

ACTIVE

HIGH-CONVICTION ASSET MANAGEMENT SINCE 1985



JUPITER

JUPITER IS A HIGH-CONVICTION ACTIVE ASSET MANAGER

Our purpose is to help our clients achieve their long-term investment objectives. We do this by delivering growth for clients through investment excellence, which generates superior returns after all fees. Individuals and institutions can access these active returns through our mutual funds, investment trusts and segregated mandates.

WHAT'S IN THIS REPORT

Strategic report

- 01 2019 overview
- 02 About Jupiter
 - 02 Our purpose and principles
 - 04 Our business
- 06 Chairman's statement
- 08 Chief Executive Officer's review
- 10 Market review
- 14 Our business model and strategy
 - 16 Our business model
 - 18 Our strategy and goals
- 20 Our key performance indicators
- 22 Business and financial review
 - 24 Strategic and operating review
 - 34 Chief Financial Officer's review
- 40 Risk management
- 42 Principal risks
- 46 Corporate responsibility and stakeholder engagement
 - 48 Corporate responsibility
 - 52 Stakeholder engagement

Governance

- 54 Chairman's introduction to corporate governance
- 56 Board of Directors
- 58 Executive Committee
- 60 Board leadership and Company purpose
- 64 Division of responsibilities
- 66 Composition, succession and evaluation
 - 67 Nomination Committee report
- 71 Audit, risk and internal control
 - 71 Audit and Risk Committee report
- 76 Remuneration report
 - 76 Remuneration Committee report
- 103 Directors' report
- 107 Directors' responsibility and compliance statements

Financial statements

- 108 Section 1: Results for the year
- 117 Section 2: Consolidated statement of cash flows
- 119 Section 3: Assets and liabilities
- 127 Section 4: Equity
- 129 Section 5: Other notes
- 140 Section 6: Company financial statements
- 146 Independent auditors' report

Other information

- 153 Historical summary (unaudited)
- 154 Shareholder information
- 155 Glossary of terms

2019 OVERVIEW

In a challenging year for Jupiter and for the industry, we remain committed to our strategy. We have a clear path for the future development of our business, in line with our strategic objectives. We have addressed the immediate priorities and positioned the Group for long-term growth. Generating superior returns for clients across a range of diversified active products remains at the heart of what we do.

Gross inflows remained strong at £13.4bn (2018: £11.9bn), and our Fixed Income strategy returned to positive net flows. However, the departure of a long-standing fund manager led to significant outflows in our European Growth strategy and was the main driver of net outflows in the year of £4.5bn. Investment performance and market movements increased assets under management (AUM) by £4.6bn, resulting in a net increase in AUM of £0.1bn to £42.8bn. Average AUM was however down 7% at £44.3bn. Our recent announcement of the proposed acquisition of Merian Global Investors will enhance Jupiter's position as one of the UK's leading active asset managers with more than £65bn of AUM.

Statutory profit before tax and basic earnings per share (EPS) of £151.0m and 27.5p were 16% and 14% lower respectively than in 2018, with underlying profit before tax and underlying EPS of £162.7m and 28.8p both 11% down on 2018 levels. We continue to have a strong capital position, with a robust balance sheet and careful management of our financial resources. This enabled us to maintain the ordinary dividend at 17.1p in line with our progressive dividend policy. As a result of the proposed acquisition of Merian Global Investors, no special dividend has been declared, in line with the Group's capital allocation framework.

Non-financial KPIs

We continued to deliver strong investment performance in 2019, with 72% of our mutual fund AUM outperforming the median over the three years to 31 December 2019.

Outflows of £4.3bn from our European Growth strategy, following a change in fund manager, were the largest contributor to overall net outflows for the year of £4.5bn.

72%

Investment performance after all fees

2018: 77%

Change: 5% decrease

£(4.5)bn

Net flows

2018: £(4.6)bn

Change: +£0.1bn

Financial KPIs

Net management fees fell by 6% to £370.0m, driven by lower average AUM during the year. Profit before tax and basic and underlying EPS were 16%, 14% and 11% lower respectively mainly as a result of the decrease in net management and performance fees and cost pressures. We continue to focus on a disciplined approach to managing costs.

£370.0m

Net management fees¹

2018: £395.7m

Change: 6% decrease

28.8p

Underlying earnings per share¹

2018 (restated)²: 32.4p

Change: 11% decrease

Dividends

Dividends for the year were 17.1p per share, comprising an ordinary dividend of 17.1p, which was unchanged on the prior year, and no special dividend (2018: 11.4p per share). The share price ended the year at 409.6p, an increase of 39%.

17.1p

Dividends

2018: 28.5p

Change: 40% decrease

¹ The Group's use of alternative performance measures is detailed on page 38.

² See page 36.

OUR PURPOSE AND PRINCIPLES

Jupiter has a clear purpose and culture. We are committed to helping our clients achieve their long-term investment objectives.

OUR PURPOSE

We manage our clients' assets to achieve outperformance after all fees. We do this through a single focus on active high-conviction asset management.

Our beliefs

Client

Truly active high-conviction asset management can help clients achieve their long-term investment objectives. A distribution structure based around different client types helps us better understand their requirements and how their needs are changing.

Employees

Attracting and retaining talent is critical to delivering for our clients and the Group's success. We work collaboratively to deliver the best outcomes for our clients and shareholders.

Shareholders

Delivering for clients is key to our success. By focusing on client outcomes, we will attract net new assets across client type, investment strategy and geography. This growth will drive profitability and shareholder value.

Society

A robust approach to stewardship of client assets and corporate social responsibility (CSR) will help to build sustainable businesses across the value chain. This is a fundamental part of our investment approach.

What we deliver

Our investment and distribution teams assess clients' investment and servicing needs and continuously refine our proposition. With no house view to constrain our fund managers they have the freedom to follow their own active, high-conviction approaches and deliver returns for clients. We both support and challenge our fund managers by investing in our operational platform including risk, control, data science and governance.

We aim to attract, develop and retain high-quality talent aligned with our culture. We actively promote diversity of thought and ideas in order to create a meritocratic structure where rewards are aligned to the success of the organisation. We have developed a culture that encourages teamwork to achieve the best outcomes.

By having a relentless focus on serving our existing clients and consistently delivering on their needs, we believe that we will achieve top quartile net new money growth. Combined with strong financial discipline this will deliver returns for shareholders.

Our fund managers monitor and engage with the companies we invest in. Our long-standing approach to stewardship, which includes engaging with companies on environmental, social and governance issues is one of the key ways in which we drive change for the benefit of our clients and society more broadly.

OUR GUIDING PRINCIPLES

The culture at Jupiter harnesses the strength of individuals and our people collectively, and continually pushes us to do better, so that we can deliver great outcomes for our clients.



OUR BUSINESS

Jupiter actively manages £42.8 billion of client assets, principally in mutual funds in the UK and continental Europe. Delivering growth for clients through investment excellence is at the heart of what we do.

WHO WE SERVE

We serve our clients

We exist to help our clients achieve their long-term investment objectives through the provision of investment management services.

We are investment managers

We offer a number of investment strategies within four core asset classes:

- Equities
- Fixed Income
- Alternatives
- Multi Asset

We use data science and technology to support our talented investment professionals, helping to enhance performance for our clients.

We develop the right products

We offer a range of actively managed investment products. We earn revenues by charging fees to our clients for the provision of investment management services, typically based on a percentage of the assets under management. Investments can be made through:

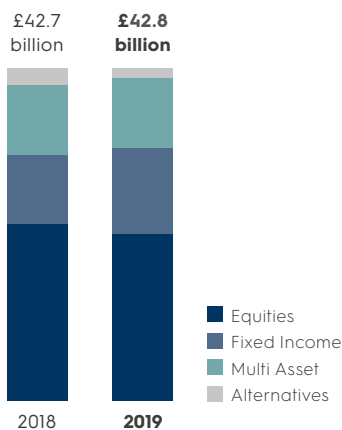
- Mutual funds
- Investment trusts
- Segregated mandates

We work with a variety of distribution partners

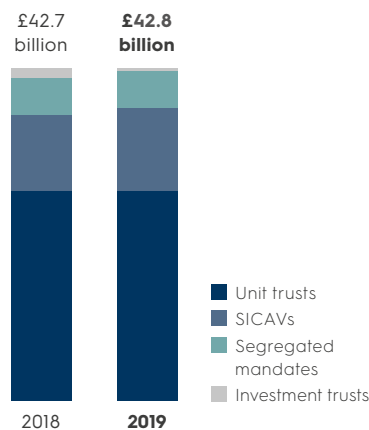
We access our clients mainly through a range of distribution partners. Our core partners include:

- Fund of funds
- Platforms
- Global financial institutions
- Advisers
- Wealth managers
- Life companies
- Private banks
- Institutional clients
- Consultants

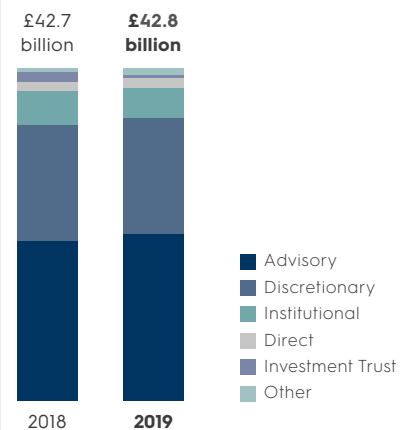
Split of AUM by asset class



Split of AUM by vehicle type



Split of AUM by distribution partner type



HOW WE DO IT

- Enabling talented individuals to pursue their own investment styles provides the best outcomes for clients and is a key differentiator for Jupiter. With no house view to constrain them, our fund managers can follow their convictions to deliver returns for clients.
- We have a single operating platform and continually invest to ensure our operating model is efficient and fit for purpose, so we remain agile as our business and market conditions evolve.
- We work together to innovate and deliver the products that clients want and need, providing the best outcome for both clients and shareholders.

75

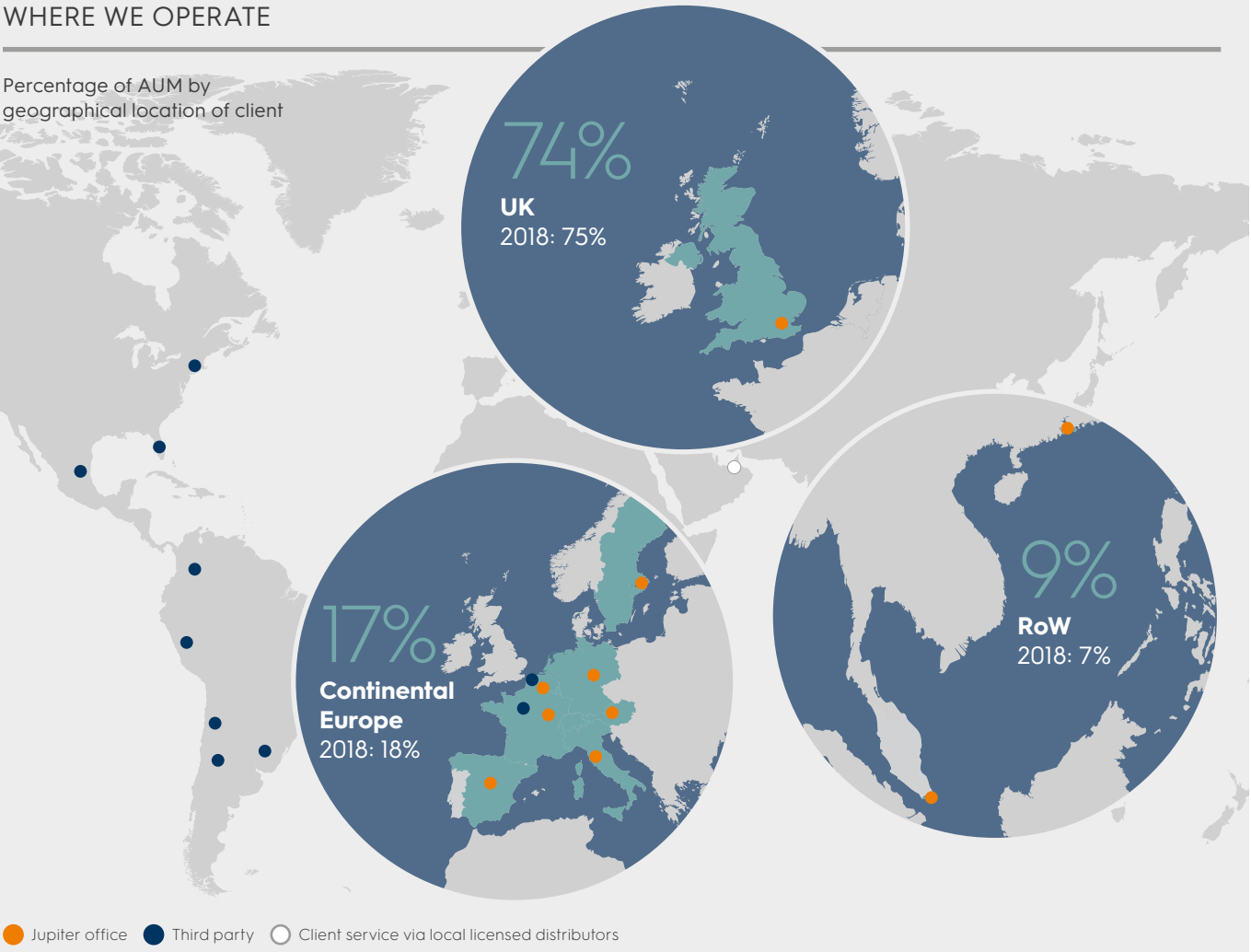
Investment professionals
2018: 76

452

Other employees
2018: 446
of which 46 are located in continental Europe and Asia, providing local presence for our international business growth.

