(165)
Other losses / (gains) .....	110	(755)	(3,570)
Tax and group relief paid .....	(8,897)	(34,643)	(5,879)
<b>Net cash from operating activities .....</b>	<b>41,516</b>	<b>108,472</b>	<b>115,613</b>
<b>INVESTING ACTIVITIES</b>			
Interest received .....	363	512	143
Net (purchase) /sale of investments .....	(5,684)	(30,932)	39
Business combinations in the year .....	(465)	(540,000)	—
<b>Net cash (used in) / from investing activities .....</b>	<b>(5,786)</b>	<b>(570,420)</b>	<b>182</b>
<b>FINANCING ACTIVITIES</b>			
Dividends paid .....	—	(35,696)	(44,771)
Repayment of lease liabilities and borrowings .....	(1,961)	—	—
Interest and bank charges paid .....	(11,272)	(7,597)	—
Issue of share capital .....	—	20,348	—
Issue of preference share capital .....	—	289,551	—
Debt issue .....	—	235,000	—
Debt repaid .....	(38,790)	(40,000)	—
Finance arrangement costs .....	—	(9,282)	—
<b>Net cash used in / from financing activities .....</b>	<b>(52,023)</b>	<b>452,324</b>	<b>(44,771)</b>
<b>Net (decrease) / increase in cash and cash equivalents .....</b>	<b>(16,293)</b>	<b>(9,624)</b>	<b>71,024</b>
Foreign exchange movement on cash .....	(547)	348	(454)
<b>Cash and cash equivalents at beginning of the year .....</b>	<b>138,117</b>	<b>147,393</b>	<b>76,823</b>
<b>Cash and cash equivalents at end of the year .....</b>	<b>121,277</b>	<b>138,117</b>	<b>147,393</b>

The notes on pages 40 to 69 are an integral part of the combined and consolidated historical financial information.

## Notes to the Combined and Consolidated Historical Financial Information relating to the Merian Group

### 1. GENERAL INFORMATION

Merian Global Investors Limited (“**Merian**”) is a private limited company incorporated in Jersey with registered number 125325. Merian is the holding company for the Merian Group as defined below. Merian was incorporated on 7 December 2017 and began operations on 29 June 2018. The address of its registered office is 47 Esplanade, St Helier, JE1 08D, Jersey.

The primary business of the Merian Group is to deliver strong investment performance through active investment management.

On 19 December 2017, Quilter Group Plc (“**Quilter Group**”) announced it had agreed to sell the single strategy business of Old Mutual Global Investors Group (the “**OMGI Group**”). On 29 June 2018, Merian, through its subsidiary Merian Global Investors (Finance) Limited acquired Old Mutual Global Investors Holding Limited and its subsidiaries. In October 2018, Old Mutual Global Investors Holdings Limited changed its name to Merian Global Investors Holdings Limited. Merian Global Investors Holding Limited was previously the holding company of the Merian Group described below, and is a company incorporated and domiciled in England and Wales.

On 17 February 2020, Jupiter Fund Management plc (the “**Company**”) announced the proposed acquisition of the Merian Group (the “**Acquisition**”). The Acquisition, which is subject to regulatory and shareholder approval, is expected to complete in the second half of 2020 (and not earlier than 1 July 2020).

### 2. SUMMARY OF ACCOUNTING POLICIES

This historical financial information has been prepared to reflect the historical financial performance of the Merian Group, applying accounting policies consistent with those used by the Company in the Company’s annual report for the year ended 31 December 2019.

The principal accounting policies applied in the preparation of this combined and consolidated historical financial information are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

The constituent parts of the Merian Group’s results for the periods presented are also explained below.

#### 2.1 Basis of preparation

The historical financial information has been prepared on the basis of the Acquisition which was announced on 17 February 2020. In respect of certain matters, such as the going concern basis of preparation and the accounting policies of the Company, it takes into account the appropriate considerations of the Enlarged Group. The Acquisition, which is subject to regulatory and shareholder approval, is expected to complete in the second half of 2020 (and not earlier than 1 July 2020).

For the purposes of this historical financial information, the term “**Merian Group**” refers to the carve-out combined and consolidated historical financial information of Merian Global Investors Holdings Limited and its subsidiaries prior to 29 June 2018 (the date of the acquisition of Merian and its subsidiaries) and subsequent to 30 June 2018 to 31 December 2019 of Merian and its consolidated subsidiaries.

This combined and consolidated historical financial information therefore presents the financial results for those businesses that were part of the Merian Group as at and for the years ended 31 December 2017, 31 December 2018 and 31 December 2019.

This combined and consolidated historical financial information has been prepared in accordance with the requirements of the Prospectus Regulation, the Listing Rules, those parts of the Companies Act applicable to companies reporting under IFRS and in accordance with the basis of preparation set out below.

The basis of preparation describes how the historical financial information has been prepared in accordance with IFRS except as described below.

IFRS does not provide for the preparation of combined and consolidated financial information and, accordingly, in preparing the combined and consolidated historical financial information certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars, as described in the Annexure to SIR 2000 (Investment Reporting Standards applicable to public reporting engagements on historical financial information) issued by the Auditing Practices Board, have been applied.



Due to its nature, and specific basis of preparation, the combined and consolidated historical financial information as at and for the years ended 31 December 2017 and 31 December 2018 is not in full compliance with IFRS presentation and disclosure requirements.

Earnings per share, as required by IAS 33 “Earnings per share” has only been disclosed for the 6 months ended 31 December 2018 and the year end 31 December 2019, given that the historical financial information has not been prepared on a consolidated basis throughout the periods presented (as further explained in note 15).

This combined historical financial information is presented in pounds thousands of sterling (“£000”) and has been prepared under the historical cost convention on the basis of accounting policies disclosed below.

The combined and consolidated historical financial information reflects the following:

(i) For the year ended 31 December 2017

The Merian Group was not a standalone legal group or business of entities for the year ended 31 December 2017. As such, consolidated historical financial information for the year ended 31 December 2017 is derived from the legal entity financial information of the entities in the Merian Group.

The carve-out combined and consolidated historical financial information for the year ended 31 December 2017 has been prepared to present the historical financial results of the single strategy business of the OMGI Group (now the Merian Group).

During 2017, the OMGI Group also managed a range of multi-asset funds. These funds are outside of the scope of the carve-out historical financial information, hence their financial results are excluded from the carve-out historical financial information. Consolidation adjustments have been made to carve-out the results, assets and liabilities attributable to the multi-asset funds business.

The operations, assets and liabilities attributable to the remaining business are derived from the following entities which sat within the OMGI Group and amounts are sourced from the statutory financial statements of each of the following entities:

- Merian Global Investors Holdings Limited (“**MGI Holdings**”) (formerly Old Mutual Global Investors Holdings Limited);
- Merian Global Investors (UK) Limited (“**MGI UK**”) (formerly Old Mutual Global Investors (UK) Limited);
- Merian Global Investors (Switzerland) LLC (“**MGI CH**”) (formerly Old Mutual Global Investors (Switzerland) LLC);
- Merian Global Investors (Singapore) Pte. Ltd (“**MGI SG**”) (formerly Old Mutual Global Investors (Singapore) Pte. Ltd);
- Merian Global Investors (Asia Pacific) Limited (“**MGI AP**”) (formerly Old Mutual Global Investors (Asia Pacific) Limited);
- Quilter Investors Limited (“**QI**”) (formerly Old Mutual Investment Management Limited); and
- Merian Investment Management Limited (“**MIML**”) (formerly OMIFM Limited).

The historical results of the companies have been apportioned to either of the multi-asset funds business and the remaining business in accordance with each separate company’s allocation below:

- As MGI Holdings, MGI AP, MGI CH and MGI SG were allocated 100 per cent. to the remaining business no adjustments were required to the historical results, assets and liabilities of these entities as set out in the individual statutory financial statements. Those individual statutory financial statements prepared under HKFRSs (MGI AP); Swiss Law on Accounting and Financial Reporting (32<sup>nd</sup> title of the Swiss Code of Obligations) (MGI CH) and Singapore Financial Reporting Standards (MGI SG), although not prepared in accordance with IFRS, did not have any material GAAP differences between those accounting frameworks and IFRS. The statutory financial statements for MGI Holdings were already prepared under IFRS.
- MIML was incorporated in 2017 and was dormant for the year.
- In 2017 MGI UK and QI had both multi-asset fund business and remaining business and therefore amounts have been allocated between the relevant businesses to determine the amounts to be included as follows:

**Revenue and Working capital (assets and liabilities):** Allocation of revenue and working capital, between the multi-asset fund business and remaining business was attributed on a fund by fund basis excluding cash positions. All cash held by the entities except QI has been allocated to the remaining business.

**Expenses:** The expenses for the remaining business were derived using two methods. Direct expenses attributable to remaining business were allocated to the relevant fund, desk or cost centre within the remaining business. The remaining expenses that could not be directly allocated to a fund, desk or cost centre were allocated based on apportionment of AUM on a fund by fund basis.

**Other receivables/payables:** Adjustments have been made to recognise separately amounts receivable or payable to/from the excluded multi-asset fund business. Balances between the remaining business entities have been eliminated and those with multi-asset fund entities have been treated as if with third parties.

**Taxes:** Tax charges and liabilities arising on each legal entity that is wholly within the carve-out perimeter have been accounted for and adjustments have been made for the tax effect of items of income or expense carved out of the results of the remaining business (i.e. from the excluded business).

Deferred taxes have been allocated to the legal entities within the carve-out perimeter again with adjustments to carve-out the deferred tax-effect of items of income or expense attributable to the multi-asset business.

**Share capital and reserves:** Share capital and reserves are not presented in this carve-out financial information as there is no sensible basis on which to determine allocation of capital and reserves between these businesses. A single line balance “invested capital” has been included in the balance sheet.

The remaining business benefits from synergies that result from being part of the OMGI Group and, accordingly, this non-statutory combined financial information does not represent the financial performance of the single strategy business as if it had been a standalone entity in the periods presented.

(ii) For the year ended 31 December 2018

The management team of the Merian Group undertook a management buyout in June 2018, establishing the Merian Group as an independent group. Therefore, during the period from 1 January 2018 to 29 June 2018, the entities combined did not constitute a separate legal group. The historical financial information for the year ended 31 December 2018 has therefore been prepared on a basis that combines the results of the Merian Group. The combined and consolidated historical financial information is derived from the following:

- 1) the carve-out combined and consolidated financial information derived from the legal entity financial information of the OMGI Group for the period from 1 January 2018 to 29 June 2018; and
- 2) the consolidated financial information of the Merian Group for the period from 30 June 2018 to 31 December 2018.

The assets and liabilities of the Merian Group were adjusted to fair value as part of the management buyout on 29 June 2018, which impacts the Merian Group’s earnings after this date. Subsequently from 30 June 2018 to 31 December 2018, the consolidated historical financial information reflects Merian and its subsidiaries as at and for the period 30 June 2018 to 31 December 2018.

(iii) For the year ended 31 December 2019

The historical financial information for the year ended 31 December 2019 has been derived from the standalone consolidated historical financial information of the Merian Group.

## 2.2 Basis of control

The Merian Group accounts for business combinations using the acquisition method when control is transferred to the Merian Group. Any goodwill that arises on combination is initially recognised at fair value, and subsequently tested annually for impairment. Transaction costs, except for those incurred in respect of the issue of debt or equity, are expensed as incurred.

Control is achieved when the Merian Group is exposed, or has rights, to variable returns from its involvement with the investee and has ability to affect those returns through its power over the investee. Specifically, the Merian Group controls an investee if, and only if, the Merian Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and

- the ability to use its power over the investee to affect its returns.

Generally, there is presumption that a majority of voting rights results in control. To support this presumption and when the Merian Group has less than a majority of the voting or similar rights of an investee, the Merian Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement(s) with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Merian Group's voting rights and potential voting rights.

The Merian Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Merian Group obtains control over the subsidiary and ceases when the Merian Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Merian Group gains control until the date the Merian Group ceases to control the subsidiary.

Transactions eliminated on consolidation, intra-group balances and transactions, and unrealised income or expenses arising from intra-group transactions are eliminated.

### 2.3 Going concern

This combined and consolidated historical financial information of the Merian Group has been prepared on a going concern basis in the context of its proposed acquisition by the Company, which was announced on 17 February 2020.

The Acquisition, which is subject to regulatory and shareholder approval, is expected to complete in the second half of 2020 (and not earlier than 1 July 2020).

The Directors have prepared forecasts and budgets which demonstrate the Merian Group's continuing viability and expected profitability on an enlarged basis in the context of the Acquisition. Therefore, no adjustments or disclosures are deemed appropriate or required in this combined and consolidated historical financial information, not is there deemed a requirement to change the basis of preparation given that the going concern assumption remains appropriate in the context of the Acquisition.

The Merian Group has adequate resources to continue in operational existence for at least 12 months from the date of approval of the combined and consolidated historical financial information and under a reasonable worst case scenario is able to meet its financial obligations as they fall due in the context of the Acquisition. As a consequence, the Directors believe that the Merian Group is well placed to manage its business risks successfully.

The uncertainty as to the future impact on the Merian Group of the coronavirus (Covid-19) outbreak has been considered as part of the Merian Group's adoption of the going concern basis.

The Merian Group has experienced a significant reduction in assets under management, including material client outflows, in the first quarter of 2020 (see note 37) and the Directors have considered the potential impact of the coronavirus (Covid-19) outbreak on the Merian Group's results, allowing for the impact of lower revenues arising from lower levels of assets under management.

Management has action plans in place in the event of further reductions in asset values and net client outflows from funds. The implementation of these plans would enable the Merian Group to continue as a going concern in a reasonable worst case scenario, such that the Directors have a reasonable expectation that the Merian Group will continue as a going concern in the context of the Acquisition.

Therefore, this combined and consolidated historical financial information does not include the adjustments that would result if the Merian Group was unable to continue as a going concern.

### 2.4 Functional and presentation currency

Items included in the historical financial information of each of the Merian Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). This combined and consolidated historical financial information is presented in pounds sterling, which is the Merian Group's presentation currency.

### 3. CHANGES TO SIGNIFICANT ACCOUNTING POLICIES

During the year ended 31 December 2019, the following standards, amendments to standards, and interpretations were adopted in the historical financial information.

#### IFRS 16 Leases

The Merian Group has adopted IFRS 16 retrospectively from 1 January 2019, and has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

On adoption of IFRS 16, the Merian Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 4.5 per cent.

#### (i) Practical expedients applied

In applying IFRS 16 for the first time, the Merian Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease. The Merian Group has also elected not to reassess whether a contract is, or contains, a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Merian Group relied on its assessment made applying IAS 17 and IFRIC 4 determining whether an arrangement contains a lease.

#### (ii) Measurement of lease liabilities

	<b>£'000</b>
Capital commitments disclosed as at 31 December 2018	5,109
(Less): discount using the lessee's incremental borrowing rate	(126)
(Less): capital commitments not meeting the criteria of a lease liability	(1,677)
<b>Lease liability recognised as at 1 January 2019</b>	<b>3,306</b>

#### Of which:

Current lease liabilities	1,920
Non-current lease liabilities	1,386

#### (iii) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured using the incremental borrowing rate as on the date of transition. Other right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018.

Prior to the adoption of IFRS 16, leases were accounted for under IAS 17. Leasing and rental contracts were recognised based on legal ownership. Therefore, any leasing or rental expenses were recognised as expenses in the period they were incurred; however, the leased or rented objects themselves were not recognised in the balance sheet. For the period ended 31 December 2017 there were lease agreements for the Merian Group's premises in Zurich and Edinburgh on this basis. The operating lease commitments were not material for the year ended 31 December 2017 or 2018.

### ***New standards and interpretations not applied***

The International Accounting Standards Board and IFRS Interpretations Committee (“IC”) have issued a number of new accounting standards and interpretations, amendments to existing standards and interpretations. There are no IFRSs or IFRS IC interpretations that are not yet effective that would be expected to have a material impact on the Merian Group.

## **4. ACCOUNTING POLICIES**

### **4.1 Revenue from Contracts with Customers**

Revenue recognised reflects the consideration to which the Merian Group expects to be entitled in exchange for the transfer of promised goods or services to the client. IFRS 15 was adopted by the Merian Group for the financial year commencing 1 January 2018 using the modified retrospective approach. All Merian Group companies that were acquired on 29 June 2018 had already adopted IFRS 15 and as part of this adoption considered the five-step analysis prescribed by the standard.

The Merian Group considered the five-step analysis prescribed by IFRS 15. Group companies also took into account the different types of contracts they have with their customers, the corresponding types of services provided to customers and when these service obligations are satisfied. In addition, the Merian Group considered the types of fee income generated across all products from contracts with its customers and when fee income is recognised.

The Merian Group disaggregates revenue from contracts with customers on the basis of product type and geographical region, as this best depicts how the nature, amount, timing and uncertainty of the Merian Group’s revenue and cash flows are affected by economic factors.

The Merian Group’s product types can be broadly categorised into pooled funds and segregated mandates. Pooled funds, which include both mutual funds and investment trusts, are established by the Merian Group, with the risks, exposures and investment approach defined via a prospectus which is provided to potential investors. In contrast, segregated mandates are generally established in accordance with the requirements of a specific institutional investor.

Management fees, performance fees and distribution fees are all forms of variable consideration, however there is no significant judgement or estimation. The transaction price is determined at the end of each measurement period and is normally equal to the relevant measure of AUM adjusted by a factor set out in the investment management agreement. In the case of performance fees, there will be an adjustment for a hurdle rate of return before the performance fee is due. The amount is billed to the customer as per contractual arrangements for each of the separate components of revenue.

All components of the Merian Group’s revenue are performance obligations satisfied over time, and are generally not subject to returns or refunds. The Merian Group uses the output method to recognise revenue, applying the practical expedient that allows an entity to recognise revenue in the amount to which the entity has a right to invoice if that consideration corresponds directly with the value to the customer of the entity’s performance completed to date. This is appropriate because investment management services are generally satisfied over time with either the customer simultaneously receiving and consuming the benefits provided by the fund manager as the fund manager performs the service, or with the fund manager’s performance enhancing the assets that the fund controls.

Revenue comprises the fair value for services, net of value-added tax. Revenue is recognised as follows:

- fees charged for managing investment contracts are recognised as revenue in line with the provision of the investment management services. These services are deemed to be provided equally over the lifetime of a contract; and
- performance fees are calculated as a percentage of the appreciation in the net asset value of a fund above a defined hurdle and are recognised when the fee amount can be estimated reliably and it is highly probable that it will not be subject to significant reversal. Such fees are normally recognised at the end of the relevant reporting period of the fund and payment is collected shortly after.

### ***Finance Income***

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that financial asset’s carrying amount.

## 4.2 Expenses

All expenses are recognised in the income statement on the accrual basis.

## 4.3 Share-based compensation

Prior to 29 June 2018, the Merian Group participated in share-based payment transactions in respect of services receivable from certain employees by granting the right to either shares or options over shares, subject to certain vesting conditions and exercise prices.

The fair value of the awards granted in the form of shares or share options is recognised as an administrative expense over the appropriate performance and vesting period.

These have been accounted for as equity-settled or cash-settled, as appropriate.

## 4.4 Goodwill

Goodwill arising on acquisitions, being the excess of the costs of a business combination over the fair value of identifiable assets, liabilities and contingent liabilities acquired, is recognised in the combined and consolidated balance sheet. The carrying value of goodwill is not amortised but is tested annually for impairment or more frequently if any indicators of impairment arise.

This impairment test requires assumptions to be made, principally concerning the future levels of profitability. Given the size of the potential impact of impairment losses on the Merian Group's financial position, this has been included as an area where the use of estimation is important. However, given the headroom resulting from the impairment test for the years ended 31 December 2018 and 2019, the risk of material adjustment is not deemed significant. The Merian Group also reviews the accuracy of historical estimates of future profitability to assess whether impairment tests from prior years would have given a different result had actual profits been equal to past estimates. No instances have been identified where this would have triggered an impairment.

See note 37 for further information of post balance sheet events relating to goodwill impairment.