WHERE WE OPERATE

Percentage of AUM by geographical location of client



A YEAR OF SIGNIFICANT CHANGE

In her final report as Chairman, Liz Airey outlines how the refreshed management team has injected new energy into the business and the actions taken to ensure Jupiter is well positioned to take advantage of future opportunities and face industry challenges.

DEAR FELLOW SHAREHOLDER

2019 was a year of change on a number of fronts as we positioned Jupiter to meet the challenges of the changes taking place in the asset management industry.

In early 2019 we announced the appointment of Andrew Formica as Chief Executive Officer with effect from March 2019. This was followed by the appointment of Wayne Mephram as Chief Financial Officer in September 2019. We also made several new appointments to our Executive Committee (ExCo) and senior management team. The new team has strengthened our capabilities and brought a fresh perspective and energy to our business.



On 17 February 2020, we announced the proposed acquisition of Merian Global Investors Limited. The Board believes that the acquisition will provide attractive strategic, commercial and financial benefits to Jupiter, its clients and shareholders. It will help to diversify Jupiter's existing business and accelerates our progress in a number of areas which have been identified as strategic priorities for the Group. Andrew Formica provides more information on the proposed acquisition within his CEO statement on page 9.

The acquisition is subject to shareholder approval and the customary regulatory consents. The Directors strongly support the proposed acquisition and recommend that shareholders vote to approve the transaction, as they intend to in respect of their own shareholdings.

This year also saw us having to manage the succession of one of our longstanding fund managers, which was the primary factor behind our net outflows in 2019 of £4.5bn. We are pleased to have successfully completed the transition and recruited an experienced fund management team, with an excellent track record, and they are now taking our European Growth strategy forwards.

The regulatory backdrop also continued to evolve.

We have put in place the framework to embed the Senior Managers and Compliance Regime (SM&CR) across the organisation. We are now in the process of addressing new rules introduced in the UK following the FCA's asset management market study, including the need to demonstrate that our funds deliver value for money to our clients.

Most importantly we have continued to deliver the strong investment performance that is central to our client proposition. This remains our number one priority.

Purpose and culture

Our clients are at the heart of our business and this is reflected in our purpose: to help our clients achieve their long-term investment objectives. One of Andrew Formica's first actions as CEO was to

ensure we clearly articulated the client-centric culture that supports the delivery of this purpose. This built on our previous work around our culture, which was a major topic at the Board's strategy day in 2018.

As part of the decision to recommend the acquisition of Merian, we considered the cultural alignment between the two organisations very carefully. We believe there is a strong cultural fit between the firms, which will help to support the integration.

Capital management

Our financial performance was disappointing, with underlying earnings per share (EPS) of 28.8p, down 11%¹, and basic EPS 14% lower at 27.5p. Jupiter's progressive dividend policy targets an ordinary dividend payout of 50% of our underlying EPS and, except in exceptional circumstances, an ordinary dividend that is no less than the previous year. The Board has therefore declared a full-year dividend of 9.2p per share (2018: 9.2p), to give a total ordinary dividend of 17.1p per share, unchanged on

2018. The ordinary dividend of 17.1p equates to 59% of our underlying EPS for 2019.

As announced, given the proposed acquisition of Merian, no special dividend will be declared this year, as Jupiter balances investment for long-term growth with distributions to shareholders.

Our clients are at the heart of our business and this is reflected in our purpose: to help our clients achieve their long-term investment objectives.

One of Andrew's first actions as CEO was to ensure we clearly articulated the client-centric culture that supports delivery of this purpose.

Board and people

As part of our ongoing succession planning, Maarten Slendebroek stepped down as CEO on 1 March 2019. I want to thank Maarten again for his significant achievements at Jupiter. Andrew Formica became CEO from the same date, bringing a wealth of experience and ideas to Jupiter. We are delighted to have secured someone of his calibre.

Charlotte Jones, who was our CFO, left Jupiter on 30 July 2019 to join RSA Insurance as their CFO. We extend our thanks to Charlotte for her contribution and wish her well in her new position. We were pleased to appoint Wayne Mepham as CFO from 3 September 2019. He has deep experience of our industry

having joined us from Schroders plc, where he was Global Head of Finance.

My own role as Chairman is the next part of the succession process. I have been on the Jupiter Board since May 2010 and Chairman since September 2014. I am pleased to be handing over to Nichola Pease, who will be appointed Chairman from 2 March 2020, when I will step down from the Board. Nichola brings a great deal of relevant experience, having spent more than 30 years in the industry and wider financial services sector.

Bridget Macaskill, a Non-Executive Director and Chairman of the Remuneration Committee, has decided to step down from the Board and will not stand for re-election at the 2020 AGM. Bridget has made a huge contribution to the Board and Jupiter's development over the last five years and I would like to extend our sincere thanks for the wisdom and guidance she has given us as well as her dedication to Jupiter's business.

I would also like to welcome Tim Scholefield and Kirstene Baillie, the independent non-executive directors appointed to the Board of our UK fund management subsidiary during the year. While they have specific regulatory responsibilities, we also look forward to the broader contribution they will make to the business.

More information about our governance arrangements, including the process for Board appointments and our oversight of strategy, can be found in the Governance section.

Across the Group, Jupiter has a skilled, dedicated and hard-working team. I want to thank everyone for their contribution this year.

Looking forward

I have great confidence that the Group's new leadership is well-equipped to manage the challenges and take advantage of the opportunities facing Jupiter. The interests of clients will continue to come first; this is in the long-term interests of all our stakeholders. I look forward to being a shareholder for many years to come.

Liz Airey, Chairman

¹ 2018 (restated): 32.4p. See page 36.

FOCUSED ON DELIVERING FOR CLIENTS

Our new Chief Executive Officer, Andrew Formica, sets out the actions taken this year to enhance outcomes for clients and for our business, including defining our strategic priorities and embedding our client-centric culture.



I'm pleased to be reporting to you as your CEO. Having admired Jupiter as a competitor for many years, I was excited to be given the opportunity to help the business realise its full potential. My strategy is to build on the successful legacy of those who went before me to secure Jupiter's long-term future and profitability. The announcement of our proposed acquisition of Merian Global Investors is an important step in this direction.

It is often only by looking to the future that you better understand the past. On becoming Jupiter's CEO, I knew I had inherited a good business that simply needed new energy to take it to the next phase of its development. I refreshed the senior leadership team, addressed legacy issues and placed a renewed focus on our strategic priorities. I emphasised the importance of organic growth, but I also said I would consider team buy-outs or strategic bolt-on acquisitions to help us achieve our goals more quickly.

When the opportunity arose to acquire Merian Global Investors, the strategic benefits of doing so were clear; Merian's product range could help plug investment capability gaps and contribute to building scale in existing strategies. The acquisition would also take us into new areas such as global systematic equities, broaden our institutional client base and consolidate our presence in key international markets.

Finally, it would support and accelerate other growth initiatives we had identified in the course of 2019, including supporting new investment team hires and freeing up investment in technology-driven support for our fund managers. Our due diligence also showed Merian shared a very similar culture and investment philosophy to our own, the cornerstone to any successful integration of two firms. The deal, once completed, would create an enlarged group with a combined AUM of more than £65bn, cement Jupiter's leading position in UK retail and consolidate our presence in overseas markets.

Jupiter is only able to embark on this next phase in its journey because the business continued in 2019 to maintain a track record of strong investment outperformance despite volatile markets, difficult industry conditions and internal challenges caused by the succession of a leading fund

manager. Last year 72% of our mutual fund assets under management performed above the median over three years. The performance of our 10 largest funds, each with AUM over £1bn, is set out on page 25. It was pleasing to see Jupiter Dynamic Bond, our largest fund, see a return to positive flows in all regions. As a result, we achieved robust gross flows of £13.4bn; however net outflows totalled £4.5bn, of which £4.3bn was from our European Growth strategy after the manager announced he would be stepping down in April. We were however able to transition the fund to two talented and experienced managers who have already been making a positive impact on performance.

As the Chairman notes in her statement, it has been a year of significant change. Five of the nine Executive Committee members are new to Jupiter, and they have already made a positive impact on the business. We also announced the appointment of Nichola Pease as our new Chairman from March 2020. With over 30 years' experience in asset management and the wider financial services sector, Nichola's knowledge and expertise will prove invaluable to Jupiter.

In 2019, we identified the need to reinvest in our core UK retail franchise, to cement our strong position. Our proposed acquisition of Merian will strengthen us in this area, but we have used the last year to devote more of our resources on marketing and promoting our range of funds via client events. We have also been working on building our investment trust business.

As we re-invested in the UK, we altered our approach to international expansion, choosing to build scale in those markets where our products have appeal, and exiting those where our success has been more limited. We successfully launched into the French retail market in 2019, and we outlined plans to boost our distribution efforts in Latin America, Hong Kong and the Nordics, and develop our presence in attractive markets like Japan.

In addition, the strategic partnership with NZS Capital, which we announced in December, gives us a new capability in global growth unconstrained styled investment portfolios. It also opens the door for us to the US, where we will initially target institutional investors.

With offices in both Singapore and Hong Kong, we have been closely monitoring the outbreak of the coronavirus in the region.

The safety and health of our employees is paramount, and we have taken precautionary measures to minimise their exposure to the infection.

Elsewhere in the business, we have refocused our product development efforts to better serve our clients. We launched two new products in 2019 and closed five funds that had struggled to make inroads, reflecting our disciplined approach to managing our product range.

Achieving the best client outcomes drives our technology investment. We implemented a new client relationship management (CRM) system and are looking at using technology in other ways to support our client service. Meanwhile, our investment in data and data science helps to give our fund managers an edge in their investment decisions, for the benefit of our clients – an area we have earmarked for further investment once the deal with Merian completes.

Having invested considerably in our operating platform over recent years, our focus now will be on migrating Merian's business onto our systems and platforms. Our operating platform has the scale and capacity to handle significantly greater assets under management, and we have a clear and well-developed plan to ensure a smooth integration of the two businesses.

Clients are increasingly demanding that fund managers invest their money responsibly. We believe being able to truly engage with companies on environmental, social and governance (ESG) issues is an important advantage for active asset managers. Jupiter managers continued to have a strong level of engagement with investee companies in 2019. With relatively concentrated portfolios, they are able to undertake long-term engagements with the companies they invest in.

The past year has offered an opportunity to sharpen our client focus, broaden our investment capabilities, re-focus on our key UK market and lay out the strategic priorities I strongly believe will deliver the returns you expect of us as clients and shareholders. The coming year should see an acceleration in our strategic plans as we complete our proposed acquisition of Merian to create a stronger, more diversified business able to deliver sustainable long-term returns to our shareholders. I look forward to reporting on further strategic progress in 2020.

Andrew Formica, Chief Executive Officer

REFLECTIONS ON 2019 MARKETS

In a year of geopolitical uncertainty and continued regulatory change, global markets continued their ascent.

OVERVIEW

Despite a range of potentially destabilising events, including a deepening US-China trade war, a standoff between the US and Iran, and a recession in global manufacturing, 2019 delivered strong returns for global equity investors. While the year was not without periods of volatility, many major stock markets saw returns in the region of 20%, with US technology stocks outperforming all sectors yet again. Bond investors had to contend with continual change but also enjoyed largely positive returns, with economic weakness in Germany and China seeing investors seek the safety of government bonds.

Looking at the year in more detail, stock markets started 2019 in a cheerful mood following a torrid end to 2018. The US market recovered strongly, driven in part by the resurgence of Facebook, Apple, Amazon, Netflix and Google. The main cause for the market's new-found optimism was an indication from the Federal Reserve in January that it was open to the idea of reducing interest rates again, which it duly did in July. Hope for a constructive outcome to trade negotiations between the US and China was another factor behind the market's rise.

The optimistic mood was shared by the corporate bond market, but signals from the government bond market were far less positive, indicating tougher times ahead as economic data in continental Europe remained poor, with GDP growth in Italy and Germany hovering around zero. The European Central Bank reacted by announcing the return of its refinancing operations, which seek to boost demand by offering cheap loans to regional banks.

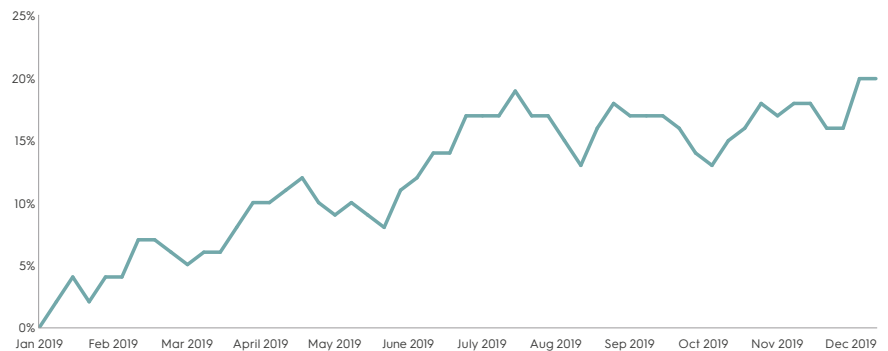
Global stock markets made good progress in the second quarter of 2019, although President Trump's unorthodox approach to foreign policy kept investors on edge. In early May, amid mounting evidence that the US-China trade war was hitting the global economy, Trump threatened to

again increase tariffs on Chinese imports, precipitating sharp falls in stock markets globally. These losses were recovered in June when Trump announced he would hold talks with President Xi at the G20 Osaka summit, a meeting which was seemingly constructive and raised hopes of improved diplomatic relations between the two countries.

In a turbulent third quarter of 2019, government bond yields initially fell sharply and global stock markets edged higher, helped by the resumption of interest rate cuts in the US. In the UK, a dramatic year in politics continued as Boris Johnson was confirmed as prime minister in July, signalling that the UK government would take a tougher line on Brexit. The prevailing market trends reversed in August, as investors worried about slowing economic growth – as data from Germany and China showed weakness – and growing geopolitical tensions.

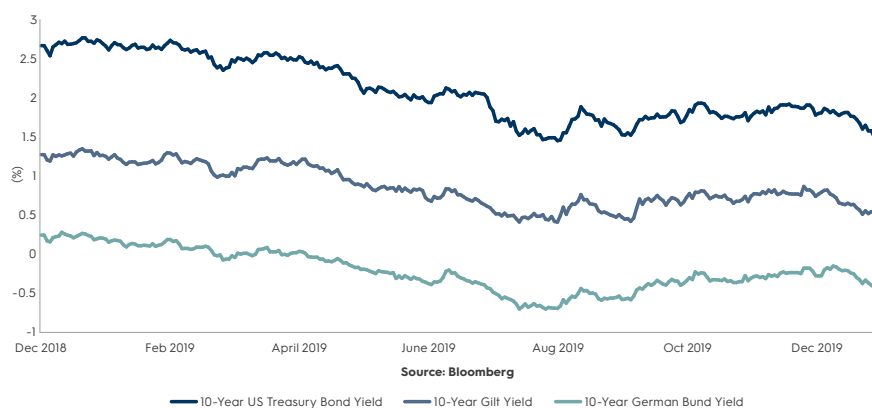
Stock markets recovered in September, driven by an easing of trade tensions between the US and China, a further interest rate cut in the US, and stimulus from the European Central Bank. The value of sterling generally weakened over the quarter, as parliamentary gridlock continued to stall Brexit and raise the possibility of a general election.

FTSE World Index defies wall of worries



Source: Bloomberg, price return in GDP

Government bond yields reflect wider economic slowdown



In the final quarter of 2019, investors found themselves in the mood to take more risk, with global stock and bond markets rising – led by US technology companies. Sentiment in the market was also helped by news of a “phase one” trade deal between the US and China, which was due to be signed in January and involve tariff concessions from the US in exchange for a commitment from China to purchase more US agricultural products.

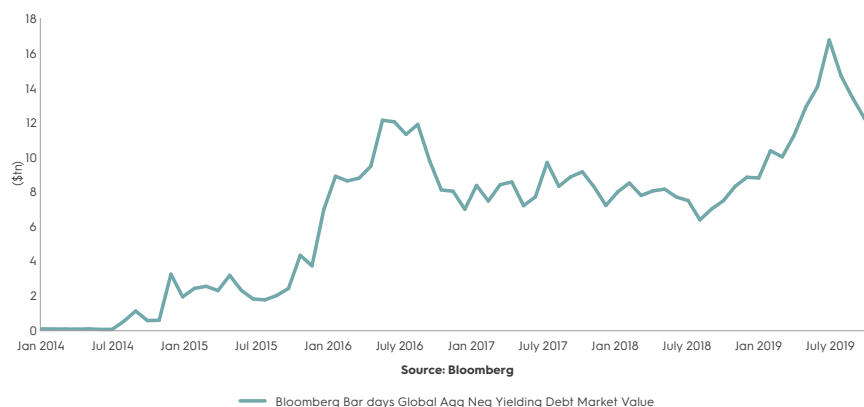
Meanwhile, UK equities, government bonds and sterling received a boost in December from the decisive election result, which allayed market concerns about the potential renationalisation of utilities, telecoms and railways, and generally reduced the uncertainty surrounding Brexit that had dogged the nation in recent years.

On the final day of the year, the World Health Organisation received the first reports of a novel strain of flu in Wuhan, China. The virus spread rapidly in January and February of 2020, both within China and internationally. This caused much concern about both the human impact of the potentially fatal virus as well as the economic impact. China’s economic activity slowed dramatically as travel restrictions sought to contain the spread of the virus.

At the time of writing, this fast-moving situation was causing a lot of volatility in global investment markets, which were swinging between optimistic and pessimistic outlooks on an almost daily basis.

Continuing uncertainty in the world makes life challenging for investors, although it is at times like these that active funds have the best opportunity to lay the foundations upon which long-term outperformance can be built. Jupiter’s active philosophy empowers fund managers to invest according to their convictions and avoid becoming closet trackers that simply follow the market, an approach that we believe means our strategies are well-placed to adapt and thrive in a changing environment.

Negatively yielding debt spikes



ADDRESSING INDUSTRY TRENDS

1 CHANGES IN CLIENT NEEDS

“The rise and rise of the ESG agenda shows no signs of slowing. It is absolutely front and centre of investors’ priorities.”

Edward Bonham Carter, Vice Chairman

What is this trend?

Significant demographic and social changes are altering demand for investment products. Many countries have ageing populations, coupled with declining pension provision by companies and governments, thereby forcing people to fund longer retirements themselves. Other significant trends such as rising education levels and more women in the workforce mean a growing number of people who can build long-term savings.

With low interest rates, traditional savings accounts offer negative real returns. Savers want investment products which offer positive real returns, particularly post-retirement when the ability to grow the value of savings while generating income is important.

For active managers, this is contributing to the ongoing shift in demand away from funds which follow their benchmark and compete with passive alternatives. The mutual fund market is polarising, with flows going to low-cost exchange-traded and index funds at one end, and to high-conviction, active strategies – such as Jupiter’s – at the other. Client demand for active specialties is expected to grow by 31% from 2018 to 2023 (source: BCG Global Asset Management 2019).

Demand for active funds is also driven by clients’ desire to invest responsibly. Active managers are seen as best placed to engage with companies on ESG and other issues.

Jupiter’s response

Trends in client demand have several implications for us. We are focused on:

- ensuring stewardship, including ESG, is a core part of our approach to investment management;
- investment outperformance after all fees, delivered through active asset management, as our number one priority;
- attracting and retaining the best investment talent and having a culture they can thrive in;
- building on our close client relationships, to help us understand how their needs are changing;
- continuing to innovate and launch new products, which differentiate us in the market and meet evolving client needs;
- continually reviewing our product range, to ensure it meets ongoing client needs;
- expanding our distribution by client and geography, to tap into the growing demand for our products overseas; and
- maintaining an operating platform that can support different product types.

2 A SHIFTING REGULATORY LANDSCAPE

What is this trend?

Regulatory change is an ongoing feature of our industry. Whilst it strengthens client protection and leads to greater confidence in the industry, it can put pressure on fees for asset managers and increase the compliance costs.

Much of this regulatory change is focused on ensuring better outcomes for clients. Our primary regulator, the UK’s Financial Conduct Authority (FCA), published its asset management market study in 2017. This outlined reforms designed to make competition work better, including greater fee transparency and a focus on creating value for clients. This reflects the fact that fees can have a significant impact on returns to clients over time. New rules arising from the study will require asset managers to report to clients on the value being delivered to them. We are well placed to provide this.

SM&CR, which applied to Jupiter from 9 December 2019, is part of a regulatory drive to improve culture, governance and accountability in financial services firms.

Brexit has the potential to result in unforeseen changes in government policy and the regulatory and legal framework we operate in.

“At Jupiter we welcome the changes the new SM&CR regulation brings and recognise the importance of how strengthening our personal accountability will enhance the way we work.”

Dirk Young, SM&CR Lead

Jupiter’s response

Changing regulations require us to:

- ensure we have differentiated products that clients demand, combined with investment performance that represents value for money;
- ensure our operating platform enables us to meet our ongoing regulatory obligations and respond to new requirements;
- continue to evolve our governance, risk and control framework, supporting compliance with new regulations and best practice as they evolve;
- foster constructive relationships with regulators, maintain an effective dialogue and carefully monitor proposals for regulatory change, so we can respond appropriately;
- continue to comply with EU rules after Brexit, through the management company we have established in Luxembourg for our offshore SICAV range; and
- continue to meet the ongoing requirements of SM&CR, ensuring all relevant elements of the regulation are effectively incorporated into Jupiter’s working practices.

3

MARKETPLACE DISRUPTION

What is this trend?

A range of factors have the potential to disrupt asset markets, clients and their behaviours, both now and over the coming years. In the near term, our teams must navigate the volatility and uncertainty arising from challenges such as US-China trade tensions, political uncertainty, low interest rates and Brexit. All of these factors can affect markets as well as client wealth and their attitudes to savings and investment.

Over the coming years, technological advances could fundamentally change the way the industry operates. New digital entrants to our markets may be increasingly attractive to younger savers in particular, who expect to be able to use technology to manage many aspects of their lives. Technology will also affect distribution in other ways, for example by enabling precisely targeted marketing and allowing advisers to self-serve. On the investment management side, artificial intelligence, machine learning, data and analytics are likely to be an increasingly important part of the investment toolkit.

“Changing situations are often disruptive. For some companies, this creates opportunities to thrive.”

Ross Teverson, Fund Manager

Jupiter’s response

To ensure we respond effectively to disruption in our markets, we are focused on:

- being able to act quickly and appropriately in rapidly changing and volatile conditions by minimising bureaucracy and complexity in our business;
- investing in technology and innovation, to support our investment management function, improve client service and enhance our operating efficiency and effectiveness;
- investing in data and our data science capabilities, so our fund managers can extract insights that support their investment decisions; and
- continued investment in our distribution platform to help organise and enhance our sales activities. Effective client management will enable us to coordinate and target engagement through multiple channels, whilst providing the business with a transparent and real-time view of our client base.

OUR BUSINESS MODEL AND STRATEGY

Taking action is fundamental to our success.

This reflects both our business as an active fund manager and the actions we are taking to position Jupiter for the future.

A photograph of three men in business attire (light blue and purple shirts) looking towards the right side of the frame. The man in the foreground is wearing a light blue shirt and has a focused expression. The man behind him is wearing a purple shirt and glasses. The background is blurred, suggesting an office or meeting environment.

ACT

“We have set a clear strategic direction for Jupiter, building on our fantastic heritage as a high-conviction active, client-focused, manager.”

Andrew Formica
CEO

ION

CREATING VALUE FOR OUR STAKEHOLDERS

Jupiter has a robust value creation model, which helps us to consistently generate value for our clients, shareholders, people and wider stakeholders.