## 4.5 Intangible assets

Purchased software and internally developed software are reported at cost less accumulated amortisation and impairment losses.

Internally developed software is amortised over its estimated useful life. Such assets are stated at cost less accumulated amortisation and impairment losses. Software is recognised in the statement of financial position if, and only if, it is probable that the relevant future economic benefits attributable to the software will flow to the Merian Group and its cost can be measured reliably.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of the product, which range between three and five years.

Management contracts acquired in business combinations are initially recognised at fair value and are amortised over their estimated useful life. The fair value of the contracts has been estimated using a discounted cash flow model. The useful life has been estimated as being five years.

The carrying amounts of the Merian Group's intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

See note 37 for further information of post balance sheet events relating to intangible assets.

#### 4.6 Property, plant and equipment

Items of equipment are reported at cost less accumulated depreciation and impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

<b>Fixed Asset</b>	<b>Years</b>
Computer equipment .....	3
Leases.....	11

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset. This gain or loss is recognised in the combined and consolidated statement of comprehensive (loss) / income.

#### 4.7 Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option; and
- payments to be made under reasonably certain extension options.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

To determine the incremental borrowing rate, the Merian Group:

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk; and
- makes adjustments specific to the lease, for example, term, country, currency and security.

The Merian Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

#### 4.8 Financial assets through profit or loss

Financial assets through profit or loss mainly represent investments in funds for the purpose of fulfilling employee deferred compensation plans. They are measured at fair value through the combined and consolidated statement of comprehensive (loss) / income at initial recognition and are stated at fair value, with any resultant gain or loss recognised in the combined and consolidated statement of comprehensive (loss) / income.

#### 4.9 Financial Instruments

IFRS 9 (Financial Instruments) was issued in July 2014 and has replaced IAS 39 (Financial Instruments: Recognition and Measurement). The final version of this standard incorporates amendments to the classification and measurement, hedge accounting guidance, as well as the accounting requirements for the impairment of financial assets measured at amortised cost and fair value through other comprehensive income ("FVOCI").

The standard was effective for the Merian Group for the financial year commencing 1 January 2018.

All Merian Group companies that were acquired on 29 June 2018 had already adopted IFRS 9. More information on changes in classification is shown later in this section.

## Classification and measurement of financial assets and liabilities

All financial assets are initially recognised at fair value, including directly attributable transactions costs (for financial assets not measured at fair value through profit or loss).

Financial assets are classified based on (i) the business model within which the financial assets are managed and (ii) the contractual cash flow characteristics of the financial assets (whether the cash flows represent ‘solely payment of principal and interest’). Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold those assets for the purpose of collecting contractual cash flows and those cash flows comprise solely payments of principal and interest (‘hold to collect’).

Other financial assets are measured at fair value through profit or loss (“FVTPL”).

For equity investments that are neither held for trading nor contingent consideration, Merian may irrevocably elect to present subsequent changes in fair value of these equity investments in either (i) profit or loss (FVTPL); or (ii) other comprehensive income (FVOCI). Where the equity investment is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss. However, it may be reclassified within equity.

The classification of the Merian Group’s financial instruments according to IFRS 9 is shown below. On transition, there has been no change in the carrying value of any financial assets or financial liabilities.

### IFRS 9 Reclassification Table

<u>Financial Assets</u>	<u>Classification</u>
Cash .....	Amortised cost
Investments .....	Fair value through profit and loss
Deferred acquisition costs .....	Amortised cost
Other receivables .....	Amortised cost
<b>Financial Liabilities</b>	
Other payables .....	Amortised cost
Loans and borrowings .....	Amortised cost
Preference share capital .....	Amortised cost

### Impairment

Impairment is determined based on an expected credit loss (“ECL”) model. The Merian Group is required to recognise an allowance for either 12-month or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition.

The measurement of ECLs reflects a probability-weighted outcome, the time value of money and the entity’s best available forward-looking information. The aforementioned probability-weighted outcome must consider the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the possibility of a credit loss occurring is low.

The ECL model applies to financial assets measured at amortised cost and FVOCI, lease receivables and certain loan commitments as well as financial guarantee contracts.

Key assumptions and judgements applied in relation to the impairment model:

- cash at bank – no ECL allowance is recognised, as deposits are held with banks with medium to high quality credit ratings and credit risk is considered to be minimal;
- inter-company loans – no ECL allowance is recognised as the credit risk is considered to be low due to the availability of funds for repayment; and
- other receivables – the Merian Group applies the IFRS 9 simplified approach to measuring ECLs for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years and is adjusted for forward-looking estimates. ECLs are applied to the total balance of non-credit impaired trade receivables. The Merian Group considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becomes probable that the client will enter bankruptcy or other financial reorganisation. When a trade receivable



is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement. In line with the Merian Group's historical experience, and after consideration of current credit exposures, the Merian Group does not expect to incur any credit losses and has not recognised any ECLs in the current year (2018: £nil, 2017: £nil)

#### **4.10 Other receivables**

Other receivables are not interest-bearing and are stated at their cost, less appropriate allowances for estimated irrecoverable amounts. The carrying value of the assets approximates to their fair value. These are held at amortised cost.

#### **4.11 Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits with banks. The carrying amount of these assets approximates to their fair value. All cash and cash equivalent balances are repayable on demand. Under IFRS 9 these are held at amortised cost.

#### **4.12 Other payables**

Other payables are not interest-bearing and are stated at their amortised cost which is not materially different to cost and approximates to fair value. Under IFRS 9 these are held at amortised cost.

#### **4.13 Amounts due to employees**

The Merian Group, as part of its employee compensation, defers certain awards which are invested in funds. These are accrued over the vesting period through the combined and consolidated statement of comprehensive (loss) / income and settled at the end of the vesting period.

#### **4.14 Pensions and other post-retirement benefits**

Merian has contributed to defined contribution schemes in respect of the majority of its employees. The pension costs for these funds are charged directly to the combined and consolidated statement of comprehensive (loss) / income in the accounting period in which they are incurred. The defined contribution schemes have assets which are held separately from those of the companies involved and are independently administered.

#### **4.15 Taxation**

##### **(a) Current tax**

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to income tax payable in respect of previous years. The taxable income for the year is determined in accordance with enacted legislation and taxation authority practice for calculating the amount of tax payable.

Current tax is charged or credited to the (loss) / profit for the year, except when it relates to items recognised directly in equity or in other comprehensive income.

##### **(b) Deferred tax**

Deferred taxes are calculated according to the statement of financial position method, based on temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax is charged or credited to the (loss) / profit for the year, except when it relates to items recognised directly in equity or in other comprehensive income.

#### **4.16 Foreign currencies**

Transactions in foreign currencies are translated at the exchange rate in effect at the date of the transaction. Foreign currency monetary assets and liabilities are translated to sterling at the year-end closing rate. Non-monetary assets denominated in a foreign currency that are measured in terms of historical cost are translated using the exchange rate in effect at the date of the transaction and non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate in effect at the date when the fair value was determined. Foreign exchange rate differences that arise are reported net in the income statement as foreign exchange gains/losses.

#### 4.17 Assessment of fund investments as structured entities

IFRS 12 defines a structured entity as ‘an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to the administrative tasks only and the relevant activities are directed by means of contractual arrangements’.

Merian has assessed whether the funds it manages are structured entities. Merian has considered the voting rights and other similar rights afforded to other parties in these funds (investors and independent boards or directors), including the rights to remove Merian as fund manager, liquidate the funds, or redeem holdings in the funds (if such rights are equivalent to liquidating the funds) and has concluded as to whether these rights are the dominant factor in deciding who controls the funds.

Merian has judged that its managed funds are structured entities and that it has an interest in these funds (see note 34).

#### 4.18 Consolidation

Under IFRS 10 (Consolidated Financial Statements), the Merian Group is required to consolidate any entities under the control of the Merian Group’s parent company. Such consolidated entities include operating and holding company subsidiaries of the Merian Group, but can also include other vehicles, such as employee benefit trusts (EBTs), which have been set up to fulfil a special purpose. In the case of the Merian Group’s EBT, the trustees are required to act in compliance with the trust deed and in accordance with the beneficiaries’ interests. However, judgement is required to establish whether the EBT has been designed effectively (i) to minimise the risk of conflict between the trustees’ duties and the interests of the Merian Group, and (ii) to serve the Merian Group’s purposes.

Merian’s judgement, which is in line with the vast majority of other groups with similar mechanisms for rewarding employees, is that the EBT has been designed, and functions, as a subsidiary of the Merian Group. This conclusion is based on the following, which indicate the Merian Group’s exposure to risk from the EBT and help determine whether the Merian Group has power over its relevant activities:

- the EBT’s activities are conducted on behalf of the Merian Group and for the benefit of the Merian Group’s employees because its primary function is to facilitate the remuneration of the Merian Group’s employees. The Merian Group made the decisions as to how the EBT was designed and operated at the EBT’s inception;
- the Merian Group retains the benefits and risks associated with holding fund investments until awards have vested unconditionally because such holdings via the trust mitigate the Merian Group’s exposure to changes in the value of fund investments between award and exercise date;
- the Merian Group funds the EBT through a loan facility, which means that financing decisions are controlled by the Merian Group; and
- if an employee’s award lapses, the Merian Group benefits from being able to cover other awards without committing other resources (i.e. without additional funding).

### 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical accounting estimates and judgements are those which involve the most complex or subjective judgements or assessments. The areas of Merian’s business that typically require such judgements and/or estimates are set out below, although none are considered a critical estimate or significant judgement as at the balance sheet date, but are provided as useful additional information. More detail is outlined below:

#### 5.1 Share-based compensation

Given the significance of share-based payments as a form of employee remuneration for the Merian Group, share-based payments have been included as an area where the use of estimation is important. The principal estimations are in relation to:

- forfeitures (where the awardees leave the Merian Group as ‘bad’ leavers and therefore forfeit unvested awards) and accelerations (where awardees are ‘good’ leavers and their awards continue to vest but there is no longer an extended service period condition); and
- the satisfaction of performance conditions attached to certain awards.

The estimates are reviewed regularly and the charge to the income statement is adjusted appropriately (at the end of the relevant scheme as a minimum). The share-based awards were cancelled on 29 June 2018 as a result of the acquisition of Merian Global Investors Holdings Limited. The expense has been reflected in retained earnings for the period ended 29 June 2018.

## 5.2 Goodwill and intangible asset impairment

Goodwill and intangible asset impairment were not critical estimates for the years ended 31 December 2018 and 2019 as there was sufficient headroom over the carrying values when compared to the recoverable amounts for the CGU. Due to coronavirus (Covid-19) outbreak, goodwill and intangible asset impairment may be considered critical estimates and further information is given as a result of post-balance sheet events (see note 37 for further detail).

## 6. FINANCIAL INSTRUMENTS RISK AND RISK MANAGEMENT

### 6.1 Risk management framework

The Merian Group's enterprise risk management ("ERM") framework comprises core components including:

- corporate governance arrangements which set out the way that the organisation is structured and managed;
- end-to-end processes involved in the identification, assessment, measurement, monitoring and management of risk, including assignment of risk owners and risk reporting; and
- culture and behaviours that are exhibited and the associated reward mechanisms.

The ERM framework aims to align strategy, capital, processes, people, technology and knowledge in order to evaluate and manage business opportunities, uncertainties and threats in a structured, disciplined manner. In this way, the Merian Group seeks to ensure that risk and capital implications are considered when making strategic and operational decisions, and to ensure that the Merian Group's risk profile is understood and managed within the agreed risk appetite.

Merian Group's risk appetite framework ("RAF") is based upon and supported by policies, processes and skills that set out the way that Merian Group staff across all areas and control functions manage risk in relation to the Merian Group's risk appetite. The RAF builds upon the existing business planning, capital and risk management processes.

The RAF has three distinctive components:

- strategy and business planning process: quantitative and qualitative strategic risk appetite principles linked to risk limits, which is revised and set annually as part of the business planning process;
- the stress and scenario framework: quantitative risk appetite statements linked to the business' strategic objectives, and contractual and regulatory requirements; and
- the risk policy framework: quantitative and qualitative risk appetite statements for individual risks embedded into the policy framework. These set out the approach taken within the Merian Group to mitigate and manage risks, informed by the policy appetite statements and control standards.

The risks faced by the Merian Group are described below:

#### Credit risk

Credit risk is the risk that the Merian Group is exposed to a loss if another party fails to meet its financial obligations to the Merian Group, including failing to meet them in a timely manner.

The Merian Group has established a credit risk policy which sets out restrictions on the permitted financial transactions with counterparties to control and monitor the level of credit risk to which the Merian Group is exposed to. The value of credit risk exposures and the credit rating of counterparties are monitored monthly.

The Merian Group's principal assets are cash and investment management fees due from the funds it manages.

Cash is held across a diversified list of counterparties, primarily banks, with high credit-ratings assigned by international credit rating agencies. Management fees due from managed funds are settled monthly and underpinned by assets held within those funds.

The Merian Group's maximum exposure to credit risk does not differ from the carrying value disclosed in the relevant notes to the combined and consolidated historical financial information.

### Market risk

Market risk is defined as the current or prospective risk to earnings or value arising from adverse movements in equity and commodity prices, interest and/or foreign exchange rates resulting in loss of earnings or reduced solvency.

The Merian Group has established a market risk policy which sets out the market risk management governance framework, maximum limits on market risk exposures, management information and stress testing requirements.

The financial impact of more extensive movements in market risk other than those that could reasonably be expected is examined through stress tests carried out within the Internal Capital Adequacy Assessment Process (“ICAAP”).

A decrease in value of assets under management by 10 per cent. from the start of the year would have decreased profit by £17.5 million after tax. An equal change in the opposite direction would have increased profit by £17.5 million after tax.

### Interest rate risk

Interest rate risk is the risk of a deviation of the actual interest rates from the expected interest rates, resulting in the potential for, a negative impact on earnings or capital and/or reduced solvency.

The most significant interest rate risk facing the Merian Group relates to the outstanding interest bearing loan liability (see note 26), which attracts a fixed rate plus a floating LIBOR/EURIBOR margin. The Merian Group manages this risk through the use of interest rate caps and cash flow forecasting.

Other interest rate risk arises primarily from bank balances held which are exposed to fluctuations in interest rates. The effective interest rate applicable to interest bearing financial instruments is as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Assets</b>	Variable	Variable	Variable
Deposits with credit institutions.....	0.76%	0.74%	0.35%
<b>Liabilities</b>	Variable	Variable	Variable
Euro denominated loan.....	5.5% + EURIBOR	5.75% + EURIBOR	N/A
Sterling denominated loan.....	5.5% + LIBOR	5.75% + LIBOR	N/A

The Merian Group’s maximum exposure to loss of income caused by interest rate changes is limited to the interest revenue it earns on bank deposits, which was £0.4 million in 2019 (2018: £0.5 million). An increase in interbank lending rates of 1 per cent. could have increased the interest payable by £1.8 million (2018: £1.2 million). The Merian Group did not have any loans in 2017.

### Foreign exchange rate risk

The Merian Group has exposure to foreign exchange risk on cash balances held as well as investment management fees due from the funds it manages, however these are settled monthly. There were nominal foreign currency cash balances held at 31 December 2017 and 2018. The balances in 2019 were as follows:

<b>Currency</b>	<b>Sterling equivalent £m</b>
US Dollars .....	3.9
Euros .....	5.3
Hong Kong Dollars .....	3.6

In 2019 €69.4 million (2018: €90 million, 2017: €nil) of euro denominated loan principal was outstanding. As the capital is not due to be repaid for a number of years the Merian Group’s exposure to this risk is not currently considered to present a challenge to the business. In addition, the Merian Group receives management fees in euros and so the conversion represents a natural hedge against the foreign exchange risk on these future fees.

### Liquidity risk

Liquidity risk is defined as the risk that the Merian Group does not have sufficient liquid resources to meet its obligations as they fall due, or can secure them only at excessive cost.

The Merian Group has established a liquidity risk policy that sets out the practices to manage exposure to liquidity risk. Liquidity risk is managed on a daily basis, with detailed cash flow reporting to the executive committee and quarterly reporting to the risk and governance committee and board of the Merian Group.

An analysis of the maturity profile of the Merian Group's liabilities is presented in note 29.

### Capital adequacy risk

Capital risk is the risk of insufficient capital to meet regulatory and stakeholder requirements resulting in the potential, to place constraints on the business plan/strategy, inability to absorb losses, damage to reputation and or regulatory fines and/or censure.

The Merian Group retains sufficient capital resources to meet regulatory capital requirements and maintain working capital to provide for fluctuations in experience. The regulatory capital requirements have been met throughout the year. The ICAAP is used to assess the level of capital which should be retained by the Merian Group. The ICAAP considers all of the risks faced by the Merian Group and the degree to which risks have similar causes and so could occur together.

### Capital and regulatory position

The Merian Group assesses its capital position and requirements on a regular basis throughout the year. The capital requirement is normally set annually through the ICAAP and adjusted intra-year if risk exposures change significantly. The ICAAP document, which is approved by the Merian board of directors, makes estimations and judgements to establish whether the Merian Group holds an appropriate level of regulatory capital to mitigate the impact of its key risks in the event of these crystallising. The Merian Group are focused on ensuring that there is an appropriate surplus over the regulatory capital requirement. This is monitored regularly by the Merian board of directors.

## 7. REVENUE

	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Performance fee income .....	3,540	9,887	157,246
Investment management income .....	220,454	272,632	231,409
Distribution fee income .....	5,212	6,152	3,531
Profits from dealing in investments in managed funds .....	—	—	6,375
<b>Total fee income</b> .....	<b>229,206</b>	<b>288,671</b>	<b>398,561</b>
Service fee income .....	3,564	3,288	—
<b>Total service fee income</b> .....	<b>3,564</b>	<b>3,288</b>	—
<b>Total revenue</b> .....	<b>232,770</b>	<b>291,959</b>	<b>398,561</b>

## 8. SEGMENTAL REPORTING

In making decisions about the Merian Group, the chief operating decision makers, being senior management and the directors of the Merian Group, consider the allocation of resources and assess performance of the business as a whole, rather than by product type. The Merian Group considers it is a single segment asset management business.

The location of clients is based on management information received from distribution partners and generated internally by the distribution teams.

Service income has been excluded from the analysis below as it is an expense recharge resulting from the separation and ended in 2019. The Merian Group does not consider this to be part of its ongoing business.

## Geographical information

	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
UK.....	149,132	173,451	227,062
Continental Europe .....	41,874	74,075	125,523
Asia .....	14,293	16,246	20,189
Rest of the world.....	23,907	24,899	25,787
<b>Total fee income by location .....</b>	<b>229,206</b>	<b>288,671</b>	<b>398,561</b>

Non-current assets for the Merian Group (excluding financial instruments and deferred tax assets) are all domiciled in the UK.

## 9. FEES AND COMMISSION EXPENSES

	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Rebates paid to external introducers.....	50,183	64,105	56,813
Deferred acquisition costs .....	1,537	732	(4,201)
Rebates paid to Old Mutual group undertakings.....	—	—	6,235
Investment adviser fees .....	1,045	2,992	2,794
	<b>52,765</b>	<b>67,829</b>	<b>61,641</b>

## 10. ADMINISTRATIVE EXPENSES

	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Administrative expenses.....	114,483	172,765	181,272
<i>Administrative expenses include:</i>			
Staff costs.....	71,735	110,834	139,900
Depreciation.....	1,976	97	226
Other operating expenses .....	43,090	60,052	41,020
Foreign exchange gains/losses .....	(2,318)	1,782	126
	<b>114,483</b>	<b>172,765</b>	<b>181,272</b>

## Audit Fees

	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Group audit fees .....	10	10	348
Subsidiary audit fees.....	202	150	193
Non audit assurance fees.....	601	114	24
	<b>813</b>	<b>274</b>	<b>565</b>

Auditor's remuneration consists of fees in respect of statutory audit, group reporting and other non-statutory assurance services.