OUR CLIENTS COME FIRST

CLIENTS

Investment management

- Our teams are focused on active high-conviction asset management
- We target investment outperformance for clients

+ Read more on our investment capability and approach to stewardship on p. 26

Product

- Our product development and governance structure provides a framework to bring together our investment management and distribution teams to ensure our product offering is aligned to client needs
- Our diversified product offering serves different client types across different geographies

+ Read more on our clients, product and distribution on p. 28

Distribution

- Basing a distribution structure around client types, giving a better understanding of investment objectives, product and service needs
- Building strong relationships with consultants is aligned to our culture

+ Read more on our clients, product and distribution on p. 28

Operating and risk environment

- We have a single operating platform across the Group minimising complexity and supporting growth
- We drive efficiencies through a disciplined approach to investing in our platform
- Identifying, monitoring, managing and mitigating risk through a clearly-defined and robust risk framework

+ Read more on our operating model and infrastructure on p. 32

+ Read more on our principal risks and uncertainties on p. 42

People

- Challenging our people through a supportive culture to develop and deliver for clients
- Promoting and increasing diversity and inclusion at all levels of the organisation
- Engaging our people with a clear strategy, purpose and culture

+ Read more on our people on p. 30

Capital management

- Maintaining a robust level of surplus capital over our regulatory requirements
- Balancing investment for growth with returns to shareholders through a clear capital allocation framework

+ Read more on our capital management on p. 37

THE JUPITER DIFFERENCE

We are truly high-conviction with no house view, giving talented fund managers the freedom to follow their investment philosophies and convictions.

We only follow specialist strategies where we can differentiate ourselves from our competitors. We continually evaluate our products to ensure they meet client needs and diversify our range.

We are thought leaders in our area and are recognised as such.

We are agile and focused. Our only business is active asset management. We operate globally through a single, efficient operating platform.

THE VALUE WE CREATE

For clients

Investment performance after all fees

We help our clients to meet their long-term investment goals, by delivering investment outperformance after all fees.

For employees

Individual development

We have a culture that attracts and develops talent. We support and challenge our teams to develop. Our most recent employee engagement survey showed engagement of 85%, well above the financial services average.

For shareholders

Total returns

We offer capital and income returns. We pay a progressive ordinary dividend, supplemented by the distribution of capital that is surplus to business needs.

For society

Stewardship

One of our biggest impacts comes from engaging with the companies we invest in. Each year, we hold more than 1,000 company meetings to obtain investor insight and, where relevant, challenge boards on issues affecting long-term value.

[+ Read our strategic and operating review on p. 24](#)

[+ Read more about our stakeholders on p. 52](#)

OUR STRATEGIC PRIORITIES AND GOALS

Our strategic framework is designed to enable us to help our clients achieve their long-term investment objectives.

OUR STRATEGIC PRIORITIES

To ensure that everyone in Jupiter is working to a common set of objectives, we have defined our strategic priorities. Delivery of these priorities is key to our long-term success.

- 1 Consistently deliver strong investment performance and outcomes for clients
- 2 Continue diversifying the business by client type, investment strategy and geography
- 3 Attract, develop and retain high-quality talent aligned with our culture
- 4 Expand the range of active investment strategies through recruitment of investment talent and successful product launches
- 5 Reinvestment in UK retail to cement strong position
- 6 Build further on overseas foundations and broaden institutional client offering
- 7 Use technology to enhance investment capabilities and improve client outcomes
- 8 Deliver consistent total returns for shareholders

OUR GOALS

Successfully achieving our strategic priorities will help us make progress towards the goals we aim to reach by 2024:



We will be delivering superior investment performance after fees across our strategies



We will achieve top quartile net new money growth



We will build out our client reach, our investment capabilities and our client channels



As a result, we will significantly increase our client assets and profitability

WHY IT'S IMPORTANT	LINK TO KPIS ¹	OUR PROGRESS IN 2019
<p>Investment performance is the lead indicator for our continued success and demonstrates our competitive advantage in delivering investment excellence to clients.</p>	<ul style="list-style-type: none"> ● Investment performance 	<ul style="list-style-type: none"> • Maintained high levels of investment outperformance after fees • Successfully managed fund manager transitions across a number of funds, especially within our European Growth strategy • Embedded data science within the fund management area to support investment decisions • See KPI for quantitative measurement of progress
<p>Net flows are a lagging indicator of investment success, reflecting our ability to deliver investment performance that attracts client funds, and to grow our AUM.</p>	<ul style="list-style-type: none"> ● Net flow growth 	<ul style="list-style-type: none"> • Rebalanced our reinvestment in the UK retail market with our international expansion • Introduced a targeted approach to institutional sales and strengthened relationships with consultants aligned to our culture • Refreshed the corporate visual identity in advance of the brand redesign • See KPI for quantitative measurement of progress
<p>Diversification of assets with regard to clients and products lowers unsystematic risk and leads to a less volatile shareholder return.</p>	<ul style="list-style-type: none"> ● Net flow growth 	<ul style="list-style-type: none"> • Launched two new products and closed five funds • Announced a new strategic partnership with NZS Capital in the US • Refocused our product development activity to better align investment management and distribution in the design and execution of our product strategy • Refined our focus on international markets, increasing our focus on certain markets and changing our approach in other locations • See KPI for quantitative measurement of progress
<p>Delivery of our goals will enable clients to meet their long-term investment objectives and drive profitability, generating value for shareholders.</p>	<p>Growth in:</p> <ul style="list-style-type: none"> ● Net management fees² ● Underlying EPS² ● Total dividends 	<ul style="list-style-type: none"> • Maintained our cost discipline, directing capital to areas of growth • Restructured during the year to reduce bureaucracy and complexity and to allow reinvestment in the business • Re-established our areas of focus for long-term growth • Undertook a comprehensive exercise to reinforce our culture and recalibrate our strategy • See KPIs for quantitative measurements of progress

¹ See page 20.

² The Group's use of alternative performance measures is detailed on page 38.

HOW WE PERFORMED IN 2019

Our key performance indicators (KPIs) enable us to monitor our progress towards our three strategic objectives.

STRATEGIC OBJECTIVES

Delivering growth through investment excellence

Why

We exist to help our clients achieve their long-term investment objectives.

How

We are a high-conviction, active fund manager; investing clients' money responsibly to build sustainable businesses.

What

We are committed to delivering superior performance and service across our capabilities for institutions and individuals with the desire to be a trusted partner.

Key to principal risks

- | | |
|--|---|
| 1 Failure to deliver strategy | 5 Sustained fund underperformance |
| 2 Ability to attract and retain critical staff | 6 Challenges presented by Brexit |
| 3 Ineffective product, client and geographic diversification | 7 Operational control environment |
| 4 Sustained market decline | 8 Failure of a critical outsource partner |
| | 9 Cyber crime |
| | 10 Regulatory change |

+ Read more on our principal risks on p. 42

FINANCIAL KPIs

Net management fees¹

Definition

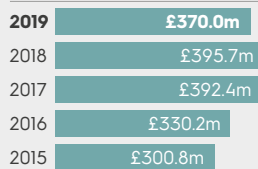
Fees earned from managing our funds, net of payments to our distribution partners.

Why this is important

Net management fees are the largest component of our revenue and demonstrate our ability to earn attractive fees by designing and successfully distributing products that deliver value to clients.

Performance in 2019

-6%



Link to principal risks

1 3 4 5 6

Underlying earnings per share¹

Definition

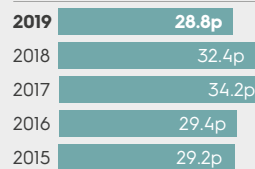
Underlying profit after tax divided by issued share capital.

Why this is important

Measures the overall effectiveness of our business model and drives both our dividend policy and the value generated for shareholders.

Performance in 2019

-11%



Link to principal risks

1 3 4 5

Dividends

Definition

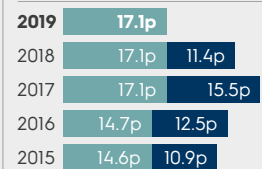
Ordinary and special dividends paid to shareholders in relation to the year.

Why this is important

Demonstrates our ability to pay a progressive dividend and return surplus capital to shareholders, where it is in excess of needs.

Performance in 2019²

-40%



■ Ordinary ■ Special

Link to principal risks

1 4 5 10

1 The Group's use of alternative performance measures is detailed on page 38.

2 2019 change due to the Board's decision not to declare a special dividend as a result of the proposed acquisition of Merian Global Investors.

NON-FINANCIAL KPIs

Investment performance

Definition

Percentage of our mutual fund assets under management above the median over three years.

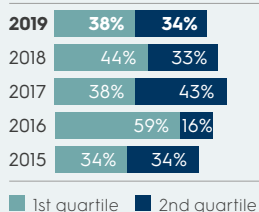
As we grow our institutional business, we will look to incorporate performance measures relating to these mandates, in line with best practice.

Why this is important

Investment performance is the lead indicator for our continued success and demonstrates our competitive advantage in delivering investment excellence for clients.

Performance in 2019

72%



Link to principal risks

1 2 5

Net flow growth

Definition

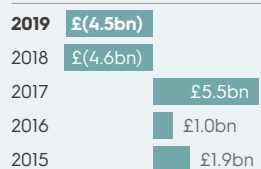
Net flows are the gross flows less redemptions from our funds during the year.

Why this is important

Net flows are a lagging indicator of investment success, reflecting our ability to deliver investment performance that attracts client funds, and to grow our distribution.

Performance in 2019³

-11%



Link to principal risks

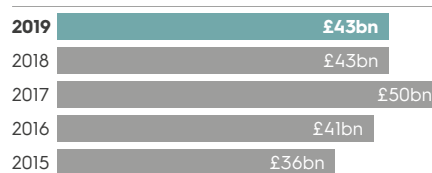
1 2 3 5 6

³ Calculated as net flows divided by opening AUM.

OTHER KEY METRICS

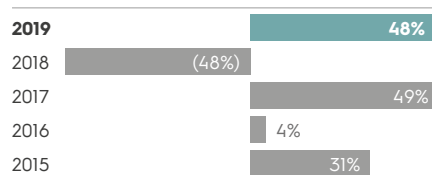
Assets under management

£43bn

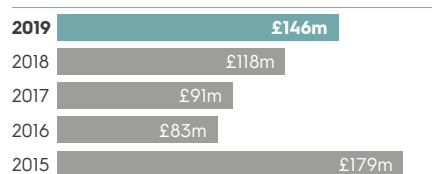


Total shareholder return (change in share price plus dividends paid)

48%



Surplus capital over regulatory requirements

£146.1m⁴

⁴ 2019 change to due to the Board's decision not to declare a special dividend as a result of the proposed acquisition of Merian Global Investors.

BUSINESS AND FINANCIAL REVIEW

In this section we set out how Jupiter has performed during 2019 across the key areas of the business, as well as the financial results. The key thread that runs through this review is our continued focus on delivering for our clients through investment outperformance and responsible stewardship of their assets.



PRO

“It is imperative that we work side by side with our clients to provide the Jupiter products they need: high-conviction, active funds managed by talented managers that can add real value over the long term.”

John Tevenan

Head of Global Financial Institutions Group

ACTIVE

CLIENTS: INVESTMENT MANAGEMENT

Delivering investment excellence that creates value for our clients after all fees is at the centre of what we do. This helps us to retain client assets and drives further demand for our investment products.

OVERVIEW

Our strategic approach

- Continue to deliver high-conviction active asset management, as a core differentiator
- Maintain a high-performance culture, with independence of thought, individual autonomy and accountability, and a flexible team structure
- Add to our capabilities by developing and attracting talent
- Continuously review and reinvigorate our product range and manage the investment capability lifecycle
- Invest in technology and data to enhance our investment performance
- Embedded ESG considerations as part of our investment decisions
- Monitor and engage with the companies we invest in, using a fund manager led approach

Progress in 2019

- Added further to our capabilities by developing and attracting talented fund managers
- Managed the lifecycle of our investment capabilities
- Implemented succession plans to advance talented managers
- Introduced data science and technology to support fund manager investment decisions
- Maintained our programme of company meetings and exercised our voting responsibilities

Priorities in 2020

- Continue to deliver strong investment performance and outcomes for clients
- Continue to launch further new products to expand our product offering and support our diversification strategy
- Continue to enhance our data science capabilities to support investment decisions
- Integrate the Merian Global Investors team into our collaborative environment
- Diversify by region, product and strategy
- Maintain our fund manager led stewardship programme and continue to refine our approach

Our people and our culture are central to our ability to deliver investment outperformance. Enabling talented professionals to pursue their own investment styles, within a collaborative environment, makes a positive difference.