## 11. STAFF COSTS

	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Wages and salaries.....	62,411	92,862	115,595
Social security.....	4,394	12,650	16,984
Defined contribution plan costs.....	1,610	1,657	6,635
Other .....	3,320	3,665	686
<b>Total staff costs.....</b>	<b>71,735</b>	<b>110,834</b>	<b>139,900</b>

Included in wages and salaries in 2018 is £19.6 million of accelerated bonus charge from prior years.

## 12. COMPENSATION OF KEY MANAGEMENT PERSONNEL

	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Aggregate directors' emoluments:</b>			
Aggregate emoluments excluding pension contributions .....	10,805	14,108	3,505
Merian Group pension contribution to money purchase scheme.....	78	72	15
<b>Emoluments of the highest paid director:</b>			
Aggregate emoluments excluding pension contributions .....	2,320	3,911	2,135
Merian Group pension contribution to money purchase scheme.....	10	10	—
Directors having money paid to money purchase schemes during the year.....	6	6	3
Number of directors who received shares in or share options over Quilter plc / Old Mutual plc .....	—	—	4
Directors exercising options over Quilter plc / Old Mutual plc shares	—	—	3
The highest paid director exercised share options during the year....	N	Y	Y
The highest paid director received shares in or share options over Quilter plc .....	N	Y	Y

### 13. SHARE BASED COMPENSATION

During the year ended 31 December 2013, a share based payment plan was implemented for certain key employees of Old Mutual Wealth Management Limited, including employees of the Old Mutual Global Investors Group, with the stated objective of achieving certain strategic objectives and metrics. The awards are accounted for as an equity settled share based payment scheme. During the year ended 31 December 2018, Old Mutual plc de-listed from the London Stock Exchange and then listed as Quilter plc. Participants in the legacy share based payment plans were allocated shares in Quilter plc in exchange for the options they had been previously allocated. No new share option schemes have been launched in the year, and so at 31 December 2018 and during 2019, there were no share based payment plans available to, or being participated in by employees of the Merian Group.

Type of Arrangement	Description of award	Contractual life	Vesting options
UK Sharesave Schemes	Options over Old Mutual plc shares listed on the London Stock Exchange	Exercise period ends within six months of vesting	Service over either a three or five year period and payment of monthly contributions to a savings contract.
UK Share Options and Deferred Delivery Plan	Options over Old Mutual plc shares listed on the London Stock Exchange	Six years	Service over a three year period and achievement of a target growth in earnings per share
UK Restricted Share Plan	Old Mutual plc restricted shares / restricted stock units listed on the London Stock Exchange. Employees are in some instances entitled to dividend payments throughout the vesting period	Three to five years	Service over a three year period and in certain circumstances achievement of a target growth in earnings per share

	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Share-based compensation expense.....	—	1,121	3,003

In 2018, the UK Share Options and Deferred Delivery Plan, which was expected to be settled in cash and accounted for such in 2017, was modified from a cash settled award to an equity settled award. As a result £6.2 million was transferred from liabilities to equity. The schemes all fully vested on the acquisition of the Merian Group on 29 June 2018, and no further charge was incurred from the date of acquisition and any remaining balances were transferred to retained earnings.

### 14. TRANSACTION COSTS

Transaction costs consists of expenses associated with the completion of the acquisition of MGI Holdings and its subsidiaries (see note 35), with the exception of those costs that related to the arrangement of the loan which were capitalised.



## 15. LOSS PER SHARE

Basic and diluted earnings per share is calculated by dividing the profits for the year by the weighted average number of ordinary shares outstanding during the year.

	<u>2019</u>	<u>2018</u>
No. of ordinary shares (number).....	20,396,762	19,829,012
Loss (£'000).....	(16,797)	(26,169)
<b>Basic and Diluted loss per share (pence).....</b>	<b><u>(82)</u></b>	<b><u>(132)</u></b>

As the Merian Group was not a legal group in 2017 and the first half of 2018, there are no ordinary shares entitled to a share of (loss) / income. The preference shares have not been included in the determination of basic or diluted loss per share.

## 16. FINANCE INCOME

	<u>2019</u>	<u>2018</u>	<u>2017</u>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Interest receivable from cash deposits .....	354	512	143
Gains / (losses) on units held in managed funds.....	9	(2)	22
<b>Investment Return .....</b>	<b><u>363</u></b>	<b><u>510</u></b>	<b><u>165</u></b>

Gains on units held in managed funds relate to gains/losses arising on Merian Group companies' seed capital investments and funds held to fulfil employee remuneration liabilities. Interest receivable arose solely from short term cash deposits with banks.

## 17. FINANCE EXPENSES

	<u>2019</u>	<u>2018</u>	<u>2017</u>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Interest and amortised costs charged on borrowings.....	12,524	9,203	—
Lease finance costs .....	118	—	—
Preference share coupon.....	30,423	14,676	—
	<b><u>43,065</u></b>	<b><u>23,879</u></b>	<b><u>—</u></b>

The preference share coupon accrues at 10 per cent. per annum but is only payable in certain circumstances (see note 32).

## 18. TAXATION

	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Current year charge .....	9,452	9,584	34,922
Adjustment for prior years .....	(765)	(535)	(569)
	<b>8,687</b>	<b>9,049</b>	<b>34,353</b>
<b>Deferred tax expense</b>			
Deferred tax expense .....	(5,616)	(2,168)	(4,628)
	<b>(5,616)</b>	<b>(2,168)</b>	<b>(4,628)</b>
<b>Tax charge on profit on ordinary activities</b> .....	<b>3,071</b>	<b>6,881</b>	<b>29,725</b>
<b>Factors affecting tax charge for the period</b>			
IFRS profit before tax .....	<b>(13,726)</b>	<b>(7,092)</b>	<b>153,425</b>
Corporation tax charge at 19.00 per cent. (2018: 19.00 per cent; 2017: 19.25 per cent) .....	(2,607)	(1,347)	29,534
Effect of			
Expenses not deductible for tax purposes .....	5,833	9,699	5,630
Statutory share-based payment deductions .....	—	(675)	(121)
Effect on deferred tax of changes in tax rates .....	731	365	(4,628)
Utilisation of previously unrecognised deferred tax .....	(121)	(626)	(121)
Prior year adjustment .....	(765)	(535)	(569)
<b>Tax charge on profit on ordinary activities</b> .....	<b>3,071</b>	<b>6,881</b>	<b>29,725</b>

The Merian Group has recognised deferred tax assets. Merian considers that the future years' profits will be sufficient to utilise the tax asset carried forward.

## 19. GOODWILL

	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Goodwill .....	263,429	262,964	—
<b>Total</b> .....	<b>263,429</b>	<b>262,964</b>	<b>—</b>

During 2019, £465,000 was recognised as goodwill. This relates to the acquisition of the global dynamic allocation desk of Kestrel LP.

During 2018, £263.0 million was recognised as goodwill. This relates to the acquisition of 100 per cent. of the share capital of MGI Holdings in the period.

The Merian Group carries out an annual assessment of the carrying value of goodwill. Management prepares a calculation of the recoverable amount of goodwill and compares this to the carrying value of the goodwill. For the purposes of this assessment, management treats the Merian Group as a single CGU.

The recoverable amounts of goodwill allocated to the CGU are determined from value in use calculations. The key assumptions used in respect of value in use calculations are those regarding growth rates, anticipated changes to revenue and costs during the period covered by the five year calculations and terminal values.

In carrying out value in use calculations management have assumed a compound annual growth rate ("CAGR") of 7 per cent. in net revenues and 5 per cent. in costs, with an exit multiple of 8x EBITDA. The pre-tax rate used to discount forecast cash flow is 9 per cent. based on the risk-adjusted weighted

average cost of capital of the business. Management carried out sensitivity analysis on the calculations and determined that the discount rate at which impairment would be required exceeds 20 per cent.

No impairment losses have been recognised as a result of this assessment. See note 37 for further information.

## 20. INTANGIBLE ASSETS

	<b>Internally developed software</b>	<b>Management contracts</b>	<b>Total</b>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Cost or valuation</b>			
Opening balance.....	4,527	—	4,527
Additions .....	22	—	22
<b>At 31 December 2017.....</b>	<b>4,549</b>	<b>—</b>	<b>4,549</b>
Fair value adjustment on acquisition.....	(4,313)	182,679	178,366
<b>At 31 December 2018.....</b>	<b>236</b>	<b>182,679</b>	<b>182,915</b>
Additions .....	—	—	—
<b>At 31 December 2019.....</b>	<b>236</b>	<b>182,679</b>	<b>182,915</b>
<b>Accumulated amortisation</b>			
Opening balance.....	2,122	—	2,122
Amortisation charge for the period.....	605	—	605
Impairment.....	1,783	—	1,783
<b>At 31 December 2017.....</b>	<b>4,510</b>	<b>—</b>	<b>4,510</b>
Fair value adjustment on acquisition.....	(4,308)	—	(4,308)
Amortisation charge for the period.....	24	18,268	18,292
<b>At 31 December 2018.....</b>	<b>226</b>	<b>18,268</b>	<b>18,494</b>
Amortisation charge for the period.....	10	36,536	36,546
<b>At 31 December 2019.....</b>	<b>236</b>	<b>54,804</b>	<b>55,040</b>
<b>Carrying amount</b>			
At 31 December 2017.....	39	—	39
At 31 December 2018.....	10	164,411	164,421
<b>At 31 December 2019.....</b>	<b>—</b>	<b>127,875</b>	<b>127,875</b>

In accordance with IFRS 3, the Merian Group has recognised investment management contracts acquired as part of the transaction as a separately identifiable intangible asset. Management has calculated the value of these contracts to be £183 million, with an estimated useful life of five years. This estimated life is consistent with the turnover of AUM as the management contracts are designed for investors with a typical investment horizon of five years (see note 37).

## 21. PROPERTY, PLANT AND EQUIPMENT

	Leasehold equipment	Computer equipment	Furniture	Right of Use assets (see note 27)	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>					
Opening balance .....	184	1,636	96	—	1,916
Foreign exchange gains / losses.....	(18)	(5)	—	—	(23)
Additions.....	—	13	—	—	13
Disposals.....	—	(8)	—	—	(8)
<b>At 31 December 2017</b> .....	<b>166</b>	<b>1,636</b>	<b>96</b>	<b>—</b>	<b>1,898</b>
Fair value on acquisition .....	(166)	(1,636)	(96)	—	(1,898)
Additions.....	—	922	—	—	922
<b>At 31 December 2018</b> .....	<b>—</b>	<b>922</b>	<b>—</b>	<b>—</b>	<b>922</b>
Additions.....	—	—	—	19,085	19,085
<b>At 31 December 2019</b> .....	<b>—</b>	<b>922</b>	<b>—</b>	<b>19,085</b>	<b>20,007</b>
<b>Accumulated depreciation</b>					
Opening balance .....	184	1,247	92	—	1,523
Foreign exchange gains / losses.....	(18)	(1)	—	—	(19)
Depreciation charge for the period.....	—	226	—	—	226
Disposals.....	—	(8)	—	—	(8)
<b>At 31 December 2017</b> .....	<b>166</b>	<b>1,464</b>	<b>92</b>	<b>—</b>	<b>1,722</b>
Fair value on acquisition .....	(166)	(699)	(92)	—	(957)
Depreciation charge for the period.....	—	97	—	—	97
<b>At 31 December 2018</b> .....	<b>—</b>	<b>862</b>	<b>—</b>	<b>—</b>	<b>862</b>
Depreciation charge for the period.....	—	60	—	1,916	1,976
<b>At 31 December 2019</b> .....	<b>—</b>	<b>922</b>	<b>—</b>	<b>1,916</b>	<b>2,838</b>
<b>Carrying amount</b>					
<b>At 31 December 2017</b> .....	<b>—</b>	<b>172</b>	<b>4</b>	<b>—</b>	<b>176</b>
<b>At 31 December 2018</b> .....	<b>—</b>	<b>60</b>	<b>—</b>	<b>—</b>	<b>60</b>
<b>At 31 December 2019</b> .....	<b>—</b>	<b>—</b>	<b>—</b>	<b>17,169</b>	<b>17,169</b>

During the period, the Merian Group adopted IFRS 16 (Leases) (see note 4 and note 27), thereby increasing the net book value of items recorded as property, plant and equipment by £17.2 million.

## 22. DEFERRED TAX ASSET

The following are the deferred tax balances recognised by the Merian Group.

	Accelerated tax depreciation	Short term timing differences	Total
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Opening balance.....	641	4,172	4,813
Movement in the year.....	514	4,114	4,628
<b>Asset at 31 December 2017</b> .....	<b>1,155</b>	<b>8,286</b>	<b>9,441</b>
Additions from business combinations.....	(84)	(1,781)	(1,865)
Movement in the year.....	61	(998)	(937)
<b>Asset at 31 December 2018</b> .....	<b>1,132</b>	<b>5,507</b>	<b>6,639</b>
Movement in the year.....	(1,132)	537	(595)
<b>Asset at 31 December 2019</b> .....	<b>—</b>	<b>6,044</b>	<b>6,044</b>

The deferred tax asset receivable within one year is £4,689,000 (2018: £300,000 2017: £nil) and greater than one year is £1,355,000 (2018: £6,339,000, 2017: £9,441,000).

## 23. FINANCIAL ASSETS THROUGH PROFIT OR LOSS

	2019	2018	2017
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>At fair value through the income statement</b>			
Investments held in Employee Benefit Trust.....	36,606	30,993	455
Investments in funds.....	15	23	44
<b>Total financial assets through profit or loss</b> .....	<b>36,621</b>	<b>31,016</b>	<b>499</b>

## 24. OTHER RECEIVABLES

	2019	2018	2017
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Current</b>			
Trade debtors.....	927	1,366	48,141
Prepayments.....	4,741	2,779	2,485
Investment management fees receivable.....	16,197	20,570	29,489
Performance fees receivable.....	3,390	12	129,173
Distribution fees receivable.....	633	549	398
Amounts due in respect of share issue.....	1,953	2,640	—
Due from group undertakings.....	—	—	22,824
<b>Total other receivables</b> .....	<b>27,841</b>	<b>27,916</b>	<b>232,510</b>
<b>Non current</b>			
Performance fees receivable.....	103	—	—
<b>Total other receivables</b> .....	<b>103</b>	<b>—</b>	<b>—</b>

All current other receivables are short term and interest free with the carrying amount approximating to fair value. There have been no non-performing receivables or material impairments in the financial period that require disclosure. None of the receivables reflected above have been subject to the renegotiation of terms.

## 25. CASH AND CASH EQUIVALENTS

	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Cash held at bank .....	62,279	83,910	90,986
Cash held on deposit .....	58,998	54,207	56,407
<b>Total cash and cash equivalents</b> .....	<b><u>121,277</u></b>	<b><u>138,117</u></b>	<b><u>147,393</u></b>

The cash and cash equivalents comprises balances held in multiple current and deposit bank accounts with maturities of less than three months. The carrying amount of these assets approximates to their fair value.

## 26. LOANS AND BORROWINGS

	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Loan facility .....	149,382	188,978	—
Loan note .....	7,426	7,426	—
	<b><u>156,808</u></b>	<b><u>196,404</u></b>	<b><u>—</u></b>

The Merian Group entered into a £145 million and a €90 million loan facility with Intermediate Capital Group plc on 25 June 2018. 100 per cent. of the loan balances matures on 25 June 2025. The sterling loan carries an interest rate of 5.5 per cent. plus LIBOR; the euro loan carries a rate of 5.5 per cent. plus EURIBOR. During the year ended 31 December 2019, £38.8 million of loan capital was repaid (2018: £40.0 million). At 31 December 2019, finance costs of £5,130,000 (31 December 2018: £7,183,000) remained unamortised.

	<b>2019</b>	<b>2018</b>
	<u>£'000</u>	<u>£'000</u>
<b>Sterling loan</b>		
Interest costs .....	6,962	4,628
Amortised capitalised costs .....	570	1,812
<b>Euro loan</b>		
Interest costs .....	4,569	2,623
Amortised capitalised costs .....	423	140
	<b><u>12,524</u></b>	<b><u>9,203</u></b>

The principal covenant the Merian Group must comply with is that its adjusted leverage must not exceed ratios defined by the loan agreement. At 31 December 2018, the Merian Group was required to have an adjusted leverage ratio below 6.60:1. The adjusted leverage ratio at 31 December 2019 as calculated in accordance with the loan agreement was 0.4 (2018: 0.7).

The Merian Group issued a vendor loan note to Quilter Group in 2018 with face value of £7.5 million. The amount is unsecured and is due for repayment when certain conditions are met. The conditions are expected to be met on Completion of the Acquisition (see note 37).

Finance costs recorded in the income statement comprise £11.5 million of interest paid during the year ended 31 December 2019 (2018: £7.3 million) and amortisation and release of capitalised loan costs of £1.0 million (2018: £1.9 million).

## 27. OTHER PAYABLES

	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Current</b>			
Accruals .....	46,169	62,767	119,564
Rebates and commissions payable .....	10,934	20,754	12,282
Lease liabilities .....	1,774	—	—
Amounts due to employees .....	28,806	20,087	—
Other .....	3,310	2,739	69,078
Amounts due to related parties .....	—	—	4,063
<b>Total other payables .....</b>	<b>90,993</b>	<b>106,347</b>	<b>204,987</b>
<b>Non Current</b>			
Lease liabilities .....	16,368	—	—
<b>Total other payables .....</b>	<b>16,368</b>	<b>—</b>	<b>—</b>

Accruals principally comprise amounts due to clients and amounts due to staff relating to current year bonuses. The directors consider that the carrying amount of other payables approximates to their fair value. All other payables are short-term, current and interest free. Amounts due to group undertakings are unsecured, interest-free and repayable on demand.

The Merian Group entered into a new lease agreement in 2019 and a result has accounted for two property leases. The current lease term is only nine months and the new lease is eleven years.

Lease terms are negotiated on an individual basis and do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, these property leases of property were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to the income statement on a straight-line basis over the period of the lease. From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Merian Group (see note 4).

## 28. DEFERRED TAX LIABILITY

	<i>£'000</i>
<b>As at 1 January and 31 December 2017</b> .....	—
As at 1 January 2018 .....	—
Addition on acquisition .....	31,055
Charge to income statement .....	(3,105)
<b>As at 31 December 2018</b> .....	<b>27,950</b>
Charge to income statement .....	(6,211)
<b>As at 31 December 2019</b> .....	<b>21,739</b>

## 29. FINANCIAL INSTRUMENTS

### Fair value hierarchy

The table below analyses financial instruments into a hierarchy based in the valuation technique used to determine fair value.

- 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).

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>As at 31 December 2017</b>				
Investments .....	499	—	—	499
<b>As at 31 December 2018</b>				
Investments .....	31,016	—	—	31,016
<b>As at 31 December 2019</b>				
Investments .....	36,621	—	—	36,621

### Level 1 to 2 transfers

There have been no changes in valuation techniques during the period under review. There have been no transfers between Level 1 and Level 2 during the period under review.

### Liquidity Risk

The loan obligations give rise to liquidity risk that the Merian Group is unable to meet its obligations to make interest or capital repayments as they fall due. The Merian Group monitors its liquidity through monthly cash flow forecasting and cash management to ensure its ability to meet these obligations. The maturity analysis of the financial liabilities is shown below:

	<u>Carrying amount</u>	<u>Expected cash flows</u>	<u>&lt; 6 months</u>	<u>6 months – 2 years</u>	<u>2 – 5 years</u>	<u>&gt; 5 years</u>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>As at 31 December 2017</b>						
Other payables .....	204,987	204,987	204,987	—	—	—
<b>As at 31 December 2018</b>						
Interest-bearing loans and borrowings and interest.....	196,404	291,763	6,020	25,756	43,885	216,102
Preference shares .....	304,277	304,277	—	—	—	304,277
Other payables .....	106,347	106,347	106,347	—	—	—
<b>As at 31 December 2019</b>						
Interest-bearing loans and borrowings and interest.....	156,808	206,283	4,655	21,502	28,032	159,555
Preference shares .....	334,649	334,649	—	—	—	334,649
Other payables .....	107,361	107,361	90,993	16,368	—	—



	Carrying amount	Expected cash flows	6 months - 2 years	2 – 5 years	5 years
	£'000	£'000	£'000	£'000	£'000
<b>As at 31 December 2017</b>					
Other receivables .....	232,510	232,510	232,510	—	—
Cash and cash equivalents.....	147,393	147,393	147,393	—	—
<b>As at 31 December 2018</b>					
Other receivables .....	27,916	27,916	27,916	—	—
Cash and cash equivalents.....	138,117	138,117	138,117	—	—
<b>As at 31 December 2019</b>					
Trade and other receivables.....	27,944	27,944	27,841	103	—
Cash and cash equivalents.....	121,277	121,277	121,277	—	—

### 30. FINANCIAL AND CAPITAL COMMITMENTS

Operating lease commitments are in respect of premises occupied by Merian Group entities.