With no house view to constrain them, our fund managers can follow their convictions and seek the best investment opportunities. They do this through fundamental analysis and clear investment processes for their specific strategies, with a focus on good stewardship. We have a small-team culture, organising our investment professionals into strategy teams where they can challenge each other and share ideas and information, while remaining individually accountable for their performance.

Our investment approach combines the best aspects of boutique fund managers with the systems, processes and risk management framework of a UK listed business. Clients also benefit from our clear focus on active asset management with no distractions from this core purpose.

We measure our competitive advantage by comparing the performance of our mutual funds against relevant managers and funds. Track records can be a barrier to entry in our market, since it generally takes three years for a fund to build a record that is attractive to most clients or distribution partners. This is especially true of larger institutional clients and distribution partners. Our strong investment track record and ability to seed new products help us to attract and retain client assets.

Jupiter has always believed that good governance should be at the heart of our investment decisions. Our approach to stewardship, which includes engaging companies on ESG issues, is one of the key ways in which we drive change for the benefit of our clients and society more broadly.

Strategic priorities **1 3 4 7 8**

+ Read more on our strategic priorities p. 18

Principal risks **1 2 3 5**

+ Read more on our principal risks p. 42

2019 PERFORMANCE REVIEW

Delivering investment performance

At 31 December 2019, 72% (2018: 77%) of our mutual fund AUM delivered above-median performance over three years, with 38% achieving first quartile performance, 34% achieving second quartile performance and 17% and 11% in the third and fourth quartiles respectively. Over one year, 55% of our mutual fund AUM delivered above-median performance, down from 83% in 2018.

These measures are based on weighted averages, so they are significantly affected by the performance of our larger funds. The chart below shows the three-year investment performance for our 10 largest funds, which each have more than £1bn of assets and represent 64% of our invested assets¹.

Dynamic Bond is our largest fund. It performed well as it benefited from its cautious view on the US economy and credit quality, which had affected its relative performance in 2018. The European and European Growth funds achieved top decile performance, benefiting from the growth market environment, strong sector allocation and excellent high-conviction individual stock picking. Within our top 10, Merlin Income and Merlin Balanced also achieved top quartile performance.

Two of our larger funds reported disappointing performance over the three-year measurement period: our

Absolute Return fund suffered as a result of its long positioning on oil and UK value and its short position on US growth; the Income Trust, a value-driven fund, experienced headwinds in a growth-driven environment, although it continues to deliver a yield in excess of the All Share index.

Segregated mandates and investment trusts make up 12% of our AUM. At the year end, 14% of AUM in segregated mandates and investment trusts were above their benchmarks over three years, impacted by the concentration of the former in value strategies, which have faced challenges in recent years, and by the transition away from the Group in 2019 of a high-performing investment trust. We compare performance to benchmark for these funds as there is no industry-wide data to allow comparison against peers.

Our strong investment performance reflects the stability of the investment team, with more than 20 of our managers having spent a decade or more at Jupiter. During the year, the fund manager for one of our largest strategies, European Growth, left Jupiter. He worked with us to ensure a successful transition to the new team, following the recruitment of the highly-experienced Mark Nichols and Mark Heslop. We continue to balance external recruitment with bringing through our own talent. During the year, we added a new fund manager to our UK equities team and appointed two equity analysts.

We also made an internal promotion to fund manager on the Fixed Income team.

Managing our investment strategy lifecycles is key to driving growth. In addition to our established and mature strategies, we see significant potential for growth in areas including emerging market debt, global value, multi-asset income, global sustainability and Asian income. The proposed Merian Global Investors acquisition will greatly enhance our position, providing a complementary addition to Jupiter's high-conviction active approach and investment culture, reinforcing Jupiter's core UK franchise and extending our capabilities into attractive product gaps.

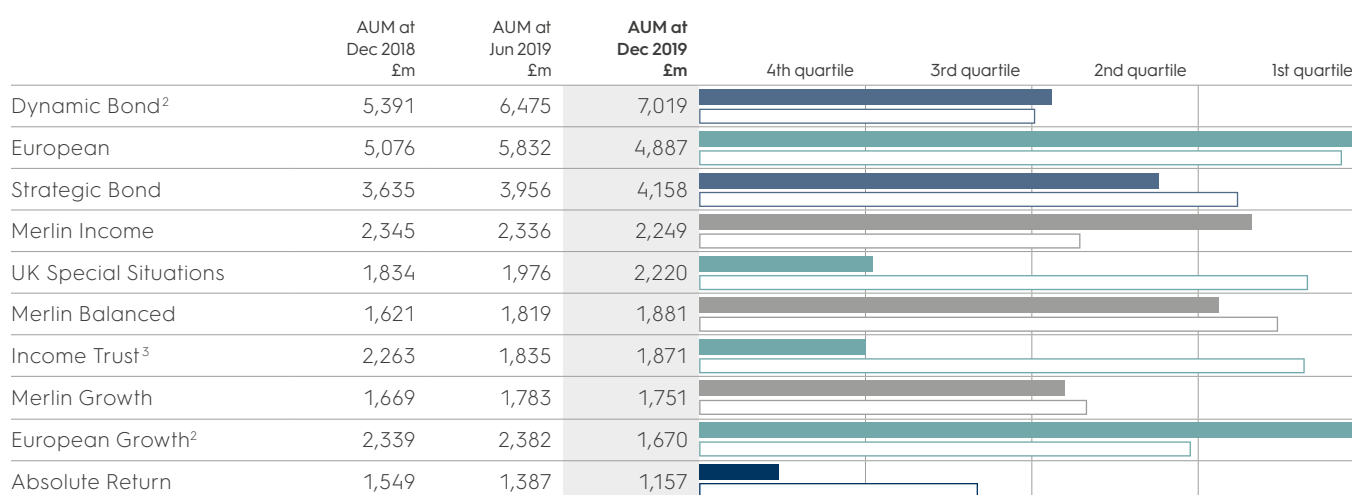
The strategic partnership with NZS Capital will give us access to a new capability in global equity unconstrained growth.

We use technology to enhance our capabilities and improve client outcomes. Our data science team allows us to use alternative data to provide a different perspective on corporate performance and challenge investment cases.

Performance analytics enable us to assess fund managers' behaviour, identifying their strengths and potential ways to improve. We also run innovative training on topics ranging from behavioural interviewing techniques to forensic accounting. This gives our fund managers a broader range of tools and insights, enhancing their investment decisions.

Largest funds performing well

10 funds over £1bn representing over 64% of invested assets¹



December 2019 Equities Fixed Income Multi-Asset Alternatives December 2018 Equities Fixed Income Multi-Asset Alternatives

Three year investment performance in key funds.

Source: Morningstar (except UK Special Sits which uses Financial Express/IA sectors) and Jupiter Internal as at 31 December 2019.

Graph shows position within the sector on a percentile basis, performance stated after all fees.

The filled bars in the graph show our current quartile ranking and the clear bars show our position as at 31 December 2018.

¹ Invested assets represent gross AUM including cross-holdings.

² SICAV products.

³ Income Trust assets reduced following a transfer from mutual fund to segregated mandate (£0.5bn).

CLIENTS: STEWARDSHIP

Adding value through stewardship

Our industry faces deep scrutiny with respect to its overall contribution to stakeholders, the environment and wider society. We understand this focus and we consider the central premise is to be effective stewards of our clients' capital. We are entrusted to look after our clients' savings and thereby producing long-term returns for savers is a very direct way in which we contribute to wider society.

However, our role as an active asset manager is far more wide ranging and complex when considering stewardship. There are varying dynamics, expectations and obligations which can influence how we interact with investee companies, our peers and policy makers.

What do we mean by stewardship?

At Jupiter, stewardship includes our wider responsibilities as asset managers to understand and manage investment risks we take on behalf of our clients. This includes a duty to engage actively with companies on a range of issues where we believe that doing so can lead to better outcomes for clients. We also have a responsibility to seek to understand material environmental, social and governance (ESG) risk factors that might affect the outcome of an investment. The challenge for us is to understand the materiality of these risks, in the same way that we do with other risk factors via traditional financial analysis, and to encourage companies to manage these risks appropriately.

“Our approach to stewardship has emerged as an authentic and innate aspect of genuinely active fund management.”

Stephen Pearson
Chief Investment Officer

Stewardship, the Jupiter way

Our approach to stewardship is:

Independence, with accountability

Fund managers are ultimately accountable for voting and engagement decisions and are assisted by the Governance and Sustainability team. This fund manager led approach is consistent with our client proposition and strengthens ESG integration, as well as reinforcing the internal stewardship culture.

Stewardship approach

Stewardship activities may exhibit different characteristics when considering our various asset classes, investment geographies and strategies. We are governed by our principles and policies which are publicly disclosed. We do not adopt a 'one size fits all' approach but our

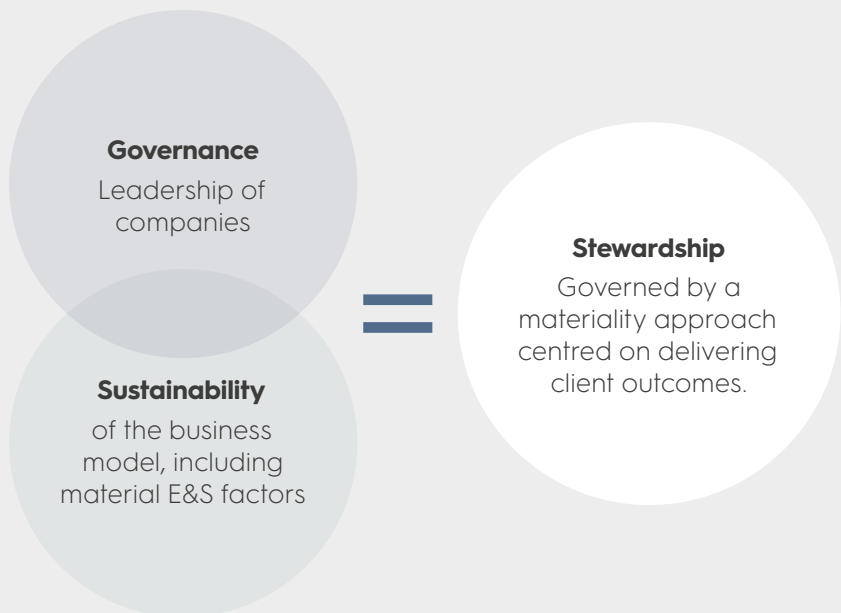
method is centred on understanding the materiality of the ESG factors that may pose risks to or opportunities for our investments. This is done by conducting research and entering into dialogue with companies which informs our investment decisions. We make use of third party ESG risk and proxy voting services. This information is helpful to form a balanced view and used as part of our ESG integration efforts. However, we do not uniformly make investment decisions based on this data alone.

Engagement with companies can take various forms. The majority of our interaction is with management teams around the financial calendar. We have also embedded a process to engage with non-executive and independent board directors to specifically target broader stewardship themes. During the year, we engaged with 233 companies to discuss stewardship matters. This is in addition to the 1,000+ meetings held with company management across the year.

DEFINING STEWARDSHIP

Clarity around active ownership

Our approach is governed by an analysis of material risk factors linked to governance and sustainability. It is important to recognise that governance and sustainability themes themselves are intertwined.



Voting at company general meetings is also an important part of exercising our stewardship responsibilities. In 2019, we voted at 315 meetings in the UK and 931 overseas. We voted against management or abstained on at least one resolution at 42 UK meetings and 243 overseas meetings.

Our approach to engagement is differentiated among our peers in that we do not solely rely on separate ESG teams or outsource these responsibilities away from the investment decision makers.

This results in engagement that is constant, ongoing and fully integrated with the investment process from end to end.

Holding boards to account is an important investor duty. Our engagement is proactive and aimed at deepening relations with companies to refine investor understanding. Engagement around stewardship issues is often linked to longer term considerations and the nature of this type of dialogue is not necessarily transactional where an outcome may be in evidence in the next quarter. This type of engagement can span multiple periods and associated outcomes should also be viewed within this extended timeframe.

Transparency and reporting

We are committed to keeping our clients informed about our stewardship activities and ongoing efforts to enhance our approaches. You can find recent and past stewardship reports and voting statistics, alongside policies and stewardship code adherence documents on our website www.jupiteram.com.

Central collaboration

We are exposed to systemic risks which may impact the functioning of the financial market or sectors (e.g. climate change or regulatory developments). We can also face scenarios where we have concerns with a company but have a small ownership position. Being able to represent clients in these circumstances may involve collaborating with other investors and engaging with policy makers and wider civil society groups. Jupiter is open and willing to undertake these activities, and this is disclosed within our Stewardship Report.

The summary below outlines our main activities during the year, outside of our company engagements described above:

- Joined the Institutional Investors Group on Climate Change (IIGCC) which is the European membership body for collaboration on climate change. We have collaborated on various engagements involving company specific issues and matters connected to improving investor practice in this area.
- Engaged with the Financial Reporting Council (FRC) on the implementation of the 2020 UK Stewardship Code and remain committed to further investor outreach over 2020.
- Jupiter is a member of the Investor Forum (IF), the UK body which helps facilitate collective engagement with companies. We have participated in numerous engagements during the period. Jupiter's Vice Chairman is also a member of the IF.
- Continued dialogue with the Principles for Responsible Investment (PRI) in terms of how Jupiter can develop its contribution. In the latest assessment, Jupiter scored A+ for strategy and governance, maintained A status for equities and improved its ranking for fixed income to A.
- Jupiter's Chief Executive is a member of the Investment Association (IA) board. Jupiter is also represented at various IA stewardship and environmental committees and working groups.

Internal governance

We believe that clarity over internal oversight and accountability around stewardship is important for client transparency and strengthening internal culture. Jupiter's Board and Executive Committee receive regular stewardship updates from the CIO and Head of Governance and Sustainability (see page 50 for further details).

Although each fund manager has accountability and leadership for stewardship activity on their funds, the CIO has overall responsibility for stewardship oversight in the fund management department. This includes development and articulation of policies, training, resources and monitoring overall ESG risks across our asset base. The CIO does not make direct voting and engagement decisions, these matters are left to the individual fund manager. This is an area where converging the Group's investment in building out its Data Science capabilities has added to our analytics and ability to support fund management. The points below refer to key developments around internal governance of stewardship for over 2019:

- Stewardship was embedded as a formal component in the annual reviews of our investment personnel. It has also factored into the job specifications for fund managers and analysts.
- We formed a Stewardship Committee chaired by the CIO to centralise our oversight in a collaborative and strategic manner. The Committee features our fund managers and has Board representation from our Vice Chairman.
- We established a CSR Committee. This committee considers wider employee and Group matters such as health and safety and charitable endeavours. The CSR Committee is chaired by the Head of Governance and Sustainability and its members comprise the CEO, Vice Chairman, Senior Independent Director, HR Director and an employee representative.
- We conducted ESG training for investment professionals facilitated by an external expert.

CLIENTS: PRODUCT AND DISTRIBUTION

To enable our clients to benefit from our investment performance, we need to develop the right products and distribute them through the right channels, in the right geographies.

OVERVIEW

Our strategic approach

- To continue to diversify by client type, strategy and geography
- Performance, including a reputation and brand that convey performance, is critical to long-term success
- A distribution structure based around client types gives a better understanding of their investment objectives, product and service needs
- Global product development is key, allowing us to create a product once and offer it to clients around the world
- Teamwork and collaboration is critical in a global market, where clients often have numerous locations worldwide
- Build our core franchises and back our winners, both now and in the future
- The quality of our people will determine our success

Progress in 2019

- Reaffirmation of the client at the core of the product proposition
- Renewed focus on core UK market to build out our strong position
- Reviewed our approach to certain overseas locations
- Broadening overseas channel coverage
- Announcement of new US strategic partnership with NZS Capital
- Continued build out of our business in Latin America and US offshore
- Introduction of targeted approach to global institutional sales

Priorities in 2020

- Ensure we further include feedback from internal and external sources in the design phase when managing or developing our product range
- Embed a distribution approach based around client types, giving a better understanding of investment objectives, product and service needs
- Establish Jupiter as the leading independent asset manager in the UK
- Embed institutional client service standards across all markets and channels
- Leverage strategic partnership with NZS Capital
- Maintain our client focus during the Merian Global Investors integration period
- Relaunch our brand identity

Our clients seek active returns to enable them to achieve their financial objectives.

We access them through distribution partners such as financial advisers, wealth managers and online platforms. This allows us to target our marketing and develop strong relationships with distribution partners, while keeping client service straightforward. The strong Jupiter brand gives us a competitive advantage in the UK market.

Online platforms are increasingly important. In the UK, around 59% of our 2019 gross flows into mutual funds were through platforms, up from 37% in 2010. We build relationships with major platforms and make our funds available through them. There are also influencers in our markets, such as research consultants and rating agencies, whose recommendations affect demand for our funds. We work with them so they understand our capabilities and products.

Institutions access our investment expertise through mutual funds, investment trusts and segregated mandates. We generally attract these clients through their investment advisers.

In overseas markets, we use our strong relationships with large distributors, such as international banks, to gain a foothold. These relationships enhance our credibility with other intermediaries, helping us to grow.

Successful distribution requires products that appeal in multiple countries and deliver superior returns. Our broad range means clients can choose products that meet their needs and suit market conditions. We only launch products where we can differentiate ourselves, as a form of competitive advantage, and retire products that no longer meet client needs.

Strategic priorities **2 4 5 6**

+ Read more on our strategic priorities p. 18

Principal risks **1 2 3**

+ Read more on our principal risks p. 42

2019 PERFORMANCE REVIEW

Gross mutual fund sales in 2019 were strong, with inflows of £11.4bn. While we continued to see net outflows overall, these were notably slower than in 2018.

We benefited from a return to net inflows of £1.6bn for the Dynamic Bond fund, against net outflows of £4.1bn in 2018. However, we saw outflows totalling £4.3bn from our European Growth strategy where there was a fund manager succession. This also led to the majority of outflows from investment trusts. Segregated mandates benefited from a client transferring £0.5bn from mutual funds into a segregated mandate with us. Significant net outflows were also seen in Merlin Income (£0.4bn), European Special Situations (£0.3bn) and Absolute Return (£0.3bn).

Net (outflows)/ inflows by product (£bn)	2019	2018
Mutual funds	(3.0)	(4.4)
Segregated mandates	(0.5)	(0.2)
Investment trusts	(1.0)	-
	(4.5)	(4.6)

Net (outflows)/ inflows by strategy (£bn)	2019	2018
Alternatives	(0.5)	0.2
Equities	(5.1)	0.2
Fixed Income	2.0	(4.2)
Multi-Asset	(0.9)	(0.8)
	(4.5)	(4.6)

Geographically, the UK was responsible for the majority of outflows, with continental Europe also seeing net outflows. These movements primarily reflect the outflows from European Growth. Asia Pacific benefited from the recovery in Fixed Income and was our best-performing region.

Market and exchange rate movements and our investment outperformance increased our AUM by £4.6bn during the year. At 31 December 2019, our total AUM was £42.8bn, a £0.1bn increase over the year. Of this, our SICAV AUM was £10.6bn at 31 December 2019 (2018: £10.0bn).

Movement in AUM by product (£bn)	31 Dec 2018	Net flows	Market/ Investment Alpha	31 Dec 2019
Mutual funds	36.9	(3.0)	3.7	37.6
Segregated mandates	4.6	(0.5)	0.7	4.8
Investment trusts	1.2	(1.0)	0.2	0.4
	42.7	(4.5)	4.6	42.8

Enhancing distribution and service

In the UK, our distribution partners continue to consolidate and to institutionalise their buying processes, putting more money in the hands of fewer decision-makers. Funds with a reputation for performance are also taking a significant share of flows. These trends make it essential that we carefully nurture our relationships, focus on service and provide the right products at the right price. To support this, we recruited a highly experienced Head of UK Sales, after his predecessor's move to Head of Global Financial Institutions.

Our brand in the UK remains strong but needs investment to maintain its strength, so in 2020 we will relaunch our brand identity and refocus our marketing spend to talk directly to the people who buy our funds, both at events and through targeted digital communications. We will enhance our client service, for example by using technology to tailor reporting by providing more timely information. We are also considering the structure of client service, reflecting the converging needs of distribution partners and institutions. Regulatory change is also supporting client outcomes. From 2020, new FCA rules require us and all other UK mutual fund providers to report to clients on the value we deliver and we are well placed to achieve this.

Jupiter has a robust continental European business and we see growth opportunities in Italy, Germany, Spain, France and Switzerland. We also aim to build our position in the Nordic countries and, in the Netherlands, there is potential to reposition our business from retail to institutional.

Our Asian business delivered positive net flows in 2019. Singapore is our key Asian market and we see growth potential in Hong Kong and Japan, while reducing our presence in Taiwan. We have made good progress in Latin America, where we serve global wealth managers, pension funds and US offshore investors through third-party distributors, who give us local language and client service. Our new partnership with NZS Capital will give us access to the US institutional market for the first time.

While our institutional business remains small, we see global opportunities to grow. The key is to ensure the business we take on is at the right scale and price. We are developing investment strategies that are suitable for this market and have the capacity for additional assets. Investment trusts are also a natural fit for Jupiter, due to our brand strength and reputation. We have appointed a new Head of Investment Trusts to grow this area.

We believe that product development should be driven by client need. Applying that need and the demand it creates early in the design and assessment phase of the development cycle allows for a more effective partnership between Investment and Distribution, together with the wider functions across the firm. This partnership further supports the assessment of our product suite's fitness for purpose now and in the future. And when applied through our product governance arrangements, this partnership has already delivered benefits to clients as well as to Jupiter, such as the introduction to our offering of the innovative NZS Capital strategy. During the year, we launched two products, Flexible Macro and Global High Yield Short Duration Bond, and closed five funds that had not made sufficient progress, reflecting our disciplined product management.

The proposed Merian Global Investors acquisition will accelerate this process of change and diversification: post-completion, the current top 5 funds will fall from 46% of AUM to 33% of the AUM of the enlarged Group. The combined suite of products we will be able to offer will significantly enhance Jupiter's UK investment capability, adding scale across the investment style and market capitalisation range, and widening Jupiter's range of investment capabilities available to clients.

OUR PEOPLE

We attract and develop talent and enable our people to thrive in a high-performance culture.

OVERVIEW

Our strategic approach

To attract, develop and retain high quality talent aligned with our culture by:

- Developing our people through challenging roles, allied to leadership and development plans, targeted training, coaching and mentoring
- Continuing to bring new talent into Jupiter by ensuring we have a defined employment proposition, increasing our direct hire capability and through our involvement with Investment20/20
- Continuing to promote and increase diversity and inclusion at all levels of the organisation
- Ensuring our internal communications align and engage people with our strategy, purpose and culture
- Continually reviewing the marketplace for additional talent that would support our growth strategy
- Retaining and motivating our people by offering attractive benefits packages

Progress in 2019

- Successfully carried out a controlled fund manager succession on our European Growth strategy
- Initial development and roll out of our cultural pillars to embed the right cultural behaviours
- Refreshed the senior leadership team bringing in a number of diverse, high calibre individuals onto the ExCo
- Developed our people through targeted training opportunities

Priorities in 2020

- Embedding our cultural pillars deeper across the business
- Increase alignment between stakeholders through broadening employee ownership
- Promote diversity of thought and ideas
- Refresh our internal training programmes, targeting areas that will most appropriately develop our people
- Further development of cultural dashboard
- Integration of new teams as a result of the proposed Merian Global Investors acquisition

Jupiter has a reputation for attracting talented individuals in all areas of the business.

We nurture our fund management talent to develop their capabilities and ensure we have succession plans to advance talented managers. We balance this with bringing in new people with specialist skills, giving us strength and depth as well as enabling us to expand the breadth of investment strategies we offer.

We invest in all our people through training and development and look to maintain high levels of engagement and strong communication. We value the differences between people, which promote different viewpoints and diversity of thought, helping us to innovate and make better decisions for our clients.

We have a clearly defined culture and supporting set of values (see Purpose and Values), which help our people to understand the behaviours that are important to our success. We focus on performance, with clear metrics, individual accountability and freedom of thought, to ensure we have an attractive environment for active fund managers to operate in.

Strategic priorities 3

[+ Read more on our strategic priorities p. 18](#)

Principal risks 1 2

[+ Read more on our principal risks p. 42](#)

2019 PERFORMANCE REVIEW

Culture is key to our business

Defining and rolling out our cultural pillars was a key piece of work this year. The ExCo worked together to articulate the desired aspects of Jupiter's culture which we then tested by engaging with our new Senior Leadership Group and the Connections Forum (our employee communications forum). The cultural pillars were shared with and endorsed by the Board before being communicated across the business.