	2019	2018	2017
	£'000	£'000	£'000
<b>Operating lease commitments (non-cancellable)</b>			
Due within one year .....	—	1,414	62
Due within one year to five years.....	—	3,678	216
Due later than 5 years .....	—	17	—
<b>Total operating lease commitments .....</b>	<b>—</b>	<b>5,109</b>	<b>278</b>

From 1 January 2019, the Merian Group adopted IFRS 16 and has recognised right of use assets for the leases, except share term and low value lease (see note 4).

### 31. SHARE CAPITAL

	2019	2018
	£'000	£'000
<b>Ordinary A</b>		
10,616,379 shares – allotted and fully paid £0.25 each (2018: 10,616,379) .....	2,654	2,654
47,729 shares – allotted and nil paid £0.25 each (2018: 47,729).....	12	12
	<b>2,666</b>	<b>2,666</b>
<b>Ordinary B</b>		
7,231,999 shares – allotted and fully paid £0.02 each (2018: 7,098,501) .....	145	142
246,092 shares – allotted and nil paid £0.02 each (2018: 246,092).....	5	5
	<b>150</b>	<b>147</b>
<b>Ordinary C</b>		
2,217,908 shares – allotted and fully paid £1 each (2018: 2,217,908) .....	2,218	2,218
121,078 shares – allotted and nil paid £1 each (2018: 121,078).....	121	121
	<b>2,339</b>	<b>2,339</b>
<b>Total.....</b>	<b>5,155</b>	<b>5,152</b>

The Merian Group's parent company has three classes of ordinary shares which carry no rights to fixed income.

As the Merian Group was not a legal group in 2017, there are no ordinary shares to be disclosed in relation to 2017.

Due to the nature of the Merian Group in 2017 and to 30 June 2018 (see note 2.1), the Merian Group's equity is shown as invested capital. This represents bought forward retained earnings and dividends paid of the entities which relate to the entities included in the Merian Group's results for 2017 and the first half of 2018.

### 32. PREFERENCE SHARES

	<u>2019</u>	<u>2018</u>	<u>2017</u>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Preference share capital</b>			
289,550,811 shares of £0.0001 each (premium £0.9999) – allotted and fully paid.....	332,779	302,263	—
289,550,811 shares of £0.0001 each (premium £0.9999) – allotted and nil paid.....	1,870	1,964	—
	<u>334,649</u>	<u>304,227</u>	<u>—</u>

During 2018 the Merian Group's parent company issued 289,550,811 cumulative preference shares. The preference shares are classified as debt on the basis that there is a fixed redemption date, a fixed interest rate and the shares do not carry any voting rights. The principal repayment is due on the earlier of 29 June 2025 and a triggering event. The three conditions that would trigger an earlier repayment of principal are firstly an exit event, secondly a default, or no prospect of avoiding a default, on debt, or thirdly a proposal by the Board, accepted by investors, of a repayment. Rights to future dividends accrue to shareholders daily at a rate of 10 per cent. per annum. The dividend is only payable to the preference shareholders in certain circumstances, which includes a requirement that there are sufficient profits available for distribution. The dividend is not payable within 24 months of issue (29 June 2018), except in certain circumstances, and may be payable on certain other predefined events. Whilst the directors of the Merian Group do not expect the dividend to be payable based on the ability to generate sufficient available profits by the relevant dates, the Merian Group has accrued these dividends.

### 33. RESERVES

#### Foreign currency translation reserve

The foreign currency translation reserve of (£700,000) (2018: (£150,000)) is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

#### Retained earnings

Retained earnings of (£42,966,000) (2018: (£26,169,000)) are the amount of earnings that are retained within the Merian Group after dividend payments and other transactions with owners.

### 34. INTERESTS IN OTHER ENTITIES

<u>Name</u>	<u>Nature of Business</u>	<u>Registered Address</u>
Merian Global Investors (Jersey) Limited	Holding company	47 Esplanade, St Helier, Jersey, Channel Islands, JE1 0BD
Merian Global Investors (Finance) Limited	Holding company providing group financing	47 Esplanade, St Helier, Jersey, Channel Islands, JE1 0BD
Merian Global Investors Holdings Limited	Holding company	Millennium Bridge House, 2 Lambeth Hill, London EC4V 4GG
Merian Global Investors (UK) Limited	Asset Management	Millennium Bridge House, 2 Lambeth Hill, London EC4V 4GG
Merian Global Investors (Asia Pacific) Limited	Investment Fund Distribution	Unit 2, 5/F Two Chinachem Central, 26 Des Voeux Road, Central Hong Kong
Merian Global Investors (Switzerland) LLC	Investment Fund Distribution	Schutzengasse 4, Zurich, 8001
Merian Global Investors (Singapore) PTE Limited	Investment Fund Distribution	4 Shenton Way #15-01 SGX Centre II Singapore 068807
Merian Investment Management Limited	Fund Management Company	Millennium Bridge House, 2 Lambeth Hill, London EC4V 4GG
Merian Global Investors (Europe) Limited	Fund Management Company	33 Sir John Rogerson Quay, Dublin 2, Ireland
Skandia Fund Management Ireland Limited (in liquidation)	n/a	Century House, Harold's Cross, Dublin 6w, Ireland

Merian Global Investors Limited acquired 100 per cent. of the share capital of Merian Global Investors (Jersey) Limited on 7 December 2017. Merian Global Investors (Jersey) Limited acquired 100 per cent. of the share capital of Merian Global Investors (Finance) Limited on 7 December 2017.

Merian Global Investors (Finance) Limited acquired 100 per cent. of the share capital of Merian Global Investors Holdings Limited on 29 June 2018. As at 31 December 2019 all entities were either directly or indirectly owned by the ultimate controlling party of Merian, at 47 Esplanade, St Helier, Jersey, Channel Islands, JE1 0BD. All subsidiaries are 100 per cent. owned and have been consolidated in the Merian Group financial statements.

In addition, the Merian Group has interests in unconsolidated structured entities (see note 4.17) and information relating to those entities is set out below:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Market value of funds under management .....	19,451,407	26,462,338	26,449,011
Investment management fees earned from funds in the year.....	196,376	153,332	389,164
Investment management fees owed from funds .....	15,788	13,570	151,662
Investment in collective investment schemes .....	15	84	488

### 35. BUSINESS COMBINATIONS

Merian Global Investors Limited acquired 100 per cent. of the share capital Merian Global Investors (Jersey) Limited on 7 December 2017. No goodwill or intangible assets were recognised on acquisition.

On 29 June 2018 Merian Global Investors (Finance) Limited acquired 100 per cent. of the share capital of Merian Global Investors Holdings Limited, for a total consideration of £547.5 million.

Invested capital represented the total equity of the Merian Group at the date of acquisition of Merian Global Investors Holdings Limited on 29 June 2018. On 29 June 2018, when Merian Global Investors (Finance) Limited acquired Merian Global Investors Holdings Limited, invested capital was converted into share capital.

Under IFRS 3 (Business Combinations), the Merian Group conducted a purchase price allocation and assessed the fair value of its assets and liabilities at the acquisition date. This required the Merian Group to recognise fair value adjustments to the acquired assets and liabilities rather than account for them on a historic cost basis with values that had been depreciated or amortised.

As a result, intangible assets in respect of acquired investment management contracts were recognised, and the values and useful economic lives of the Merian Group's property, plant and equipment were reviewed and revised as appropriate. Other accounting items such as depreciation, amortisation and impairment, which

impact and relate to the Merian Group's assets or liabilities, were also revalued as part of the fair value exercise. As a result of the fair value adjustments implemented as at 29 June 2018, the Merian Group's assets and liabilities and the related items for subsequent periods are not directly comparable with the Merian Group's assets and liabilities and related items that were disclosed prior to this date.

These fair value adjustments lead to goodwill of £263.0 million and intangible assets of £182.7 million as at 29 June 2018. The goodwill principally related to the fair value increase in the recognition of certain intangible assets and comprised the human capital and expected efficiencies arising from the departure of MGI Holdings from the Quilter Group (see note 19). Management identified investment management contracts acquired as part of the business combination as a separately identifiable intangible asset, in accordance with IFRS 3 (see note 20). Deferred tax liabilities relating the intangible assets of £31.1 million were also recognised as part of the fair valuation process (see note 28). The net assets of the acquired group were £132.9 million.

There were no other fair value adjustments as a result of the purchase price allocation.

The Merian Group earned £149.4 million of revenue and a loss of £24.3 million from the date of acquisition. In 2018 the Merian Group incurred exceptional cash costs of £16.8 million consisting of transaction costs.

On 7 December 2019, Merian Global Investors UK acquired the global asset allocation team of Kestrel Partners LP. On acquisition, £0.5 million of goodwill was recognised in respect of this acquisition. No separately identifiable intangible assets have been identified as part of this transaction.

### 36. RELATED PARTY TRANSACTIONS

The following transactions were entered into with related parties during the period:

	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Investment management fees rebated to Merian Group undertakings	—	—	6,235
Annual management fees paid to Merian Group undertakings.....	—	—	2,400
Investment management fees received from Merian Group undertakings.....	—	48,638	2,782
Amounts due to related parties .....	—	—	4,063
Dividends paid to parent entity .....	—	44,796	44,771
Preference share interest due to related parties (see note 32).....	29,234	13,858	—
Amounts owed from the Merian Group undertakings.....	—	—	22,824
Amounts paid to directors .....	10,883	7,060	—
Amounts owed to directors .....	7,530	11,804	—

Merian Global Investors is owned by TA Associates (through Mintaka LP) (44.9 per cent.) and members of the senior management team (55.1 per cent.). Within the line item 'Preference share interest due to related parties' above, £28.7 million relates to TA Associates (through Mintaka LP) in 2019 and £13.6 million in 2018.

### 37. EVENTS AFTER THE BALANCE SHEET DATE

On 17 February 2020, the Company announced the Acquisition of the Merian Group. The Acquisition, which is subject to regulatory and the Company's shareholders' approval, is expected to complete in the second half of 2020 (and not earlier than 1 July 2020).

The Merian Group has been monitoring the financial impact of the coronavirus (Covid-19) outbreak. Financial markets around the world have fallen significantly in February and March 2020 in reaction to the global escalation of the virus. In addition to extreme volatility in asset prices and widening spreads in credit markets, consumer and corporate appetite for, and ability to invest in, financial products has reduced and the Merian Group has seen material outflows in its funds under management, compounded by a reduction in asset prices across all regions in which it operates.

The impact of coronavirus (Covid-19) outbreak on goodwill and intangible asset impairment is assessed further below and is considered a non-adjusting post balance sheet event.

Based on current trading and modelling, the Merian Group believes that the effects of coronavirus (Covid-19) outbreak will result in a reduction in expectations for revenue across the Merian Group in 2020. In

addition, in the absence of a recovery in asset prices and net flows into funds managed by the Merian Group, it is expected that impairment testing of the Merian Group's intangible assets in 2020 would show that the carrying value may not be supported by the value in use and that a write-down of the assets might be appropriate. This is dependent on some certainty over the level of AUM and outflows which, in turn, are dependent on a number of factors, including fund performance, asset values and investor appetite.

Given the inherent uncertainties, it is not practicable at this time to quantify this post balance sheet potential write down, which will be determined principally by the amount of assets the Merian Group has under management at the date of any such quantification. However, if the Merian Group assets under management were used in such a quantification as at 31 March 2020, this would lead to a material impairment to the intangible assets in the order of £21 million. In addition, an approximation of the sensitivity of the value in use of the intangible assets to further decreases in assets under management is that a one per cent. decrease in AUM would lead to an equivalent percentage reduction in the intangible.

Testing of the goodwill balance for impairment is based on the Merian Group's discounted cash flow model. Current calculations show that, although lower levels of projected profitability result in a significant reduction in the value in use of the goodwill asset, this does not currently lead to an impairment of the asset. Forecast profitability, after revisions allowing for market depreciation in the first quarter of 2020, would have to fall further by more than 28 per cent. and assets under management would have to fall more than £4.3 billion before the asset was considered to be impaired. This is set out below, where the base case uses AUM of £15.0 billion.

The table below shows the key assumptions used for post balance sheet impairment testing, which compares the carrying value of the CGU to the recoverable amount, how these measures would need to further reduce (on a non-combined basis) in order to reach a position of impairment, and their sensitivity to further adverse movements in the assumptions of one per cent. thereafter:

	<b>Base case</b>	<b>Break-even point (for impairment purposes)</b>	<b>Impairment charge in the event of additional 1% fall below break-even</b>
AUM.....	£15.0bn	£10.7bn	£5.0m
Terminal growth rate .....	2%	(1.3)%	£37.0m
EBITDA margin .....	24%	12.1%	£16.7m
Discount rate .....	8.9%	11.4%	£54.6m

It should be noted that any such impairment to either intangible assets or goodwill are non-cash adjustments.

It should also be noted that, on Completion, under IFRS 3 (Business Combinations), both the intangible asset and goodwill will effectively be reversed in their entirety and replaced by new intangible assets and goodwill, determined by the value in use of the Merian Group's current management contracts to the Company. As a result, any impairment that might be required for the Merian Group would not be reflected in the Enlarged Group.

Included within preference shares (see note 32) is accrued interest of 10 per cent. reflecting the preference share coupon liability owing to its current shareholders. On Completion, the preference shares and associated accrued interest will be transferred to the Company. As a result of the Acquisition of the Merian Group by the Company, the preference share dividend is not expected to be paid to the existing shareholders. On Completion of the Acquisition, the preference share dividend accrued from 29 June 2018 will become payable to the Company as the preference shareholder. The ability to make that payment remains reliant on achieving certain requirements, including that there are sufficient available profits (see note 33).

**PART IV**  
**UNAUDITED *PRO FORMA* FINANCIAL INFORMATION**

**SECTION A:**

**ACCOUNTANT'S REPORT IN RESPECT OF THE UNAUDITED *PRO FORMA*  
INFORMATION RELATING TO THE ENLARGED GROUP**



The Directors  
Jupiter Fund Management plc  
The Zig Zag Building  
70 Victoria Street  
London SW1E 6SQ  
United Kingdom

J.P. Morgan Securities plc (the “Sponsor”)  
25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

27 April 2020

Dear Ladies and Gentlemen

**Jupiter Fund Management plc (the “Company”)**

We report on the *pro forma* financial information (the “**Pro Forma Financial Information**”) set out in Section B of this Part IV below (Unaudited *Pro Forma* Financial Information) of the Company’s circular dated 27 April 2020 (the “**Circular**”) which has been prepared on the basis described in the notes to the *Pro Forma* Financial Information, for illustrative purposes only, to provide information about how the proposed acquisition by the Company of Merian Global Investors Limited (“**Merian**”) might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing its financial statements for the year ended 31 December 2019. This report is required by item 13.3.3R of the Listing Rules of the Financial Conduct Authority (the “**Listing Rules**”) and is given for the purpose of complying with that Listing Rule and for no other purpose.

**Responsibilities**

It is the responsibility of the directors of the Company to prepare the *Pro Forma* Financial Information in accordance with item 13.3.3R of the Listing Rules.

It is our responsibility to form an opinion, as required by item 13.3.3R of the Listing Rules as to the proper compilation of the *Pro Forma* Financial Information and to report our opinion to you.

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 at the dates of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to shareholders of the Company 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 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 item 13.4.1R(6) of the Listing Rules, consenting to its inclusion in the Circular.

**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 of the Company.

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.

**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

PricewaterhouseCoopers LLP  
Chartered Accountants

## **SECTION B:**

### **UNAUDITED *PRO FORMA* FINANCIAL INFORMATION**

The unaudited *pro forma* financial information set out below has been prepared to illustrate the effect of the Acquisition on: (i) the consolidated income statement of the Group for the year ended 31 December 2019 as if the Acquisition had taken place on 1 January 2019 and (ii) the consolidated balance sheet of the Group as at 31 December 2019 as if the Acquisition had occurred on 31 December 2019. The unaudited *pro forma* financial information, which has been produced for illustrative purposes only, by its nature addresses a hypothetical situation and, therefore, does not represent the Group's or the Enlarged Group's actual financial position or results.

The unaudited *pro forma* financial information has been compiled on a basis consistent with the accounting policies of the Group used to prepare its audited consolidated financial statements for the year ended 31 December 2019 on the basis of the notes set out below and in accordance with section 3 of Annex 20 to the Delegated Prospectus Regulation.

Shareholders should read the whole of this Circular and not rely solely on the unaudited *pro forma* financial information contained in this Section B of this Part IV. PricewaterhouseCoopers LLP's report on the unaudited *pro forma* financial information is set out in Section A of this Part IV.



*Unaudited Pro Forma Income Statement*

	Adjustments			<i>Pro forma of the Enlarged Group for the year ended 31 December 2019</i>
	Group income statement for the year ended 31 December 2019	Merian Group income statement for the year ended 31 December 2019	Acquisition accounting adjustments	
	<i>Note (i)</i>	<i>Note (ii)</i>	<i>Note (iii)</i>	
Revenue .....	419.3	232.8	—	652.1
Fee and commission expenses .....	(40.2)	(52.8)	—	(93.0)
<b>Net revenue</b> .....	<b>379.1</b>	<b>180.0</b>	<b>—</b>	<b>559.1</b>
Administrative expenses.....	(228.5)	(114.5)	(11.4)	(354.4)
Other gains.....	4.1	—	—	4.1
Amortisation of intangible assets .....	(1.8)	(36.5)	—	(38.3)
<b>Operating profit</b> .....	<b>152.9</b>	<b>29.0</b>	<b>(11.4)</b>	<b>170.5</b>
Finance income.....	0.1	0.3	—	0.4
Finance expense.....	(2.0)	(43.0)	31.3	(13.7)
<b>Profit/(loss) before tax</b> .....	<b>151.0</b>	<b>(13.7)</b>	<b>19.9</b>	<b>157.2</b>
Income tax expense .....	(28.2)	(3.1)	—	(31.3)
<b>Profit/(loss) for the year</b> .....	<b>122.8</b>	<b>(16.8)</b>	<b>19.9</b>	<b>125.9</b>

Notes:

- (i) The Group income statement has been extracted without material adjustment from the audited consolidated income statement of the Group for the year ended 31 December 2019, which is set out in the Annual Report 2019 and incorporated by reference into, and forms part of, this Circular.
- (ii) The Merian Group income statement has been extracted without material adjustment from the historical financial information relating to the Merian Group for the year ended 31 December 2019, which is set out in Part III (*Historical Financial Information relating to the Merian Group*) of this Circular. Operating profit of £29.0 million is after the amortisation of intangible assets relating to the acquisition of the Merian Group by Merian Global Investors Limited on 29 June 2018. This amortisation charge will be replaced in the Enlarged Group by the amortisation of the intangible asset determined on Completion.
- (iii) The *pro forma* income statement has been prepared on the basis that the Acquisition of the Merian Group will be accounted for using the acquisition method of accounting. The adjustments arising as a result of the Acquisition are set out below:
  - (a) For the purposes of the unaudited *pro forma* income statement, estimated transaction costs expected to be incurred by the Group of £11.4 million have been reflected within administrative expenses. These costs are not expected to be incurred on an ongoing basis in the Enlarged Group and no tax benefit has been assumed for these costs.
  - (b) Finance expenses have been reduced by a net reduction of £31.3 million to reflect an adjustment to remove £12.5 million of finance expense in respect of interest on borrowings and £30.4 million of preference share coupon offset by additional interest of £4.5 million on the Tier 2 Notes and the write-off of the Merian Group's £7.1 million of capitalised costs.
  - (c) As described in Note (iii) to the unaudited *pro forma* net assets statement, a fair valuation exercise will be undertaken on Completion, which will include fair valuation of the Merian investment management contract and other intangible assets. On Completion these will replace the Merian Group's existing intangibles. Under IFRS it is necessary to amortise these customer-related intangible assets on a systematic basis over the useful lifetime of the related contracts. On Completion, the amortisation charge relating to the new customer-related intangible assets will replace the Merian Group's existing management contracts amortisation charge. Given that the fair valuation exercise will not be performed until Completion, the actual rate of amortisation will also not be known until Completion. In preparing the adjustments no account has therefore been taken of this increased amortisation charge relating to intangible assets.
  - (d) No adjustment has been made to reflect any potential synergies that may arise subsequent to the Acquisition, or related costs to achieve any potential synergies, as these are dependent upon the future actions of management.
  - (e) No adjustment has been made to reflect the financial results of either the Group or the Merian Group since 31 December 2019.