Having defined our cultural pillars, we can now use them to influence our hiring processes, learning and development programmes, appraisals and reward. A Board-approved culture dashboard provides the Board and ExCo with a clear picture of our progress in meeting the cultural outcomes and behaviours required for each pillar of our culture, determining adverse trends of emerging themes.

Senior Managers and Certification Regime ('SM&CR')

We completed our implementation of the SM&CR regime, meeting the relevant regulatory obligations required for 9 December 2019. The regime is part of the regulator's drive to improve culture across the industry and is closely aligned with the cultural work carried out this year.

As part of the implementation, we identified our SM&CR population and allocated and formalised responsibilities and regulatory functions, aided by existing succession plans. We have ensured that staff have appropriate awareness of the Regime, including delivering Conduct Rules and Certification training and, for Senior Managers, the provision of a Reasonable Steps framework to cover culture and people, including succession planning, talent and diversity, organisational design, process and controls, and governance.

We have enhanced existing documentation including employee handbooks, contracts and internal policies to ensure we continue to meet our regulatory and employment law obligations.

Employee engagement

Our cultural pillars also form the cornerstone of our employee engagement surveys. The survey we ran towards the end of 2019 had a response rate of 90% and showed overall engagement of 85%, top quartile for financial services firms and a strong result given the volume and pace of change in Jupiter this year. We are now developing action plans to address areas for improvement identified by the survey.

The Senior Leadership Group and Connections Forum are helping to drive engagement at all levels of the business. The Connections Forum engages with our

people through regular 'pulse checks', seeking views on strategy, people, culture and facilities. The Chairman of the Forum provides updates to ExCo and the Board and the Forum now acts as the Board's formal workforce advisory panel.

Sourcing and developing talent

52% of our hires this year were sourced directly, saving approximately £0.9m of potential recruitment fees. We also improved our ability to attract top talent through better articulation of our employer brand.

Developing talent is central to our people strategy. We continued to deliver and refine our leadership programmes, to ensure that current and future leaders have the right skills and behaviours to fulfil the roles outlined in our succession plan. We also extended our core training curriculum for all employees, focusing on change, wellbeing and mental health, and expanded the curriculum for managers. In addition, we introduced a modular training concept, including topics such as change, mindfulness and resilience, to enable our people to build their knowledge of a subject.

Diversity and inclusion

We believe that businesses with a diverse workforce and an inclusive culture are stronger and more sustainable. We know that the best people for our business do not all have the same backgrounds or look or sound the same, and that bringing in people with different ways of thinking is particularly important. Jupiter considers diversity and inclusion company-wide, by region, by function and by team, as well as at varying levels of seniority.

In 2019, we created a Diversity and Inclusion Forum, made up of employee representatives, a member of ExCo and our inclusion lead. We introduced targets relating to ethnicity and disability and updated our Women in Finance Charter targets to better reflect the UK population.

The table below provides an analysis of the gender diversity of our people:

At 31 December	2019		2018	
	Female	Male	Female	Male
Board	3	6	4	5
Senior management	18	74	18	73
Other employees	172	249	177	245
Total	193	329	199	323

We have updated our diversity survey on our recruitment platform and monitor diversity data during the recruitment process. We have embedded unconscious bias training into training in our core curriculum in addition to standalone unconscious bias training.

To help build a diverse talent pipeline, we have introduced anonymised applications for entry level talent. We continue to take part in Investment20/20 and the Diversity Project and have developed links with academia, charities and institutions.

Employee benefits

We reward our employees with a comprehensive employee benefits package and with our continued focus on health and wellbeing. We made a number of improvements to refresh our UK package in 2019, including a range of health and wellbeing services, such as annual cancer screenings and a health assessment, support for family life through parental leave and coaching, and numerous other options appropriate to the needs and expectations of a modern workforce.

We strongly encourage wide employee ownership of Jupiter shares and are introducing free share awards to all staff in 2020, aligning the interests of employees and shareholders in support of value creation.



OPERATING MODEL AND INFRASTRUCTURE

We continuously invest to ensure our operating model is efficient and can support our growth objectives.

OVERVIEW

Our strategic approach

- Maintain a single global operating platform across the Group, which maximises the efficiency of our operating model as the business grows
- Optimise our infrastructure investment to ensure we extract the most value from it and continuously drive efficiencies
- Enhance our management systems to ensure decision-making is supported by a thorough understanding of risk, and by robust analytics and reporting
- Develop our strategic outsourcing partnerships, with non-core functions to be provided by a small number of carefully selected service partners and suppliers
- Invest in our technology and data capabilities, and ensure high levels of operational resilience and cyber security

Progress in 2019

- Implemented the Salesforce CRM platform
- Continued to embed our investment management system
- Formed an Intelligent Process Automation team, and delivered a broad range of process efficiencies
- Further consolidated a number of outsourced services into a single strategic provider
- Progressed the delivery of our data strategy and framework, and expanded our Data Science team and capability

Priorities in 2020

- Migration of Merian Global Investors assets onto our operational platform
- Expand our use of Aladdin risk and portfolio analytics capabilities, and continue to develop our Distribution platform, integrating all client data and marketing activities
- Develop our data platforms and solutions around a single source of the truth, and advanced data science analytics and capabilities
- Deliver process efficiencies through automation and re-engineering, and the continued development of our strategic outsource partnerships
- Investment to continue to meet regulatory changes and optimise our 'reg tech' environment

Jupiter's operating model is based around a single global operating platform. This means that our people in any Jupiter office worldwide have access to the same systems and data.

Our platform is powered by market-leading systems, namely Aladdin for investment management and Salesforce for distribution, and benefits from the scale and efficiency of carefully chosen strategic outsourced partnerships. It is underpinned by scalable and up-to-date technology and a strong governance, risk and control environment.

We believe that having a nimble and agile operating model gives us a competitive edge. Our model aims to ensure that as much of our growth in revenues as possible converts to profit and cash flow, while ensuring high levels of operational resilience. We continuously invest in our platform, so it supports our business needs as we grow. The platform enables us to expand distribution, allows fund managers to work effectively and supports the addition of new products and investment strategies.

Simplifying our processes is a key part of our work, reflecting our belief that complexity kills success. Driving cost discipline and efficiency in turn releases resources, which become available for reinvestment for growth. This includes investing in technology to further boost our competitiveness.

Strategic priorities **7 8**

+ Read more on our strategic priorities p. 18

Principal risks **1 7 8 9**

+ Read more on our principal risks p. 42

2019 PERFORMANCE REVIEW

In 2019 we implemented a new distribution platform using Salesforce, the market-leading solution. Our intention is for all client touch points to feed into Salesforce, giving us a holistic view of each client and their needs. This supports our sales process, as well as enhancing client service and experience. As part of this, we will integrate our social media platform, marketing campaigns and events management with Salesforce. We have engaged Kurtosys to support our website and update our marketing platform. Integrating the marketing platform with Salesforce will further improve our ability to generate client insights.

Operating platform

Having invested in our investment management platform in recent years, we continue to enhance it, so we can drive more value. This includes adding functionality, making it easier for our investment managers to gather data and perform analysis. We are able to extract more data from the platform, developing our investment risk and portfolio analytics reporting.

An efficient operating model relies on us minimising complexity, which results in lower control costs, leveraging the scale of our outsourced providers. We continued to optimise our processes, using our intelligent process automation approach. This toolkit of technologies allows us to eliminate redundant or duplicated processes and empower our business teams to achieve efficiencies themselves.

We continue to eliminate legacy and duplicate technology in the business, while taking a cloud-first approach to our systems.

Over the past three years, we have invested significantly in our operating platform. The development of the platform to provide scalability over and above current levels of AUM mitigates the integration risk arising from the process of transferring Merian Global Investors' assets across to our platform.

Outsourced relationships

Our outsourced providers are an important part of our model and in 2019 we have reduced the number of partners we work with, making the relationships easier to manage, improving service and reducing cost. These actions also aim to improve client service, for example through more responsive and timely provision of information.

We developed our strategic outsourcing partnership with Northern Trust, which was already custodian for our UK fund range and now provides fund accounting and trustee services, reducing the number of providers from three to one for UK funds. We have also consolidated regulatory reporting with Deloitte, which has provided outsourced registration services to us since July 2019 and will produce key investor information documents and client reporting from 2020.

As part of its support for our marketing platform, Kurtosys will provide fact sheet services for us. We have also created a preferred list of translation providers, reducing the number of firms we work with.

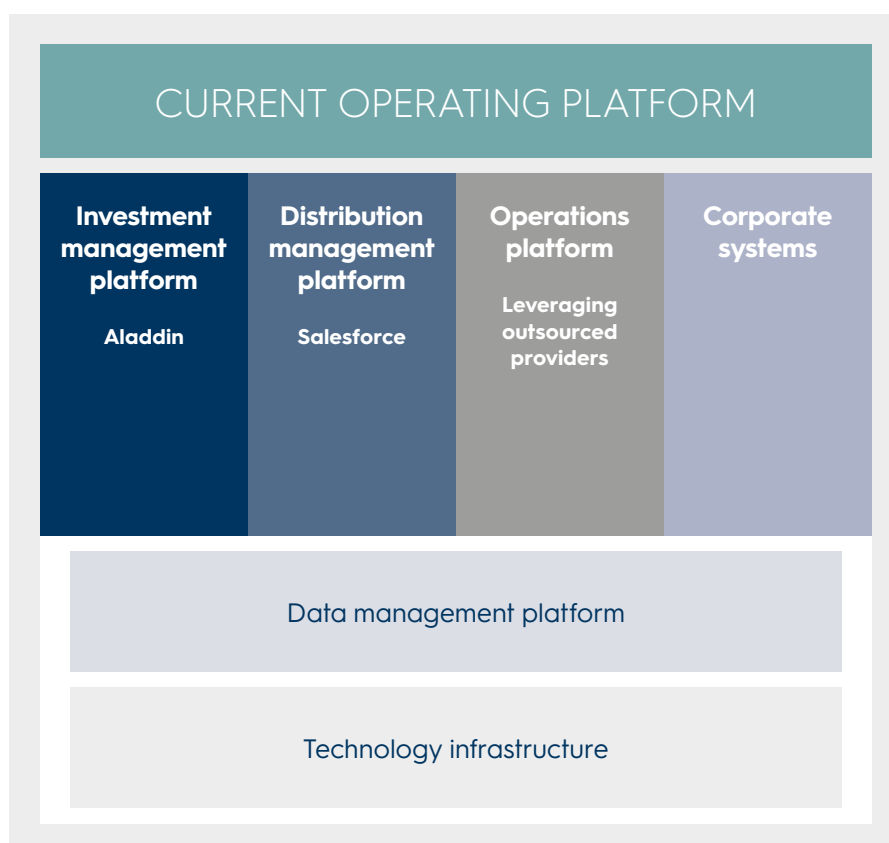
Data

Data is a strategic asset for our business. We therefore set high standards for data governance and management and are strengthening this framework. This includes a focus on our critical data sets to create a single source of truth with data that originates from a trusted source, providing authentic and accurate information to support decision-making and client and regulatory reporting. We are also working to integrate new data sets, both internal and external to Jupiter, to drive insights and action. Using our data more effectively will help to improve the way we engage and meet our client needs.

We are increasingly making use of advanced analytics and data science to support our fund managers' decision-making. We have built a data science team, contributed to ESG initiatives, and explored many alternative data sets which have the potential to generate investment insights. To support this work, we have introduced cloud based platforms from new market entrants. Dataiku is used as our core data science platform as it reduces the overheads of working with big data and supports collaborative working across Jupiter. Sentio is a financial data platform designed to help individuals search for, and make sense of, the vast amount of financial data available. This ranges from smart document searches, to analysing sentiment of senior management and analysts in earnings calls.

Cyber security

We continually review our approach to cyber security. This includes a rigorous focus on our plans for responding to a cyber incident, which are backed by insurance and the support of leading vendors in this space. We also carefully monitor threat intelligence and use it, along with our response plans, to continually evolve our security architecture. Our cloud-first approach to technology also supports our cyber security posture, given the substantial investment cloud providers make in their own security.



SOLID RESULTS IN A CHALLENGING YEAR

Our new Chief Financial Officer, Wayne Mepham, sets out the financial results and position of the Group in a challenging year for the industry and Jupiter.



In a challenging year for the industry and Jupiter, we delivered profit before tax and exceptional items of £162.7m, 11% below 2018. Statutory profit before tax was £151.0m (2018: £179.2m). The decline in profits was largely due to lower management fees as a result of lower average assets under management and lower performance fees, partially offset by a reduction in administrative expenses before exceptional items. Our average AUM was 7% down on 2018, with the impact of lower market levels in the last quarter of 2018 creating a headwind into 2019. Market appreciation in AUM was largely offset by outflows in equity products in the second half of the year, mainly due to a fund manager change in our European Growth strategy.