*Unaudited Pro Forma Net Assets Statement*

	Adjustments			
	Group net assets as at 31 December 2019	Merian Group net assets as at 31 December 2019	Acquisition accounting adjustments	
	<i>Note (iv)</i>	<i>Note (v)</i>	<i>Note (vi)</i>	
<b>Non-current assets</b>				
Goodwill .....	341.2	263.4	(9.6)	595.0
Intangible assets.....	5.8	127.9	(127.9)	5.8
Property, plant and equipment .....	51.7	17.2	—	68.9
Deferred acquisition costs .....	—	2.5	—	2.5
Deferred tax assets.....	16.7	6.0	—	22.7
Trade and other receivables.....	0.5	0.1	—	0.6
<b>Total non-current assets.....</b>	<b>415.9</b>	<b>417.1</b>	<b>(137.5)</b>	<b>695.5</b>
<b>Current assets</b>				
Financial assets through profit or loss .....	224.3	36.6	—	260.9
Trade and other receivables.....	109.1	27.8	—	136.9
Cash and cash equivalents .....	179.4	121.3	(124.9)	175.8
	512.8	185.7	(124.9)	573.6
<b>Total assets.....</b>	<b>928.7</b>	<b>602.8</b>	<b>(262.4)</b>	<b>1,269.1</b>
<b>Non-current liabilities</b>				
Loans and borrowings .....	—	156.8	(106.0)	50.8
Preference shares .....	—	334.6	(334.6)	—
Trade and other payables .....	77.2	16.4	(7.5)	86.1
Deferred tax liabilities .....	—	21.7	(21.7)	—
<b>Total non-current liabilities .....</b>	<b>77.2</b>	<b>529.5</b>	<b>(469.8)</b>	<b>136.9</b>
<b>Current liabilities</b>				
Financial liabilities through profit or loss .....	74.9	—	—	74.9
Trade and other payables .....	158.4	91.0	—	249.4
Current tax liabilities .....	6.5	5.6	—	12.1
<b>Total current liabilities .....</b>	<b>239.8</b>	<b>96.6</b>	<b>—</b>	<b>336.4</b>
<b>Total liabilities.....</b>	<b>317.0</b>	<b>626.1</b>	<b>(469.8)</b>	<b>473.3</b>
<b>Total net assets/(liabilities).....</b>	<b>611.7</b>	<b>(23.3)</b>	<b>207.4</b>	<b>795.8</b>

Notes:

- (iv) The Group net assets have been extracted without material adjustment from the audited consolidated balance sheet of the Group for the year ended 31 December 2019, which is set out in the Annual Report 2019 and incorporated by reference into, and forms part of, this Circular.
- (v) The Merian Group net assets have been extracted without material adjustment from the historical financial information relating to the Merian Group for the year ended 31 December 2019, which is set out in Part III (*Historical Financial Information relating to the Merian Group*) of this Circular.
- (vi) The *pro forma* statement of net assets has been prepared on the basis that the Acquisition of the Merian Group will be accounted for using the acquisition method of accounting. The adjustments arising as a result of the Acquisition are set out below:
- (a) Under IFRS acquisition accounting it is necessary to fair value the consideration paid and all of the assets and liabilities of the acquired business. In the *pro forma* statement of net assets no adjustments have been made to the fair values of the individual net assets of the Merian Group to reflect any remeasurement to fair value which may arise on the Acquisition as this exercise will not be undertaken until after the Completion of the Acquisition. The excess of consideration over the book value of assets acquired has been reflected as goodwill. The existing goodwill of £263.4 million in the Merian Group and the unamortised intangible asset relating to the acquisition of the Merian Group by Merian Global Investors Limited on 29 June 2018 of £127.9 million have also been removed as acquisition accounting adjustments.

(b) The preliminary goodwill arising has been calculated as follows:

Consideration <sup>(1)</sup> .....	£195.5 million
Add: net liabilities acquired of the Merian Group <sup>(2)</sup> .....	£58.3 million
<b>Goodwill and other intangibles arising on acquisition</b> .....	<b>£253.8 million</b>
Less Merian Group goodwill and other intangible asset <sup>(2)</sup> .....	£391.3 million
<b>Pro forma adjustment required<sup>(3)</sup></b> .....	<b>£137.5 million</b>

- (1) The consideration is calculated as 95,360,825 Ordinary Shares of the Company at a closing price of 205.0 pence on 22 April 2020. The consideration payable by the Company may be subject to certain purchase price adjustments as at, and subsequent to, Completion. The consideration stated above is exclusive of any such adjustments.
- (2) The net liabilities acquired of £58.3 million comprise the net liabilities of the Merian Group as at 31 December 2019 net of the elimination of goodwill and intangible assets of £391.3 million and associated deferred tax liability of £21.7 million. Preference shares of £334.6 million included in the Merian Group balance sheet as at 31 December 2019 are also eliminated given that on Completion the preference shares and any associated accrued interest will be transferred to the Group.
- (3) The Group will acquire all of Merian's assets and liabilities at Completion. The SPA dated 17 February 2020 contains customary warranties and limitations for a transaction of this type, warranty and indemnity insurance has been obtained to provide recourse in the event that a warranty is breached. In addition, the SPA contains a post-Completion net debt adjustment whereby there will be a pound-for-pound indemnification by Mintaka to the Group to the extent that the Merian Group's actual net debt at Completion exceeds an agreed net debt figure. Certain of Mintaka's payment obligations pursuant to the SPA and other transaction documents including any payment in respect of the net debt adjustment are subject to a guarantee provided by certain funds managed by TA Associates or the TA Associates Group. No adjustments have been made in the *pro forma* in respect of these SPA provisions.
- (4) Given that the full fair valuation exercise will not be performed until Completion, this *pro forma* adjustment of £137.5million has not been allocated between goodwill and intangible assets as the allocation will not be known until Completion.
- (c) Cash and cash equivalents and loans and borrowings have been adjusted by £124.9 million and £106.0 million respectively to reflect the repayment of Merian Group's existing facilities of £154.9 million, £7.5 million of outstanding notes, and one-off costs of £11.4 million, offset by the issuance of £49.5 million of Tier 2 Notes, less £0.6 million of issuance costs.
- (d) For the purposes of the unaudited *pro forma* net asset statement, estimated transaction costs expected to be incurred by the Group and the Merian Group of £11.4 million before tax have been deducted from cash and cash equivalents. These costs are not expected to be incurred on an ongoing basis in the Enlarged Group. No tax benefit has been assumed for these costs.
- (e) No adjustment has been made to reflect any synergies that may arise subsequent to the Acquisition, or related costs to achieve any potential synergies, as these are dependent upon the future actions of management. Similarly no adjustment has been made to reflect the impact of any trading activities subsequent to the date of the information presented.

## PART V

### ADDITIONAL INFORMATION

#### 1. RESPONSIBILITY STATEMENT

The Company and the Directors, whose names appear in the Part entitled “Directors, Company Secretary, Registered Office and Advisers” of this Circular, accept responsibility for the information contained in this Circular. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. COMPANY DETAILS

- 2.1 The Company was incorporated and registered in England and Wales on 9 March 2007 with registered number 6150195 as a private company limited by shares under the Companies Act 1985 with the name Jupiter Investment Management Holdings Limited. On 1 June 2010, the Company was re-registered as a public company and changed its name to Jupiter Fund Management plc.
- 2.2 The principal legislation under which the Company operates is the Companies Act and regulations made thereunder.
- 2.3 The registered and head office of the Company is at The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ, United Kingdom.
- 2.4 The telephone number of the Company is +44 (0)20 3817 1000.
- 2.5 The legal entity identifier of the Company is 5493003DJ1G01IMQ7S28.
- 2.6 The website of the Company is [www.jupiteram.com](http://www.jupiteram.com).

#### 3. CONSIDERATION SHARES

- 3.1 The Consideration Shares to be issued pursuant to the Acquisition will be Ordinary Shares of two pence each in the issued share capital of the Company. The Consideration Shares will be issued in registered form and will be capable of being held in both certificated and uncertificated form.
- 3.2 Fractions of Consideration Shares will not be allotted or issued pursuant to the Acquisition and will be disregarded.
- 3.3 The Consideration Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Ordinary Shares in issue as at the date of this Circular, including the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid by reference to a record date after Completion.
- 3.4 Application will be made to the FCA for the Consideration Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange for the Consideration Shares to be admitted to the main market for listed securities of the London Stock Exchange. It is expected that Admission will become effective, and that dealings in the Consideration Shares will commence on the London Stock Exchange, by no later than 8.00 a.m. on the Business Day immediately following the date of Completion, which subject to the satisfaction (or, where permitted, waiver) of the Conditions, is expected to occur in the second half of 2020 (and not earlier than 1 July 2020).

#### 4. TREASURY SHARES

As at the Latest Practicable Date, the Company held no Ordinary Shares in treasury.

## 5. INTERESTS OF THE DIRECTORS AND THE SENIOR MANAGERS

### 5.1 Shareholdings

As at the Latest Practicable Date, the interests of the Directors and Senior Managers, and persons connected with them within the meaning of section 252 of the Companies Act, in the issued share capital of the Company (all of which, unless otherwise stated, are beneficial) as have been notified by each Director and the Senior Managers to the Company:

Name	Number of issued Ordinary Shares held	Shares held under the Company's Share Incentive Plan	Percentage of issued share capital	Percentage of issued share capital of the Enlarged Group
<b>Directors</b>				
Nichola Pease.....	32,050	0	≤0.1	≤0.1
Jonathon Bond.....	29,794	0	≤0.1	≤0.1
Edward Bonham Carter.....	10,037,409	3,333	2.19	1.81
Andrew Formica.....	616,173	3,080	0.12	0.10
Wayne Mepham.....	6,600	1,007	≤0.1	≤0.1
Bridget Macaskill.....	155,000	0	0.1	≤0.1
Karl Stenberg.....	11,101	0	≤0.1	≤0.1
Polly Williams.....	0	0	0	0
Roger Yates.....	25,000	0	≤0.1	≤0.1
<b>Senior Managers</b>				
Veronica Lazenby.....	0	1,007	≤0.1	≤0.1
Paula Moore.....	1,426,947	9,479	0.31	0.26
Minesh Patel.....	0	1,007	≤0.1	≤0.1
Stephen Pearson.....	5,308,256	1,007	1.08	0.90
Andrew Robinson.....	0	1,007	≤0.1	≤0.1
Jasveer Singh.....	0	5,659	≤0.1	≤0.1
Philip Wagstaff.....	0	1,867	≤0.1	≤0.1

The Directors and the Senior Managers have the same voting rights as all other Shareholders. In addition, Edward Bonham Carter has subscribed for £750,000 of Tier 2 Notes, Andrew Formica has subscribed for £300,000 of Tier 2 Notes and Stephen Pearson has subscribed for £500,000 of Tier 2 Notes.

### 5.2 Share schemes

In addition to their interests disclosed above, as at the Latest Practicable Date, the Directors and the Senior Managers had the following outstanding awards of existing Ordinary Shares under the Company's share schemes:

Name	Scheme and year of award	Number of Ordinary Shares subject to award	Exercise price (pence)	Exercisable from	Expiry date
<b>Directors</b>					
Edward Bonham Carter	Deferred Bonus Plan 2017	19,180	0	29 March 2020	29 June 2020
	Deferred Bonus Plan 2018	33,737	0	20 September 2021	20 March 2022
	Deferred Bonus Plan 2019	8,891	0	22 September 2020	22 March 2021
	Deferred Bonus Plan 2019	8,891	0	22 September 2021	22 March 2022
	Deferred Bonus Plan 2019	8,893	0	22 September 2022	22 March 2023
	Deferred Bonus Plan 2020	7,294	0	5 September 2021	5 March 2022
	Deferred Bonus Plan 2020	7,294	0	5 September 2022	5 March 2023
	Deferred Bonus Plan 2020	7,296	0	5 September 2023	5 March 2024
	Deferred Bonus Plan 2020	10,942	0	5 September 2020	5 March 2021
	Long Term Incentive Plan – 2016	28,382	2	1 April 2019	1 April 2021
	Long Term Incentive Plan – 2017	20,443	2	29 March 2020	29 March 2022
	Long Term Incentive Plan – 2018	59,391	0	20 March 2023	20 September 2023
	Long Term Incentive Plan – 2019	54,263	0	22 March 2024	22 September 2024

Name	Scheme and year of award	Number of Ordinary Shares subject to award	Exercise price (pence)	Exercisable from	Expiry date	
Andrew Formica.....	Long Term Incentive Plan – 2020	60,100	0	5 March 2025	5 September 2025	
	Deferred Bonus Plan 2020	49,657	0	5 September 2021	5 March 2022	
	Deferred Bonus Plan 2020	49,657	0	5 September 2022	5 March 2023	
	Deferred Bonus Plan 2020	49,658	0	5 September 2023	5 March 2024	
	Deferred Bonus Plan 2020	74,486	0	5 September 2020	5 March 2021	
	Long Term Incentive Plan – 2019	419,033	0	22 March 2024	22 September 2024	
Wayne Mephram.....	Long Term Incentive Plan – 2020	569,700	0	5 March 2025	5 September 2025	
	Sharesave – 2019	6,545	275	1 December 2022	1 June 2023	
	Buyout Award -2019	12,105	0	1 March 2021	1 September 2021	
	Buyout Award – 2019	20,804	0	1 March 2022	1 September 2022	
	Deferred Bonus Plan 2020	23,318	0	5 September 2021	5 March 2022	
	Deferred Bonus Plan 2020	23,318	0	5 September 2022	5 March 2023	
	Deferred Bonus Plan 2020	23,320	0	5 September 2023	5 March 2024	
	Deferred Bonus Plan 2020	34,979	0	5 September 2020	5 March 2021	
	Long Term Incentive Plan – 2020	225,376	0	5 March 2025	5 September 2025	
	Sharesave – 2019	6,545	275	1 December 2022	1 June 2023	
<b>Senior Managers</b>						
Veronica Lazenby .....	Buyout Award -2020	7,924	0	1 March 2021	1 September 2021	
	Buyout Award -2020	8,008	0	1 March 2022	1 September 2022	
	Buyout Award -2020	7,924	0	1 September 2022	1 March 2023	
	Buyout Award -2020	5,066	0	1 March 2023	1 September 2023	
	Buyout Award -2020	4,712	0	1 September 2023	1 March 2024	
	Buyout Award -2020	2,127	0	1 March 2024	1 September 2024	
	Buyout Award -2020	2,140	0	1 September 2024	1 March 2025	
	Deferred Bonus Plan 2020	12,576	0	5 September 2021	5 March 2022	
	Deferred Bonus Plan 2020	12,576	0	5 September 2022	5 March 2023	
	Deferred Bonus Plan 2020	12,576	0	5 September 2023	5 March 2024	
	Deferred Bonus Plan 2020	27,878	0	5 September 2020	5 March 2021	
	Long Term Incentive Plan – 2020	116,862	0	5 September 2023	5 March 2024	
	Paula Moore.....	Deferred Bonus Plan 2017	12,113	0	29 March 2020	29 June 2020
		Deferred Bonus Plan 2018	7,833	0	20 September 2020	20 March 2021
		Deferred Bonus Plan 2018	7,834	0	20 September 2021	20 March 2022
		Deferred Bonus Plan 2019	7,033	0	22 September 2020	22 March 2021
		Deferred Bonus Plan 2019	7,033	0	22 September 2021	22 March 2022
		Deferred Bonus Plan 2019	7,033	0	22 September 2022	22 March 2023
		Deferred Bonus Plan 2020	13,911	0	5 September 2021	5 March 2022
		Deferred Bonus Plan 2020	13,911	0	5 September 2022	5 March 2023
Deferred Bonus Plan 2020		13,911	0	5 September 2023	5 March 2024	
Deferred Bonus Plan 2020		29,215	0	5 September 2020	5 March 2021	
Long Term Incentive Plan – 2017		20,443	2	29 March 2020	29 March 2022	
Long Term Incentive Plan – 2018		80,427	0	20 September 2021	20 March 2022	
Long Term Incentive Plan – 2019		150,731	0	22 September 2022	22 March 2023	
Long Term Incentive Plan – 2020		133,556	0	5 September 2023	5 March 2024	
Minesh Patel .....	Sharesave – 2014	5,101	297	1 December 2019	1 June 2020	
	Sharesave -2016	4,373	343	1 December 2021	1 June 2022	
	Deferred Bonus Plan 2020	5,007	0	5 September 2021	5 March 2022	
	Deferred Bonus Plan 2020	5,007	0	5 September 2022	5 March 2023	
	Deferred Bonus Plan 2020	5,008	0	5 September 2023	5 March 2024	
	Deferred Bonus Plan 2020	17,529	0	5 September 2020	5 March 2021	
	Long Term Incentive Plan – 2019	75,753	0	22 September 2022	22 March 2023	
	Long Term Incentive Plan – 2020	83,473	0	5 September 2023	5 March 2024	
	Sharesave – 2019	4,581	275	1 December 2022	1 June 2023	
	Stephen Pearson.....	Deferred Bonus Plan 2017	68,144	0	29 March 2020	29 June 2020
Deferred Bonus Plan 2018		37,530	0	20 September 2020	20 March 2021	
Deferred Bonus Plan 2018		37,532	0	20 September 2021	20 March 2022	
Deferred Bonus Plan 2019		30,647	0	22 September 2020	22 March 2021	
Deferred Bonus Plan 2019		30,647	0	22 September 2021	22 March 2022	
Deferred Bonus Plan 2019		30,647	0	22 September 2022	22 March 2023	
Deferred Bonus Plan 2020		53,978	0	5 September 2021	5 March 2022	
Deferred Bonus Plan 2020		53,978	0	5 September 2022	5 March 2023	
Deferred Bonus Plan 2020		53,978	0	5 September 2023	5 March 2024	
Deferred Bonus Plan 2020		69,282	0	5 September 2020	5 March 2021	
Long Term Incentive Plan – 2017		40,887	2	29 March 2020	29 March 2022	
Long Term Incentive Plan – 2018		123,734	0	20 September 2021	20 March 2022	
Long Term Incentive Plan – 2019		150,731	0	22 September 2022	22 March 2023	
Long Term Incentive Plan – 2020		166,945	0	5 September 2023	5 March 2024	

Name	Scheme and year of award	Number of Ordinary Shares subject to award	Exercise price (pence)	Exercisable from	Expiry date
Andrew Robinson.....	Deferred Bonus Plan 2018	821	0	20 March 2020	20 September 2020
	Deferred Bonus Plan 2018	822	0	20 March 2021	20 September 2021
	Deferred Bonus Plan 2019	5,776	0	22 September 2020	22 March 2021
	Deferred Bonus Plan 2019	5,776	0	22 September 2021	22 March 2022
	Deferred Bonus Plan 2019	5,778	0	22 September 2022	22 March 2023
	Deferred Bonus Plan 2020	7,511	0	5 September 2021	5 March 2022
	Deferred Bonus Plan 2020	7,511	0	5 September 2022	5 March 2023
	Deferred Bonus Plan 2020	7,513	0	5 September 2023	5 March 2024
	Deferred Bonus Plan 2020	21,285	0	5 September 2020	5 March 2021
	Long Term Incentive Plan – 2018	49,493	0	20 March 2021	20 September 2021
	Long Term Incentive Plan – 2019	75,365	0	22 September 2022	22 March 2023
	Long Term Incentive Plan – 2020	83,473	0	5 September 2023	5 March 2024
	Sharesave – 2019	6,545	275	1 December 2022	1 June 2023
	Jasveer Singh.....	Deferred Bonus Plan 2017	40,382	0	29 March 2020
Deferred Bonus Plan 2018		20,207	0	20 September 2020	20 March 2021
Deferred Bonus Plan 2018		20,209	0	20 September 2021	20 March 2022
Deferred Bonus Plan 2019		18,588	0	22 September 2020	22 March 2021
Deferred Bonus Plan 2019		18,588	0	22 September 2021	22 March 2022
Deferred Bonus Plan 2019		18,590	0	22 September 2022	22 March 2023
Deferred Bonus Plan 2020		23,928	0	5 September 2021	5 March 2022
Deferred Bonus Plan 2020		23,928	0	5 September 2022	5 March 2023
Deferred Bonus Plan 2020		23,929	0	5 September 2023	5 March 2024
Deferred Bonus Plan 2020		39,231	0	5 September 2020	5 March 2021
Long Term Incentive Plan – 2017		12,265	2	29 March 2020	29 March 2022
Long Term Incentive Plan – 2018		123,734	0	20 September 2021	20 March 2022
Long Term Incentive Plan – 2019		150,731	0	22 September 2022	22 March 2023
Long Term Incentive Plan – 2020		133,556	0	5 September 2023	5 March 2024
Philip Wagstaff.....	Buyout Award -2019	31,871	0	1 SeptemberMarch 2020	1 March 2021
	Buyout Award – 2019	4,252	0	1 SeptemberApril 2020	1 April 2021
	Buyout Award -2019	31,871	0	1 SeptemberMarch 2021	1 March 2022
	Buyout Award – 2019	15,813	0	1 SeptemberMarch 2022	1 March 2023
	Buyout Award -2019	30,233	0	1 August 2020	31 January 2021
	Buyout Award – 2019	23,027	0	1 March 2021	1 September 2021
	Buyout Award -2019	11,335	0	1 August 2021	1 February 2022
	Buyout Award – 2019	12,455	0	1 March 2022	1 September 2022
	Deferred Bonus Plan 2020	33,944	0	5 September 2021	5 March 2022
	Deferred Bonus Plan 2020	33,944	0	5 September 2022	5 March 2023
	Deferred Bonus Plan 2020	33,946	0	5 September 2023	5 March 2024
	Deferred Bonus Plan 2020	49,248	0	5 September 2020	5 March 2021
	Long Term Incentive Plan – 2019	151,505	0	22 September 2022	22 March 2023
	Long Term Incentive Plan – 2020	166,945	0	5 September 2023	5 March 2024
	Sharesave – 2019	6,545	275	1 December 2022	1 June 2023

## 7. MAJOR SHAREHOLDERS

As at the Latest Practicable Date, the Company had been notified in accordance with Chapter 5 of the Disclosure Guidance and Transparency Rules that the following persons are directly or indirectly interested (within the meaning of the Companies Act) in the Company's Ordinary Shares:

Name	Number of Ordinary Shares as at the Latest Practicable Date	Percentage of issued share capital as at the Latest Practicable Date	Number of Ordinary Shares as at Admission <sup>(1)</sup>	Percentage of issued share capital as at Admission <sup>(1)</sup>
Silchester International Investors LLP	89,432,507	19.6%	89,432,507	16.2%
TA Associates (held through Mintaka)	—	—	87,711,883 <sup>(2)</sup>	15.9% <sup>(2)</sup>

Note

(1) This assumes that no further issues of Ordinary Shares occur between the Latest Practicable Date and Admission.

(2) This is based on the position at the time of signing of the SPA but may change depending, among other things, on the market price of the Company's Ordinary Shares shortly before Completion and which may result in Mintaka owning less than 15.9 per cent. of the Ordinary Shares in issue following Admission.

Save as disclosed above, the Company is not aware of any person who, as at the Latest Practicable Date, directly or indirectly, has a holding of Ordinary Shares which is notifiable under English law.

Save as set out above, the Company and the Directors are not aware of any persons who, as at the Latest Practicable Date, directly or indirectly, jointly or severally, exercise or could exercise control over the Company nor are they aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

None of the Shareholders referred to in this paragraph has or will have different voting rights from any other Shareholder in respect of any Ordinary Shares (including any Consideration Shares) held by them.

## 8. PAYMENTS FOR LOSS OF OFFICE

The service contracts of Andrew Formica, Chief Executive Officer of the Group and Wayne Mephram, Chief Financial Officer of the Group do not include any fixed provision for termination compensation except base salary and benefits for the notice period.

## 9. PROPOSED DIRECTOR'S TERMS OF APPOINTMENT AND OTHER DETAILS

Christopher Parkin has been nominated as the initial Shareholder Director by Mintaka and TA Associates for appointment to the Board pursuant to their rights under the Relationship Agreement and is expected to be appointed as a director of the Company with effect on and from, and conditional upon, Admission.

Christopher is co-head of TA Associates' EMEA Services Group. Christopher joined TA Associates in 2006 and has more than 15 years of experience in the private equity industry. During this time, Christopher has closed 16 investments for TA with a primary focus on financial services, business services and consumer facing companies.

It is expected that Christopher will enter into a letter of appointment with the Company in customary form which will take effect from Admission. He will not be entitled to be appointed to, or be an observer of, any Board committee. He will not be entitled to any fee in respect of his position as a non-executive director, payments or benefits on termination of his appointment as a director.

Christopher will be eligible for directors' and officers' liability insurance cover and reimbursement of reasonable business expenses. Christopher will not be entitled to participate in any bonus, share or other incentive arrangements.

## 10. IRREVOCABLE UNDERTAKINGS

The Directors have agreed to deliver irrevocable undertakings to vote in favour of the Resolution to be proposed at the General Meeting in respect of such number of Ordinary Shares as are beneficially held by each of them and in accordance with the terms of the SPA. The irrevocable undertakings shall bind the Directors, regardless of any change to the recommendation, as set out in paragraph 23 of Part I (*Letter from the Chairman of Jupiter Fund Management plc*) of this Circular.



## 11. RELATED PARTY TRANSACTIONS

During the three years ended 31 December 2017, 31 December 2018 and 31 December 2019, the Group entered into the following related party transactions (which for these purposes are those set out in the standards adopted according to the Regulation (EC) No 1606/2002):

- (a) during the year ended 31 December 2019, such transactions as disclosed in notes 5.4 and 6.9 on pages 139 and 145 respectively, of the Annual Report 2019, which are incorporated by reference into this Circular;
- (b) during the year ended 31 December 2018, such transactions as disclosed in notes 5.5 and 6.9 on pages 136-137 and 144 respectively, of the Annual Report 2018, which are incorporated by reference into this Circular; and
- (c) during the year ended 31 December 2017, such transactions as disclosed in notes 5.5 and 6.9 on pages 130 and 137 respectively, of the Annual Report 2017, which are incorporated by reference into this Circular.

During the period from 31 December 2019 to the Latest Practicable Date, the Company has not entered into any related party transactions, other than additional seed investments of £10 million in newly-established Products.

## 12. GROUP MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or another member of the Group either: (i) within the period of two years immediately preceding the date of this Circular which are or may be material to the Group; or (ii) which contain any provisions under which any member of the Group has any obligation or entitlement which is, or may be, material to the Group as at the date of this Circular.

### 12.1 Sale and Purchase Agreement

On 17 February 2020, the SPA was entered into by the Company and the Sellers to give effect to the Acquisition. Pursuant to the terms of the SPA and subject to the satisfaction of the conditions set out therein, the Sellers have agreed to sell the entire issued and to be issued share capital of Merian to the Company. The principal terms of the SPA are set out below.

#### *Consideration*

In consideration for the sale of the entire issued and to be issued share capital of Merian to the Company, the Sellers will receive in aggregate 95,360,825 Consideration Shares, with Mintaka expected to own approximately 15.9 per cent. of the Ordinary Shares in issue at that time and the Key Merian Management Shareholders collectively expected to own approximately 0.5 per cent. of the Ordinary Shares (in each case, based on the position at the time of signing of the SPA). Whilst the total number of Consideration Shares to be issued to the Sellers pursuant to the SPA is fixed, the SPA contains a mechanism regulating the allocation of the Consideration Shares among the Sellers depending, among other things, on the market price of the Company's Ordinary Shares shortly before Completion. This may result in Mintaka owning less than 15.9 per cent. of the Ordinary Shares in issue following Admission. The precise figures will not be known until shortly before Completion and will be publicly announced through a Regulatory Information Service at or shortly after Completion.

The number of Consideration Shares to be issued has been calculated based on a price of 388 pence per Consideration Share on the basis of the volume weighted average price of an Ordinary Share over the period of 20 trading days ending on and including 14 February 2020.

If there is a reduction in Merian AUM over the period from close of business on the date on which the Resolution is passed at the General Meeting to close of business on 31 December 2021, including certain net flows over the period, but excluding market movements, the Purchase Price Adjustment will be triggered. The Purchase Price Adjustment will be determined by reference to the following thresholds such that the value of the Purchase Price Adjustment will be:

- zero, if the Merian AUM at the end of the measurement period is 85 per cent. (or more) of the Merian AUM at the beginning of the measurement period;
- the value represented by 5,154,639 Consideration Shares (being £20 million divided by £3.88), if the Merian AUM at the end of the measurement period is 84.99 per cent. of the Merian AUM at the beginning of the measurement period;

- the value represented by 10,309,278 Consideration Shares (being £40 million divided by £3.88), if the Merian AUM at the end of the measurement period is 74.99 per cent. of the Merian AUM at the beginning of the measurement period; and
- the value represented by 25,773,196 Consideration Shares (being £100 million divided by £3.88), if the Merian AUM at the end of the measurement period is 59.99 per cent. or lower of the Merian AUM at the beginning of the measurement period.

A linear interpolation will apply if the Merian AUM at the end of the measurement period is an amount that falls between the thresholds set out above. The reduction in Merian AUM over the period will be calculated based on the net impact of subscriptions and redemptions only (subject to certain exceptions).

Any pre-tax profit retained by the Company in respect of performance fees generated by Merian between Completion and 31 December 2021 will be applied to reduce Mintaka's liability, if any, to make a payment in respect of the Purchase Price Adjustment.

The Purchase Price Adjustment is payable as an amount in cash by Mintaka. The cash payment is expected to be funded through a sale by Mintaka of the relevant number of Consideration Shares as determined on the basis summarised above, with the proceeds arising from such sale of that number of shares at the then prevailing market price (net of dealing costs) being paid to the Company.

Certain of Mintaka's payment obligations pursuant to the SPA and other transaction documents, including any payment in respect of the net debt adjustment, the Purchase Price Adjustment and in respect of certain indemnification obligations in connection with the Acquisition (including the deferred earn-out plan) are subject to a guarantee provided by certain funds managed by members of TA Associates' Group.

### ***Conditions***

Completion is subject to the satisfaction of certain conditions, including the following key conditions:

- the passing of the Resolution by Shareholders at the General Meeting;
- the Consideration Shares having been allotted to the Sellers unconditionally subject only to Completion and Admission;
- the FCA and the London Stock Exchange having confirmed to the Company (or the Sponsor) that the applications for Admission have been approved and that Admission will become effective as soon as a dealing notice has been issued;
- each member of the Group which is required to obtain approval from a financial regulator in connection with the Acquisition having received, or been deemed to have received, approval from the FCA, the Securities and Futures Commission of Hong Kong and the Central Bank of Ireland, and such other approvals from a financial regulator as may be required;
- each member of TA Associates' Group and each fund managed by a member of TA Associates' Group which is required to obtain approval from a financial regulator in connection with the Acquisition having received, or been deemed to have received, approval from the FCA and the Commission de Surveillance du Secteur Financier of Luxembourg, and such other approvals from a financial regulator as may be required; and
- each fund managed by a member of the Merian Group, where such fund is registered for marketing in Taiwan and where such approval is required, having received approval from the Taiwan Financial Supervisory Commission in connection with the Acquisition.

The Company and Mintaka have committed to customary obligations in connection with the obtaining of the regulatory approvals and the satisfaction of the other Conditions.

Completion is expected to occur in the second half of 2020 (and not earlier than 1 July 2020). These conditions must be satisfied (or, where permitted, waived) by the Longstop Date, being 31 December 2020 or such later date as Mintaka and the Company may agree or as may be determined in accordance with the SPA.

### ***Warranties and indemnification***

Each of the Sellers on the one hand and the Company on the other hand has made warranties to the other. The Company's warranties include a limited number of statements relating to its capacity and authority to enter into the SPA, performance of its obligations under the SPA, insolvency and compliance with disclosure obligations. In addition to certain fundamental warranties (including in relation to title to Merian's shares, capacity and authority to enter into the SPA, performance of obligations and solvency), the Key Merian Management Shareholders have provided a customary suite of business warranties.

In addition, the SPA contains a post-Completion net debt adjustment whereby there would be a pound-for-pound indemnification by Mintaka to the Company to the extent that the Merian Group's actual net debt at Completion exceeds an agreed target net debt figure of £29 million if Completion occurs on 1 July 2020 or otherwise on or before the record date for the Company's 2020 interim dividend, such target increasing to £35 million if Completion occurs after the record date for the Company's 2020 interim dividend.

At Completion, the Key Merian Management Shareholders will be required to enter into a customary deed of tax indemnity to provide the Company with certain protections against tax liabilities.

Warranty and indemnity insurance has been obtained to provide recourse for the Company in the event that certain warranties are breached and/or payment becomes due pursuant to the deed of tax indemnity.

### ***Conduct before Completion and termination rights***

The Sellers (other than Zedra Trust Company) have agreed to comply with customary provisions relating to the conduct of the Merian Group's business during the period between the date of the SPA and Completion.

The SPA may be terminated by the Company in certain circumstances, including if any of the following events occur prior to Completion:

- any unremedied breach of certain customary warranties in respect of title to shares (where given by any Seller), capacity and authority (where given by Mintaka or a Key Merian Management Shareholder), and solvency (where given by Mintaka) as at signing of the SPA and as at Completion;
- any unremedied material breach by the Sellers of their obligations under the SPA in relation to the operation of the Merian Group's business in the period between the date of the SPA and Completion, subject to certain caveats and only if the relevant breach has a material adverse effect on the Group; and
- if, other than as a result of death or disability, three or more of the Key Merian Management Shareholders: (i) leave the Merian Group resulting in their ceasing to be employees of the Merian Group or (ii) have received notice of termination of their employment by the Merian Group, or (iii) have given notice to terminate their employment, in each case at or prior to Completion.

The SPA may also be terminated by mutual agreement between the Company and the Sellers.

### ***Restrictive covenants***

The Key Merian Management Shareholders and other Merian Group employees will be subject to customary restrictive covenants in their employment agreements, including non-solicit and non-compete obligations for the duration of their employment by the Enlarged Group and for a period following termination of employment. The SPA also contains customary restrictions to prevent the Merian Management Shareholders from competing with the business of the Group, or soliciting Enlarged Group employees, customers or clients, in each case, for a period of two years following Completion.

### ***Governing law***

The SPA is governed by English law and the parties irrevocably submit to the exclusive jurisdiction of the English courts.

## 12.2 TA Associates Lock-up Agreement

On 17 February 2020, Mintaka (a fund advised by TA Associates) entered into a share lock-up agreement with the Company (the “**TA Associates Lock-up Agreement**”) in respect of the Consideration Shares to be issued to Mintaka on Admission. The TA Associates Lock-Up Agreement is conditional upon Admission and subject to certain exceptions set out below, restricts Mintaka from disposing of any of its Consideration Shares for a period of 24 months from Completion.

The lock-up is subject to the following exceptions: (i) any disposal made with the prior written consent of the Company; (ii) any disposal made in connection with a rights issue by the Company; (iii) any disposal pursuant to an offer by the Company to purchase Ordinary Shares which is made to all holders of Ordinary Shares; (iv) the acceptance of a takeover offer made in accordance with the Takeover Code; (v) the acceptance of a partial offer made in accordance with the Takeover Code; (vi) any disposal pursuant to a scheme or reconstruction under the Insolvency Act 1986; (vii) any disposal pursuant to the squeeze-out provisions of the Companies Act; (viii) any disposal pursuant to a compromise or arrangement between the Company and its creditors or between the Company and its members which is agreed by the creditors or members and sanctioned by the High Court of Justice in England and Wales under the Companies Act; (ix) any disposal as may be required solely to realise funds sufficient to satisfy: (a) any payment obligation of Mintaka in respect of the Purchase Price Adjustment, the net debt indemnity under the SPA, and certain indemnification obligations in connection with the Acquisition (including the deferred earn-out plan); and/or (b) any reasonable and documented transaction costs incurred by Mintaka in connection with the Acquisition (to the extent that any entitlement Mintaka has to interim cash dividends declared by the Company in respect of the year ending 31 December 2020 and with a record date falling after the date of Admission is not sufficient to pay such costs in full); (x) any disposal to an affiliate of Mintaka (provided that the transferee enters into a deed of adherence); (xi) any disposal of the legal interest in any Consideration Shares provided that the beneficial owner shall not change (provided that the transferee enters into a deed of adherence); or (xii) any disposal otherwise required by applicable law.

Mintaka will also be restricted, at any point prior to termination of the TA Associates Lock-up Agreement, from taking any action that would increase its interest in the Company beyond that received on Admission.

Following the end of the lock-up period and except with the Company’s prior written consent, or in certain other limited circumstances, Mintaka is restricted from disposing of, in any rolling three-month period, such number of Consideration Shares equal to or more than 5 per cent. of the total number of Consideration Shares allotted to Mintaka on Admission (subject always to the additional restriction on disposing of, in any rolling six-month period, such number of Consideration Shares equal to more than 7.5 per cent. of the total number of Ordinary Shares in issue at such time).

The TA Associates Lock-up Agreement will terminate in certain customary circumstances, including: (i) if the Company ceases to be admitted to listing on the Official List of the FCA and to trading on the main market for listed securities of the London Stock Exchange, or (ii) if any person becomes entitled to control, directly or indirectly, the exercise of 50 per cent. or more of the rights to vote at general meetings of the Company).

## 12.3 Merian Management Shareholders’ Lock-up Agreements

On 17 February 2020, the Key Merian Management Shareholders each entered into a share lock-up agreement with the Company (the “**Merian Management Shareholders’ Lock-up Agreements**”) in respect of the Consideration Shares to be received by each of the Key Merian Management Shareholders. The Merian Management Shareholders’ Lock-up Agreements are conditional upon Completion and restrict each of the Key Merian Management Shareholders from disposing of (i) any of their respective Consideration Shares during the period from Completion and ending on the first anniversary of Completion; and (ii) more than 25 per cent. of their respective Consideration Shares (including when aggregated with any previous disposals they have made) during the period commencing on the first anniversary of Completion and ending on the third anniversary of Completion.

The lock-ups are subject to the following exceptions: (i) any disposal made with the prior written consent of the Company; (ii) any disposal made in connection with a rights issue by the Company; (iii) any disposal pursuant to an offer by the Company to purchase Ordinary Shares which is made to all holders of Ordinary Shares; (iv) the acceptance of a takeover offer made in accordance with the Takeover Code; (v) the acceptance of a partial offer made in accordance with the Takeover Code;

(vi) any disposal pursuant to the squeeze-out provisions of the Companies Act; (vii) any disposal pursuant to a compromise or arrangement between the Company and its creditors or between the Company and its members which is agreed by the creditors or members and sanctioned by the High Court of Justice in England and Wales under the Companies Act; (viii) any disposal to a connected person (as defined in the Companies Act), family member, family trust or by the trustees of such family trusts to the beneficiaries thereof, in each case solely for the purposes of tax planning (provided that the transferee enters into a deed of adherence); (ix) any disposal of the legal interest in any Consideration Shares provided that the beneficial owner shall not change (provided that the transferee enters into a deed of adherence); (x) any disposal to or by the personal representatives of the Key Merian Management Shareholder in the event of such shareholder's death; (xi) any disposal to the extent required to fund any tax liability of the relevant shareholder arising as a result of the sale of its shares in Merian to the Company; (xii) any disposal required to fund the repayment of any loan made to such shareholder in accordance with the SPA in connection with the paying up of nil paid shares in Merian held by such shareholder; or (xiii) any disposal otherwise required by applicable law or a court of competent jurisdiction.

The Merian Management Shareholders' Lock-up Agreements will terminate in certain customary circumstances, including: (i) if the Company ceases to be admitted to listing on the Official List of the FCA and to trading on the main market for listed securities of the London Stock Exchange, or (ii) if any person becomes entitled to control, directly or indirectly, the exercise of 50 per cent. or more of the rights to vote at general meetings of the Company.

#### 12.4 Relationship Agreement

On 17 February 2020, the Company entered into a relationship agreement with Mintaka and TA Associates (the "**Relationship Agreement**"), which will, conditional upon Admission, for such time as Mintaka, together with any member of TA Associates' Group, holds in aggregate 10 per cent. or more of the Ordinary Shares in issue from time to time, regulate the on-going relationship between the Company, Mintaka and TA Associates following Admission.

The principal purpose of the Relationship Agreement is to ensure that where, following Admission, Mintaka, together with any member of TA Associates' Group, holds in aggregate 10 per cent. or more of the Ordinary Shares in issue from time to time, the Company is able to carry on an independent business as its main activity. The Relationship Agreement contains, among others, undertakings from Mintaka and TA Associates that: (a) transactions and arrangements between them (and/or any of their respective associates) and any member of the Group will be conducted at arm's length and on normal commercial terms; (b) neither of them nor any of their respective associates shall take any action that would have the effect of preventing the Company from complying with its obligations under the Listing Rules; and (c) neither of them nor any of their respective associates shall propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules.

In addition, the provisions of the Relationship Agreement imposing obligations on Mintaka and TA Associates will remain in full force and effect, in respect of Mintaka and TA Associates, for so long as Mintaka, together with any member of TA Associates' Group, holds in aggregate 10 per cent. or more of the Ordinary Shares in issue from time to time (save that Mintaka and TA Associates may terminate the Relationship Agreement in certain customary circumstances, including: (i) if the Company ceases to be admitted to listing on the Official List of the FCA and to trading on the main market for listed securities of the London Stock Exchange, or (ii) if any person becomes entitled to control, directly or indirectly, the exercise of 50 per cent. or more of the rights to vote at general meetings of the Company).

Pursuant to the Relationship Agreement, for so long as Mintaka, together with any member of TA Associates' Group, holds in aggregate 10 per cent. or more of the Ordinary Shares in issue from time to time, Mintaka and TA Associates shall be entitled to jointly nominate one non-executive director for appointment to the Board (a "**Shareholder Director**"), who shall be appointed as a non-executive director of the Company subject to certain conditions. Any such Shareholder Director will not have a right to be appointed to, or be an observer of, any committee of the Board or to receive any director fee.

Christopher Parkin has been nominated as the initial Shareholder Director by Mintaka and TA Associates for appointment to the Board and is expected to be appointed as a director with effect from, and conditional upon, Admission.

Any Shareholder Director will be required to adhere to certain non-solicit undertakings in respect of senior employees with an annual salary in excess of an agreed amount whilst he or she is a director of the Company, and for a period of six months following their departure from the Board. The non-solicit undertaking includes a carve-out for any action taken by portfolio companies of a member of TA Associates' Group without the involvement of a Shareholder Director. A Shareholder Director must not sit on the Board (or equivalent body) of any competing business as long as he or she is a director of the Company, and for a period of three months following their departure from the Board.

The Relationship Agreement will also include certain customary information rights, confidentiality obligations and undertakings in relation to conflicts of interest.

The Relationship Agreement is governed by English law. Certain provisions, including the non-solicit undertakings referred to above, will survive termination.

## 12.5 Sponsor's Agreement

On 27 April 2020, the Company and J.P. Morgan entered into a sponsor's agreement, pursuant to which the Company appointed J.P. Morgan as Sponsor in connection with the publication of this Circular, the prospectus to be published by the Company in due course in connection with Admission and the applications for Admission (the "**Sponsor's Agreement**"). The Company has given certain customary representations and warranties, agreed to comply with certain customary undertakings and given certain customary indemnities to the Sponsor. The liabilities under those warranties, undertakings and indemnities are unlimited as to time and amount. The Sponsor may by notice to the Company terminate the Sponsor's Agreement in certain customary limited circumstances prior to Admission.

## 12.6 Revolving Credit Facility

On 5 July 2019, the Company entered into a £50 million revolving credit facility agreement with Banco Santander, S.A., London Branch as mandated lead arranger, original lender and facility agent. Such revolving credit facility will be amended and restated with effect from Completion pursuant to an amendment and restatement agreement dated 9 April 2020 (the "**ARA Signing Date**") and made between the Company as borrower, Banco Santander, S.A., London branch as facility agent, Banco Santander, S.A., London branch and Citigroup Global Markets Limited as arrangers, Banco Santander, S.A., London branch as existing lender and Citibank N.A., London branch as new lender (as amended and restated, the "**Revolving Credit Facility**"). Pursuant to the amendment and restatement, the maximum amount that can be borrowed under the Revolving Credit Facility was increased to £80 million and the term extended to three years from the ARA Signing Date. As at the Latest Practicable Date, the Revolving Credit Facility was undrawn, although it may be drawn upon on or following Completion.

The rate of interest payable on borrowings under the Revolving Credit Facility is the aggregate of LIBOR and a customary margin. The Company may select interest periods for each loan made available under the Revolving Credit Facility of one, three or six months or any other period agreed with all the lenders. Each loan must be repaid in full and the accrued interest together with such loan must be paid on the last day of each interest period (and at six monthly intervals after the first day of the interest period, if the interest period is longer than six months). Certain fees and expenses are also payable, including, a facility agent's fee, an upfront fee, a utilisation fee and a commitment fee.

Subject to certain conditions, the Company may voluntarily prepay utilisations and/or permanently cancel all or part of the available facility under the Revolving Credit Facility by giving prior notice to the facility agent. In addition, the Revolving Credit Facility requires mandatory cancellation and, if applicable, prepayment in full or in part, in certain circumstances.

Upon the occurrence of certain change of control events, the lenders will not be obliged to fund a loan and each lender under the Revolving Credit Facility will be entitled to have its commitment cancelled and any outstanding loan, interests and amounts accrued, immediately due and payable.

The Revolving Credit Facility contains customary warranties, representations, covenants, negative pledges, undertakings (including, amongst others, restrictions on certain disposals, mergers and acquisitions and delivery of financial statements) and events of default (in each case, subject to customary agreed exceptions, materiality tests, carve-outs and grace periods). The Company has received an appropriate waiver under the Revolving Credit Facility in relation to the Acquisition which would otherwise be subject to the aforementioned restrictions and accordingly the lenders under the Revolving Credit Facility will not exercise their rights to call an event of default in relation to the Acquisition.

The Revolving Credit Facility Agreement will terminate on the third anniversary of the ARA Signing Date.

#### 12.7 Tier 2 Notes

On 27 April 2020 (the “**Issue Date**”), the Company issued £50 million 8.875 per cent. fixed rate reset callable subordinated notes due 2030 (the “**Tier 2 Notes**”) at an issue price of 99.038 per cent.

The Tier 2 Notes bear interest on their principal amount from (and including) the Issue Date to (but excluding) 27 July 2025 (the “**Reset Date**”), at a rate of 8.875 per cent. per annum and thereafter at a reset rate of interest. Interest is payable on the Tier 2 Notes in a single annual instalment in arrears on each interest payment date, commencing on 27 April 2021.

Unless previously redeemed or purchased and cancelled, the Tier 2 Notes will mature on 27 July 2030. Holders of Tier 2 Notes (the “**Noteholders**”) have no right to require the Company to redeem or purchase the Tier 2 Notes at any time. The Company may, in its discretion but subject to the conditions, elect to: (a) redeem all (but not some only) of the Tier 2 Notes at their principal amount, together with interest accrued and unpaid up to (but excluding) the date fixed for redemption, on the Reset Date or at any time if a “tax event” has occurred or a “capital disqualification event” has occurred; or (b) repurchase the Tier 2 Notes.

The Tier 2 Notes are direct, unsecured and unguaranteed obligations of the Company, ranking *pari passu* and without preference amongst themselves, and will, in the event of the winding-up of the Company, be subordinated to the claims of all senior creditors of the Company but shall rank (i) at least *pari passu* with the claims of holders of all other subordinated obligations of the Company which constitute, or would but for any applicable limitation on the amount of such capital constitute, tier 2 capital and all obligations which rank, or are expressed to rank, *pari passu* therewith and (ii) in priority to the claims of holders of all obligations of the Company which constitute, or would but for any applicable limitation on the amount of such capital, constitute tier 1 capital and all obligations which rank, or are expressed to rank, *pari passu* therewith and to the claims of holders of all classes of share capital of the Company.

#### 13. MERIAN GROUP MATERIAL CONTRACTS

The following contract (not being a contract entered into in the ordinary course of business) has been entered into by Merian or another member of the Merian Group either: (i) within the period of two years immediately preceding the date of this Circular which is or may be material to the Merian Group; or (ii) which contains any provisions under which any member of the Merian Group has any obligation or entitlement which is, or may be, material to the Merian Group as at the date of this Circular.

##### 13.1 Term and Multicurrency Revolving Facilities Agreement

As part of the acquisition of the OMGI single-strategy business by OMGI senior management and funds operated by TA Associates, the Merian Group became party to an English law secured term and multicurrency revolving credit facility agreement that was originally entered into on 18 December 2017 among Mintaka Bidco Limited as borrower, ICG Alternative Investment Limited (as arranger), Barings Global Advisers Limited (as arranger) and Intermediate Capital Group plc (acting as agent and security agent) and was amended and restated on 25 June 2018.

Pursuant to the facilities agreement, the lenders agreed to make (i) a loan available to Mintaka Bidco Limited for the purpose of funding the acquisition of the Merian Group from Old Mutual plc and (ii) a multicurrency revolving credit facility available to Mintaka Bidco Limited for general corporate and working capital purposes and to fund certain costs relating to the acquisition. As at 31 December 2019, the net leverage of the Merian Group was 0.43x EBITDA. As at 31 March 2020, the Merian Group had net debt of £36.5 million, including £97.2 million and €70.3 million outstanding under the term loan. The revolving credit facility has a limit of £20 million and was undrawn as at 31 March 2020. The facilities agreement contains customary warranties, representations, covenants, undertakings and events of default. The termination date of the term loan is 29 June 2025 and the termination date of the revolving credit facility is 29 December 2024.

The Company will be required to, and intends to, repay all amounts outstanding under such facilities at Completion (unless repaid by Merian beforehand) and has sufficient liquidity to do so.

#### 14. LEGAL AND ARBITRATION PROCEEDINGS

- 14.1 There are no, nor have there been any, governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened of which the Company is aware) during the last 12 months prior to the date of this Circular which may have, or have had in the recent past, a significant effect on the Company's and/or the Group's financial position or profitability.
- 14.2 There are no, nor have there been any, governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened of which the Company is aware) during the last 12 months prior to the date of this Circular which may have, or have had in the recent past, a significant effect on Merian's and/or the Merian Group's financial position or profitability.

#### 15. NO SIGNIFICANT CHANGE

- 15.1 Save as disclosed in paragraph 9 of Part I (*Letter from the Chairman of Jupiter Fund Management plc*) of this Circular, there has been no significant change in the financial performance or financial position of the Group since 31 December 2019, being the date to which the last audited consolidated financial information of the Group was published.
- 15.2 Save as disclosed in paragraph 9 of Part I (*Letter from the Chairman of Jupiter Fund Management plc*) of this Circular, there has been no significant change in the financial performance or financial position of the Merian Group since 31 December 2019, being the date to which the combined and consolidated historical financial information set out in Part III (*Historical Financial Information relating to the Merian Group*) of this Circular was published.

#### 16. WORKING CAPITAL

The Company is of the opinion that, taking into account the Revolving Credit Facility and the Tier 2 Notes, the Enlarged Group has sufficient working capital for its present requirements, that is for the next 12 months from the date of this Circular.

#### 17. COSTS AND EXPENSES

The aggregate costs and expenses of the Acquisition, the issuance of the Tier 2 Notes and Admission (including the listing fees of the FCA and the London Stock Exchange, professional fees and expenses and the costs of printing and distribution of documents) payable by the Company are estimated to be £13 million to £14 million (inclusive of VAT). In addition, the Company estimates that it will incur costs of £27 million to £31 million (inclusive of VAT) relating to the integration of the Merian Group and the delivery of the anticipated cost synergies.

#### 18. CONSENTS

- 18.1 Fenchurch has given, and has not withdrawn, its written consent to the inclusion in this Circular of references to its name in the form and context in which the name appears.
- 18.2 J.P. Morgan has given, and has not withdrawn, its written consent to the inclusion in this Circular of references to its name in the form and context in which the name appears.
- 18.3 PricewaterhouseCoopers LLP has given, and has not withdrawn, its written consent to the inclusion in this Circular of its accountant's report set out in Section A of Part III (*Historical Financial Information relating to the Merian Group*) and its accountant's report set out in Section A of Part IV (*Unaudited Pro Forma Financial Information*) in the form and context in which they are included.



## 19. INFORMATION INCORPORATED BY REFERENCE

The table below sets out the documents of which certain parts are incorporated by reference into this Circular. This Circular should be read and construed in conjunction with the following documents which have been previously published and filed with the FCA.

<b>Documents containing information incorporated by reference</b>	<b>Part and paragraph in this Circular in which the document is referred to</b>	<b>Information incorporated by reference into this Circular</b>
Annual Report 2019.....	Important Information, paragraph entitled “Alternative Performance Measures” Part V ( <i>Additional Information</i> ), paragraph 11(a)	All text and tables under the heading “The Use of Alternative Performance Measures (APMs)” on page 38 Information on related party transactions in notes 5.4 and 6.9 on pages 139 and 145
Annual Report 2018.....	Part V ( <i>Additional Information</i> ), paragraph 11(b)	Information on related party transactions in notes 5.5 and 6.9 on pages 136-137 and 144
Annual Report 2017.....	Part V ( <i>Additional Information</i> ), paragraph 11(c)	Information on related party transactions in notes 5.5 and 6.9 on pages 130 and 137
Q1 2020 Trading Update .....	Part I ( <i>Letter from the Chairman of Jupiter Fund Management plc</i> ), paragraph 9	All text and tables under the headings “Current Trading”, “Jupiter Assets Under Management and Flows”, “Merian Assets Under Management and Flows” and “Outlook”

## 20. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection for a period of 12 months following Admission on the Company’s website at <https://www.jupiteram.com/corporate/Investor-Relations/Acquisition-of-Merian> and during normal business hours on Monday to Friday of each week (public holidays excepted) at the Company’s registered office at The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ, United Kingdom (provided that the SPA will not be generally available for inspection on the Company’s website, but the Company will provide Shareholders with an electronic copy of the SPA on request, with instructions as to how to request a copy set out on the Company’s website at <https://www.jupiteram.com/corporate/Investor-Relations/Acquisition-of-Merian> (in order to obtain a copy of the SPA, Shareholders will be required to provide their name, contact details and shareholder number (if applicable and known), and following review by the Company an electronic copy of the SPA will be provided):

- (a) the SPA;
- (b) the Articles of Association;
- (c) the report from PricewaterhouseCoopers LLP on the combined and consolidated historical financial information of the Merian Group set out in Section A of Part III (*Historical Financial Information relating to the Merian Group*) of this Circular;
- (d) the report from PricewaterhouseCoopers LLP on the unaudited *pro forma* financial information set out in Section A of Part IV (*Unaudited Pro Forma Financial Information*) of the Circular;
- (e) the consent letters referred to in paragraph 18 of this Part V (*Additional Information*);
- (f) the Annual Report 2019, the Annual Report 2018, the Annual Report 2017 and the Q1 2020 Trading Update; and
- (g) this Circular.

## PART VI

### DEFINITIONS

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

“ <b>Acquisition</b> ”	means the proposed acquisition by the Company of the entire issued and to be issued share capital of Merian;
“ <b>Admission</b> ”	means the admission of the Consideration Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities;
“ <b>Annual General Meeting</b> ”	means the annual general meeting of the Company, including any adjournments thereof, to be held on 21 May 2020;
“ <b>Annual Report 2017</b> ”	means the Group’s annual report and accounts for the year ended 31 December 2017;
“ <b>Annual Report 2018</b> ”	means the Group’s annual report and accounts for the year ended 31 December 2018;
“ <b>Annual Report 2019</b> ”	means the Group’s annual report and accounts for the year ended 31 December 2019;
“ <b>APAC</b> ”	means Asia-Pacific;
“ <b>Articles of Association</b> ”	means the articles of association of the Company;
“ <b>Auditing Practices Board</b> ”	means the Auditing Practices Board Limited, part of the Financial Reporting Council;
“ <b>AUM</b> ”	means assets under management;
“ <b>Board</b> ”	means the board of directors of the Company from time to time;
“ <b>Business Day</b> ”	means a day other than a Saturday, Sunday or public holiday in England and Wales or Jersey;
“ <b>CAGR</b> ”	means compound annual growth rate;
“ <b>CGU</b> ”	means cash generating unit;
“ <b>Circular</b> ”	means this document;
“ <b>Companies Act</b> ”	means the UK Companies Act 2006 (as amended or re-enacted);
“ <b>Company</b> ”	means Jupiter Fund Management plc, a company incorporated in England and Wales, with registered number 6150195 and registered office at The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ, United Kingdom;
“ <b>Completion</b> ”	means completion of the Acquisition subject to and in accordance with the terms and conditions of the SPA;
“ <b>Conditions</b> ”	means the conditions to the Completion of the Acquisition;
“ <b>Consideration Shares</b> ”	means the 95,360,825 Ordinary Shares, which are proposed to be issued by the Company to the Sellers pursuant to the Acquisition;
“ <b>CREST</b> ”	means a computerised system for the paperless settlement of sales and purchases of securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations;
“ <b>CREST Proxy Instruction</b> ”	means a properly authenticated CREST message appointing and instructing a proxy to attend and vote in place of a Shareholder at the General Meeting and containing the information required to be contained in the CREST Manual;
“ <b>CREST Regulations</b> ”	means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) as from time to time amended;
“ <b>Delegated Prospectus Regulation</b> ”	means Commission Delegated Regulation (EU) No. 2019/980;
“ <b>Directors</b> ”	means the directors of the Company as at the date of this Circular and “ <b>Director</b> ” means any one of them;

<b>“Disclosure Guidance and Transparency Rules”</b>	means the disclosure guidance and transparency rules made by the FCA under Part VI of the FSMA (as set out in the FCA Handbook), as amended from time to time;
<b>“ECL”</b>	means expected credit loss;
<b>“EMEA”</b>	means Europe, the Middle East and Africa;
<b>“Enlarged Group”</b>	means the enlarged group of companies which will, following Completion, comprise the Group and the Merian Group;
<b>“ERM”</b>	means enterprise risk management;
<b>“EU”</b>	means the European Union;
<b>“EURIBOR”</b>	means the Euro Interbank Offered Rate
<b>“Euroclear”</b>	means Euroclear UK & Ireland Limited, the operator of CREST;
<b>“Exceptional Items”</b>	means items of income or expenditure that are significant in size and which are not expected to repeat over the short to medium term;
<b>“FCA” or “Financial Conduct Authority”</b>	means the Financial Conduct Authority, granted powers as a regulator under the FSMA;
<b>“FCA Handbook”</b>	means the FCA’s handbook of rules and guidance;
<b>“Fenchurch”</b>	means Fenchurch Advisory Partners LLP;
<b>“FSMA”</b>	means the UK Financial Services and Markets Act 2000, as amended;
<b>“FTEs”</b>	means full time equivalent employees;
<b>“FVOCI”</b>	means fair value through other comprehensive income;
<b>“FVTPL”</b>	means fair value through profit and loss;
<b>“GDPR”</b>	means the General Data Protection Regulation;
<b>“GEAR”</b>	means Global Equity Absolute Return;
<b>“General Meeting”</b>	means the general meeting of the Company, including any adjournments thereof, to be held on 21 May 2020 to consider and if thought fit approve, the Resolution in relation to the Acquisition, notice of which is given pursuant to the Notice of General Meeting;
<b>“Group”</b>	means the Company and its subsidiaries and subsidiary undertakings from time to time;
<b>“ICAAP”</b>	means the Internal Capital Adequacy Assessment Process under the European Capital Requirements Directive III (Directive 2010/76/EU);
<b>“IFRS”</b>	means the International Financial Reporting Standards as adopted by the European Union;
<b>“Issue Date”</b>	has the meaning given to it in paragraph 12.7 of Part V ( <i>Additional Information</i> ) of this Circular;
<b>“J.P. Morgan”</b>	means J.P. Morgan Securities plc;
<b>“Key Merian Desks”</b>	means the following investment teams within the business of the Merian Group at Completion: (a) the “UK Small and Mid Cap. (SMID)” desk currently led by Daniel Nickols and Richard Watts; (b) the “Systematic” desk currently led by Ian Heslop; and (c) the “UK All Cap” desk currently led by Richard Buxton;
<b>“Key Merian Management Shareholders”</b>	means Richard Buxton, Ian Heslop, Amadeo Alentorn Farre, Daniel Nickols and Richard Watts;
<b>“Latest Practicable Date”</b>	means 24 April 2020, being the latest practicable date prior to the publication of this Circular;
<b>“Listing Rules”</b>	means the listing rules made by the FCA under Part VI of the FSMA (as set out in the FCA Handbook), as amended from time to time;
<b>“London Stock Exchange”</b>	means London Stock Exchange plc;

<b>“Longstop Date”</b>	means the latest date for satisfaction (or, where permitted, waiver) of the Conditions being 31 December 2020 or such later date as Mintaka and the Company may agree or as may be determined in accordance with the SPA;
<b>“Market Abuse Regulation”</b>	means Regulation (EU) No. 2014/596;
<b>“Merian”</b>	means Merian Global Investors Limited, a company incorporated in Jersey, with registered number 125325 and its registered office at 47 Esplanade, St Helier, Jersey, JE1 0BD;
<b>“Merian AUM”</b>	means the AUM attributable to funds managed by the Key Merian Desks;
<b>“Merian Chrysalis”</b>	means Merian Chrysalis Investment Company Limited;
<b>“Merian Group”</b>	means Merian, its subsidiaries and subsidiary undertakings from time to time and where the context permits, each of them;
<b>“Merian Management Shareholders”</b>	means each of the Key Merian Management Shareholders and Robert Colthorpe, Richard I. Morris Jr. and Mike Servant;
<b>“Merian Management Shareholders Lock-Up Agreements”</b>	means the share lock-up agreements entered into between each of the Key Merian Management Shareholders and the Company on 17 February 2020;
<b>“MIML”</b>	means Merian Investment Management Limited;
<b>“MGI CH”</b>	means Merian Global Investors (UK) Limited;
<b>“MGI Holdings”</b>	means Merian Global Investors Holdings Limited;
<b>“MGI SG”</b>	means Merian Global Investors (Singapore) Pte. Ltd;
<b>“Mintaka”</b>	means Mintaka LP, a limited partnership incorporated in the Cayman Islands whose registered office is at PO Box 309, Ugland House, Grand Cayman, George Town, KY1-1104 and advised by TA Associates;
<b>“Noteholders”</b>	has the meaning given to it in paragraph 12.7 of Part V ( <i>Additional Information</i> ) of this Circular;
<b>“Notice of General Meeting”</b>	means the notice convening the General Meeting set out at the end of this Circular;
<b>“Numis”</b>	means Numis Securities Limited;
<b>“Official List”</b>	means the list maintained by the FCA in accordance with section 74(1) of the FSMA for the purposes of Part VI of the FSMA;
<b>“OMGI”</b>	means Old Mutual Global Investors;
<b>“Operating Margin”</b>	means operating profit (before Exceptional Items) divided by net revenue;
<b>“Ordinary Shares”</b>	means the ordinary shares of two pence each in the capital of the Company, including, where the context requires, the Consideration Shares;
<b>“Participant Sellers”</b>	means the beneficial owners of certain shares in Merian currently registered in the name of Zedra Trust Company;
<b>“PRA”</b>	means the UK Prudential Regulation Authority;
<b>“Products”</b>	means the Group’s, the Merian Group’s and/or following Completion, the Enlarged Group’s (as the context requires) investment funds, segregated mandates and investment trusts and in respect of which a member or members of the Group, the Merian Group or following Completion, the Enlarged Group (as the context requires), directly or indirectly, provides investment management, advisory, structuring, risk management, operational or other services;
<b>“Prospectus Regulation”</b>	means Regulation (EU) No. 2017/1129;

<b>“Prospectus Regulation Rules”</b>	means the prospectus regulation rules made by the FCA under Part VI of the FSMA (as set out in the FCA Handbook), as amended from time to time;
<b>“Purchase Price Adjustment”</b>	has the meaning given in paragraph 1 of Part I ( <i>Letter from the Chairman of Jupiter Fund Management plc</i> ) of this Circular;
<b>“Q1 2020 Trading Update”</b>	means the Company’s trading update for the three months ended 31 March 2020;
<b>“QI”</b>	means Quilter Investors Limited;
<b>“Quilter Group”</b>	means Quilter Group Plc;
<b>“RAF”</b>	means risk appetite framework;
<b>“Registrar”</b>	means Link Asset Services Limited with its registered office at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom;
<b>“Regulatory Information Service”</b>	means one of the regulatory information services authorised by the FCA to receive, process and disseminate regulatory information from listed companies;
<b>“Relationship Agreement”</b>	means the relationship agreement entered into between Mintaka, TA Associates and the Company on 17 February 2020;
<b>“Reset Date”</b>	has the meaning given to it in paragraph 12.7 of Part V ( <i>Additional Information</i> ) of this Circular;
<b>“Resolution”</b>	means the ordinary resolution to be proposed at the General Meeting (and set out in the Notice of General Meeting at the end of this Circular) to approve the Acquisition and certain related matters including, without limitation to: (i) approve the Acquisition as a “Class 1 transaction” under the Listing Rules; and (ii) authorise the Directors to allot the Consideration Shares (and any amendment(s) thereof);
<b>“Revolving Credit Facility”</b>	means the Company’s revolving credit facility dated 5 July 2019, as amended and restated on 9 April 2020;
<b>“Sellers”</b>	means Mintaka (a fund advised by TA Associates), the Merian Management Shareholders and Zedra Trust Company and the Participant Sellers;
<b>“Senior Managers”</b>	means Veronica Lazenby, Paula Moore, Minesh Patel, Stephen Pearson, Andrew Robinson, Jasveer Singh and Philip Wagstaff;
<b>“Shareholder”</b>	means holders of one or more Ordinary Shares;
<b>“Shareholder Director”</b>	has the meaning given to it in paragraph 12.4 of Part V ( <i>Additional Information</i> ) of this Circular;
<b>“SMCR”</b>	means the FCA’s Senior Managers & Certification Regime;
<b>“SPA”</b>	means the sale and purchase agreement entered into by the Company and the Sellers on 17 February 2020 for the purposes of giving effect to the Acquisition;
<b>“Sponsor”</b>	means J.P. Morgan Securities plc;
<b>“Sponsor’s Agreement”</b>	means the agreement in which the Company appointed J.P. Morgan in connection with the publication of this Circular, the prospectus to be published by the Company in due course in connection with Admission and the applications for Admission;
<b>“subsidiary”</b>	has the meaning given in section 1159 of the Companies Act;
<b>“subsidiary undertaking”</b>	has the meaning given in section 1162 of the Companies Act;
<b>“TA Associates”</b>	means TA Associates Management LP, a limited partnership incorporated in Delaware (EIN 04-3205796), whose principal place of business is at 200 Clarendon Street, 56th Floor, Boston, MA 02116, United States;

<b>“TA Associates Fund”</b>	means (i) any fund which has the same general partner, trustee, nominee, operator, manager or investment adviser as TA Associates or any company which is a subsidiary or holding company of TA Associates or a subsidiary of a holding company of TA Associates, and (ii) any fund in respect of which TA Associates or any company which is a subsidiary or holding company of TA Associates or a subsidiary of a holding company of TA Associates is a general partner, manager or investment adviser;
<b>“TA Associates’ Group”</b>	means (i) TA Associates and any company which is a subsidiary or holding company of TA Associates or a subsidiary of a holding company of TA Associates, in each case from time to time, and (ii) any TA Associates Fund, but in each case excluding portfolio companies in which funds advised or managed by its holding companies or subsidiaries of its holding companies hold an investment, and <b>“member of TA Associates’ Group”</b> shall be construed accordingly;
<b>“TA Associates Lock-Up Agreement”</b>	means the share lock-up agreement entered into between Mintaka and the Company on 17 February 2020;
<b>“Takeover Code”</b>	means the Takeover Code issued by the Panel on Takeovers and Mergers, as amended from time to time;
<b>“Tier 2 Notes”</b>	has the meaning given to it in paragraph 12.7 of Part V ( <i>Additional Information</i> ) of this Circular;
<b>“UK” or “United Kingdom”</b>	means the United Kingdom of Great Britain and Northern Ireland;
<b>“uncertificated” or “in uncertificated form”</b>	means in relation to shares, means recorded on the relevant register 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;
<b>“Underlying EPS”</b>	means profit before tax less Exceptional Items excluding amortisation arising from acquisitions;
<b>“US” or “United States”</b>	means 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;
<b>“US Securities Act”</b>	means the United States Securities Act of 1933, as amended from time to time;
<b>“Zedra Trust Company”</b>	means Zedra Trust Company (Guernsey) Limited, a professional trustee company appointed to hold certain shares in Merian as nominee for certain employees and former employees of the Merian Group; and
<b>“£” or “pence”</b>	means the lawful currency of the United Kingdom.

All times referred to are London time unless otherwise stated.

All references to legislation in this Circular 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.

# JUPITER FUND MANAGEMENT PLC

(Incorporated and registered in England and Wales with registered number 6150195)

## NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a **GENERAL MEETING** of Jupiter Fund Management plc (the “**Company**”) will be held at 3.15 p.m. or, if later, immediately after the conclusion or adjournment of the Annual General Meeting, on 21 May 2020 at The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ, United Kingdom. Shareholders will be asked to consider and, if thought fit, pass the following resolution (the “**Resolution**”).

The Resolution will be proposed as an ordinary resolution.

*Please note that the implementation of the proposed acquisition of Merian Global Investors Limited (“Merian”) (the “Acquisition”) by the Company is conditional upon the passing of the Resolution.*

### ORDINARY RESOLUTION

THAT:

- (A) the Acquisition, substantially on the terms and subject to the conditions set out in the sale and purchase agreement entered into by the Company and the shareholders of Merian (the “**Sellers**”) on 17 February 2020 relating to the Acquisition (the “**SPA**”) as summarised in the circular to shareholders of the Company dated 27 April 2020 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 (provided such modifications, variations, revisions, waivers or amendments are not material), and to any documents relating thereto, as they may in their absolute discretion think fit; and
- (B) without prejudice to all existing authorities conferred on the Directors, the Directors be and are hereby generally and unconditionally authorised in accordance with the section 551 of the Companies Act 2006 to exercise all powers of the Company to allot new ordinary shares of two pence each in the capital of the Company, credited as fully paid, with authority to deal with fractional entitlements arising out of such allotment as they think fit consistent with the terms of the SPA, in connection with the Acquisition up to an aggregate nominal amount of £1,907,216.50, and which authority shall expire on the Longstop Date (as defined in the SPA), being 31 December 2020 or such later date as Mintaka LP and the Company may agree or as may be determined in accordance with the SPA (unless previously revoked or varied by the Company in general meeting), save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

Dated: 27 April 2020

Registered office:  
The Zig Zag Building  
70 Victoria Street  
London SW1E 6SQ  
United Kingdom

**By order of the Board**

Lisa Daniels  
*Company Secretary*

## NOTES:

### 1. APPOINTMENT OF PROXIES

Shareholders are strongly encouraged to vote on the resolutions to be proposed at the General Meeting. However, in light of the guidance in paragraph 2 below regarding precautions to be taken in light of the coronavirus (Covid-19) outbreak, Shareholders are encouraged to vote by proxy and raise questions in advance of the General Meeting, given they will not be able to attend the General Meeting in person unless the current situation and UK Government guidance changes.

Shareholders are able to complete and return a form of proxy in accordance with the procedures set out below in order to vote in advance at the General Meeting rather than attending in person. Arrangements have also been made to allow Shareholders to submit questions to the Board in advance of the General Meeting via email (see paragraph 10 below). Shareholders are strongly encouraged to appoint the Chairman of the General Meeting as their proxy, which will ensure their votes are cast in accordance with their wishes, even where the Shareholder, or any other person they might appoint as proxy, is unable to attend the meeting in person. Shareholders may also appoint one or more persons other than the Chairman of the General Meeting to be their proxy or proxies to exercise all or any of their rights at the General Meeting and such a proxy need not also be a Shareholder of the Company. If you appoint someone other than the Chairman of the General Meeting as your proxy then, currently, your proxy would not be able to attend and vote on your behalf at the meeting. Where more than one proxy is appointed, each proxy must be appointed to exercise the rights attached to a different Ordinary Share or Shares held by the Shareholder. The Company is not distributing a hard copy form of proxy unless specifically requested and Shareholders are encouraged to vote electronically. The methods available to appoint a proxy are set out below:

- (i) completing the online form of proxy by logging on to <http://www.signalshares.com> and selecting Jupiter Fund Management plc. If you have not yet registered with <http://www.signalshares.com> you will need your IVC which is detailed on your share certificate or is available by calling the Company's registrar, Link Asset Services Limited ("Link"), on +44 (0)371 664 0300<sup>1</sup>;
- (ii) requesting a hard copy form of proxy from Link on the telephone number shown above and returning the completed form to the address shown on the form; or
- (iii) in the case of CREST members, using the CREST electronic proxy appointment service, in accordance with the procedures set in paragraph 4 below,

and in each case to be received by Link no later than 3.15 p.m. on 19 May 2020 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). Completion of a form of proxy will not prevent a Shareholder from attending the General Meeting or any adjournment thereof should the situation change such that they are permitted to, and subsequently wish to, do so. Amended instructions must also be received by Link by the deadline for receipt of forms of proxy.

<sup>1</sup> Calls cost 12 pence per minute plus network extras, lines are open 9.00 a.m. to 5.30 p.m. Monday to Friday excluding bank holidays.

### 2. CORONAVIRUS (COVID-19)

The Board is monitoring closely the evolving coronavirus (Covid-19) situation and public health concerns in the United Kingdom and elsewhere and will continue to have regard to developments over the coming weeks ahead of the General Meeting. However, under the UK Government's current guidance on social distancing and prohibition on non-essential travel and on public gatherings, it will not be possible for Shareholders to attend the General Meeting in person unless both the coronavirus (Covid-19) situation and the UK Government guidance has changed by the date of the meeting.

Further details relating to the format of and current restrictions on attendance at the General Meeting are set out in paragraph 19 of Part I (*Letter from the Chairman of Jupiter Fund Management plc*) of the Circular, of which this notice of General Meeting forms part.

The Board will keep the situation under review and may need to make further changes to the arrangements relating to the meeting, including how it is conducted. Shareholders should therefore continue to monitor the Company's website and announcements for any updates in relation to the General Meeting arrangements that may need to be provided.



3. **REGULATION 41 OF THE UNCERTIFICATED SECURITIES REGULATIONS 2001 (AS AMENDED)**

The Company specifies that only those Shareholders registered on the Company's share register at close of business on 19 May 2020 (the "**Specified Time**") (or, if the meeting is adjourned to a time more than 48 hours after the Specified Time, by close of business on the day which is two working days before the time fixed for the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. If the meeting is adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purposes of determining the entitlement of Shareholders to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned meeting. Changes to the entries on the Company's share register after that time shall be disregarded in determining the rights of any Shareholder to attend and vote at the meeting, notwithstanding any provision in any enactment or the Company's Articles of Association.

4. **CREST VOTING**

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual which can be viewed at 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. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("**Euroclear**") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID: RA10) by the latest time(s) for receipt of proxy appointments specified in paragraph 1 above.

For this purpose, the time of the receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take, or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s), such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

5. **CORPORATE REPRESENTATIVES**

Any corporation which is a Shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Shareholder, provided that they do not do so in relation to the same shares.

6. **NOMINATED PERSONS**

Any person to whom this Notice of General Meeting is sent who is a person nominated under section 146 of the Companies Act 2006 (the "**Companies Act**") to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting.

If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights. The statement of the rights of Shareholders in relation to the appointment of proxies in paragraph 1 above does not apply to Nominated Persons. The rights described in those

paragraphs can only be exercised by Shareholders of the Company. Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the Shareholder who nominated the Nominated Person to enjoy information rights (or the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that Shareholder, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interests in the Company (including any administrative matter). The only exceptions to this are where the Company expressly requests a response from a Nominated Person.

#### **7. VOTES WITHHELD**

The 'Vote Withheld' is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

#### **8. VOTING RIGHTS**

As at 24 April 2020 (the latest practicable date before the publication of this Notice of General Meeting) the Company's issued share capital comprised 457,699,916 ordinary shares of two pence each. Each ordinary share carries the right to one vote at a general meeting of the Company. The total voting rights in the Company as at 24 April 2020 were 457,699,916.

#### **9. WEBSITE**

A copy of this Notice of General Meeting, and other information required by section 311A of the Companies Act, can be found at <https://www.jupiteram.com/en/corporate/Investor-Relations/Acquisition-of-Merian/>.

#### **10. SHAREHOLDER QUESTIONS AND AUDIO WEBCAST**

In light of the coronavirus (Covid-19) outbreak and current restrictions on attendance at the General Meeting, if practicable, arrangements will be made to undertake an audio webcast for the General Meeting to allow Shareholders to listen to the proceedings remotely given that, as things currently stand, they will be unable to attend in person. If practicable to provide one, Shareholders will be able to access the audio webcast via the Company's website <https://www.jupiteram.com/en/corporate/Investor-Relations/Acquisition-of-Merian/>. If an audio webcast is made available, Shareholders should connect up to 15 minutes in advance of the meeting, relevant details will be made available on the Company's website.

All Shareholders and their proxies will have the opportunity to ask questions in advance of, the General Meeting and, if an audio webcast is made available, during the General Meeting. Shareholders may submit questions to the Board in advance of the General Meeting via email to [shareholderservices@jupiteram.com](mailto:shareholderservices@jupiteram.com) and/or during the General Meeting via the audio webcast, if made available. Any such questions will either be answered at the General Meeting or written answers will be provided directly to Shareholders by email. Answers to frequently asked questions will be published on the Company's website ahead of the meeting.

The Company must cause to be answered any question relating to the business being dealt with at the meeting put by a Shareholder via the audio webcast, if such audio webcast is made available.

Shareholders should note that questions need not be answered at the meeting if, (i) it would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information, (ii) the answer has already been given on a website in the form of an answer to a question or, (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered. In circumstances where an answer is not available for the Chairman of the General Meeting to provide, they may nominate a Company representative to answer a specific question after the meeting.

#### **11. SHAREHOLDERS**

Shareholders are advised that, unless otherwise stated, any telephone number, website and email address set out in this Notice of General Meeting or in any related documents should not be used for the purpose of communicating with or serving information on the Company (including the service of documents or information relating to the proceedings at the General Meeting).

12. **VOTING ON A POLL**

Voting on the Resolution at the General Meeting will be conducted on a poll rather than a show of hands.