As set out in the Chief Executive's review, there have been a number of senior management changes during 2019 and our new Chief Risk Officer joined us on 3 February 2020. This new team is focused on delivering the strategic priorities of the Group and achieving our strategic goals, as set out on page 18. We have taken action within 2019 to leverage opportunities for operational efficiency, enabling us to reinvest in areas of growth. That has resulted in some restructuring costs which are explained below. We remain committed to a disciplined approach to cost management, whilst ensuring we invest wisely for the future.

For 2019 we have separately presented certain items as exceptional. These principally comprise certain restructuring costs (within operating expenses) relating to changes we have made to redirect resources, leveraging the operational efficiency we achieved, and accounting charges relating to the timing of expense recognition for certain deferred awards, mainly as a result of senior management changes.

Net revenue

Net revenue (£m)	2019	2018
Net management fees	370.0	395.7
Net initial charges	1.2	2.1 ¹
Performance fees	7.9	14.9
Net revenue	379.1	412.7
Revenue	419.3	460.5

¹ Includes box profits of £0.7m which were discontinued in early 2018.

Revenue in the year was £419.3m (2018: £460.5m), with net revenues of £379.1m (2018: £412.7m). Over the year, average AUM was 7% lower than in the prior year, leading to a corresponding decrease in management fees. Net initial charges of £1.2m (2018: £2.1m, including £0.7m relating to box profits) decreased marginally. Performance fees of £7.9m (2018: £14.9m) were principally earned in a single fund in both 2018 and 2019 and are not expected to recur at these levels.

	2019	2018
Net management fees (£m)	370.0	395.7
Average AUM (£bn)	44.3	47.5
Net management fee margin (bps)	84	83

The Group's revenue is substantially earned in the form of recurring management fees. Volatility in markets throughout the year presented opportunities for active fund management to add value for investors but, against a backdrop of continuing political and economic uncertainty, especially in the UK and continental Europe, clients were cautious in their approach to investing. Jupiter also faced its own challenges, as referred to in the Chief Executive's review, with the transition of a fund manager resulting in outflows that made up the majority of our reported net outflows for the year. Our positive net flows were into the Fixed Income strategy. In total, market appreciation and investment outperformance were offset by net outflows in 2019.

The Group's net management fee margin for the period was 84 basis points, slightly ahead of 2018. Despite this, there continues to be pricing pressure in the active asset management industry and we are focused on growing our institutional business, which is typically lower margin business. The proposed acquisition of Merian Global Investors brings lower average margin business, due to product mix. As a result of these factors, the management fee margin is expected to be significantly lower in 2020 than in 2019, but on higher average AUM.

Administrative expenses

Costs by category (£m)	2019	2018 (restated) ²
Fixed staff costs ¹	59.4	61.5
Other expenses ¹	86.7	91.0
Operating expenses¹	146.1	152.5
Variable staff costs ¹	70.7	68.8
Administrative expenses¹	216.8	221.3
Exceptional items	11.7	3.8
Administrative expenses	228.5	225.1
Variable compensation ratio¹	30%	26%
Total compensation ratio¹	34%	32%
Operating margin¹	43%	44%

¹ Stated before exceptional items (see APMs on page 38).

² Restated for exceptional items, see page 36 for further details.

Operating expenses (before exceptional items) of £146.1m (2018: £152.5m) were 4% lower than in 2018, with reductions in both fixed staff costs and other expenses. The reduction in fixed staff costs reflected the decrease in average headcount from 533 to 529 as we restructured the business in certain areas whilst also adding to our talent in the fund management and distribution teams. Other operating expenses of £86.7m (2018: £91.0m) decreased 5% as a result of cost saving initiatives implemented in 2018 and continued cost discipline in 2019.

The Group's total compensation ratio increased from 32% to 34%, mainly reflecting the increase in other variable compensation, as set out below.

The Group's operating margin (before exceptional items) decreased to 43% (2018: 44%), but remained in line with our long-term expectation.

Variable staff costs (£m)	2019	2018 (restated) ²
Cash bonus ¹	24.3	27.1
Other variable compensation ¹	49.4	41.7
Net gains on instruments held to hedge fund awards	(3.0)	-
Variable staff costs before exceptional items	70.7	68.8
Exceptional items	9.3	3.8
Variable staff costs	80.0	72.6

¹ Stated before exceptional items (see APMs on page 38).

² Restated for exceptional items, see page 36 for further details.

Variable staff costs before exceptional items increased by 3% to £70.7m (2018: £68.8m). The variable compensation ratio increased by 4% from 26% to 30%.

Cash bonus costs decreased in line with lower profitability to £24.3m (2018: £27.1m). This reflected lower underlying bonus levels per employee, but was offset by costs arising from a number of senior hires as we made changes to the senior team to address the Group's priorities.

Other variable compensation principally comprises deferred bonuses in the form of share-based and fund-linked awards. The equity-settled nature of previously awarded deferred bonus (as well as LTIP) schemes means that their costs are fixed at the time of grant and subsequently do not change if future earnings rise or fall, although social security costs vary with the Company's share price. Charges relating to deferred bonuses before exceptional items rose by 18%.

The main driver of this movement was the volatility of the Group's share price in 2018 and 2019, which led to an adverse swing of £7.8m in the 2019 compensation charge: in 2018, the share price decreased by more than 50%, effectively lowering the national insurance charge in that year on deferred awards by £5.4m; in 2019, the share price rebounded, adding 39% to its value resulting in the charge increasing by £2.4m. Other factors affecting the charge largely offset each other: a £4.1m reduction in deferred bonus awards in 2019, in line with the decrease in profitability, was matched by a number of smaller charges, notably in respect of higher levels of performance fees shared with fund managers and buy-out costs linked with new hires.

Deferred bonuses in the form of fund-linked awards are now a significant part of our variable compensation model. By linking fund manager remuneration with the returns on the funds they manage, these awards create further alignment between the interests of investors and the individuals with direct responsibility for managing their assets. The awards are revalued to the value of the underlying fund at the balance sheet date. At 31 December 2019, we held £27.1m of investments in our own funds to hedge this obligation.

In previous years, gains and losses from investments held to hedge fund-based awards were reported within Other gains/(losses). From 2019, we are including such amounts within Staff costs (see notes to the accounts 1.4 and 1.6) as this presentation better reflects the substance of these transactions and provides more relevant information by matching the gains and losses of the hedging instruments with those of the hedged items.

Exceptional items

Exceptional items are items of income or expenditure that are significant in size and which are not expected to repeat over the short to medium term. Such items have been separately presented by virtue of their nature to enable a better understanding of the Group's financial performance. Where appropriate, such items may be recognised over multiple accounting periods. Exceptional items of £11.7m relate to variable compensation, principally accelerated accounting charges for deferred employee awards (£9.3m; 2018: £3.8m) and redundancy costs (£2.4m; 2018: £nil). Exceptional redundancy items relate to specific restructuring activities in the second half of the year. The acceleration impact was not separately disclosed in 2018 as a result of its size, however comparative data, including relevant APMs, have been restated to enable a like-for-like comparison.

The effect of the acceleration, which principally relates to the curtailment of the time period over which certain employee services will be provided, is to bring compensation charges that would otherwise have been recognised in future years into the current year.

Other income statement movements

Other gains of £4.1m (2018: losses of £6.5m) principally comprised gains from seed investments, net of hedges, of £3.1m (2018: losses of £5.3m). Seed investments are hedged for beta risk, usually by taking a short position on a fund's benchmark, where it is possible to do so. Gains and losses therefore generally arise from outperformance against a fund's benchmark. In 2019, we recognised gains across a range of seeded funds, particularly in respect of our Global Sustainable Equities and Global Emerging Market Short Duration Bond funds.

As explained above, gains and losses relating to the hedging of fund-based awards are now reported within staff costs.

Finance costs

Finance costs of £2.0m (2018: £0.2m) have increased by £1.8m as a result of the adoption of IFRS 16 Leases. Under this new accounting standard, discounted future lease payments are required to be recognised as liabilities. As the discounted liabilities unwind, interest is charged to the income statement. Section 5.1 of the Notes to the Accounts includes further detail of IFRS 16's impact on the Group's financial statements.

Profit before tax (PBT)

Statutory PBT for the year decreased by 16% to £151.0m (2018: £179.2m). Underlying PBT decreased by 11% to £162.7m (2018: £183.0m) mainly as a result of lower levels of fee income with reductions in costs achieved through restructuring and cost-saving initiatives.

Tax expense

The effective tax rate for 2019 was 18.7% (2018: 20.2%), marginally below the headline UK corporation tax rate of 19.0% (2018: 19.0%). The difference is due to reductions in current tax arising from timing differences on tax relief, research and development tax credits in relation to prior periods, and tax deductions arising from the exercise of share options at a different value to the original award value.

Our published tax strategy is available from our website at: www.jupiteram.com.

Earnings per share (EPS)

The Group's basic and diluted statutory EPS measures were 27.5p and 26.8p respectively in 2019, compared with 31.8p and 31.1p in 2018.

Underlying EPS

Underlying EPS, defined as underlying profit after tax divided by the number of shares in issue (see page 38), was down 11% at 28.8p (2018: 32.4p).

	Year ended 31 December 2019 £m	Year ended 31 December 2018 (restated) ¹ £m
Statutory profit before tax	151.0	179.2
Exceptional items	11.7	3.8
Underlying profit before tax	162.7	183.0
Tax at average statutory rate of 19%	(30.9)	(34.8)
Underlying profit after tax	131.8	148.2
Issued share capital	457.7	457.7
Underlying EPS	28.8p	32.4p
Basic EPS	27.5p	31.8p

¹ Restated for exceptional items.

Cash flow

The Group generated positive operating cash flows after tax in 2019 of £149.8m (2018: £170.5m), representing 122% (2018: 119%) of statutory profit after tax. Outflows from financing activities included dividend payments of £127.2m to shareholders. In addition, £32.4m of shares were purchased by the Employee Benefit Trust (EBT) to hedge deferred compensation awards to employees in the form of Jupiter shares. The net decrease in cash in the period was £22.3m (2018: £32.5m).

Assets and liabilities

The Group's cash position at the year-end date was £179.4m (31 December 2018: £201.7m), as trading profits were offset by dividend payments to shareholders and payments to the EBT.

The adoption of IFRS 16 Leases in 2019 resulted in the initial recognition of assets of £47.3m and liabilities of £60.1m. These were previously not required to be recorded in the balance sheet. It also included a small adjustment to the retained earnings reserve. Further detail can be found in note 5.1 to the Accounts.

The Group has no debt (31 December 2018: £nil). The revolving credit facility (RCF) of £50.0m, renewed for a further three-year period in July 2019, was not drawn in the year.

Seed investments

We deploy seed into funds to ensure an effective launch and/or to accelerate the timescale over which the funds can pass through critical size thresholds. In 2017, we expanded our seed investment programme. Although some legacy positions remain, the majority of the portfolio is invested in products that have been launched in the past two years which we expect to produce AUM growth in the future.

As at 31 December 2019, we had a total investment of £128.7m carried at fair value in Jupiter funds (31 December 2018: £138.4m).

Capital management

Although the Group has continued to be profitable, distributions made to shareholders per our dividend policy and funding of the EBT in the year have resulted in a £12.7m decrease in total shareholders' equity to £611.7m. This is mainly due to the IFRS requirement to only record the year-end ordinary and special dividends in the year in which they are paid.

Capital and regulatory position

The Group assesses its capital position and requirements on a regular basis throughout the year. The capital requirement is formally set annually through the ICAAP and adjusted intra-year if risk exposures change significantly. The ICAAP document, which is approved by the Board, makes estimations and judgements to establish whether the Group holds an appropriate level of regulatory capital to mitigate the impact of its key risks in the event of these crystallising.

The Group's indicative surplus over regulatory requirements was £189.1m at 31 December 2019 (2018: £213.0m) excluding provision for ordinary dividend. Qualifying capital was £222.8m against a requirement of £75.8m, giving an indicative surplus of £147.0m (2018: £117.7m), after allowing for declared dividends. We are focused on ensuring that we have an appropriate surplus over the regulatory capital requirement. This is monitored regularly by the Board.

Dividends

Jupiter has a progressive ordinary dividend policy and our intention is for the ordinary dividend pay-out ratio to be 50% of underlying EPS across the cycle. In the event that current year profits are lower than in previous years, the Group maintains the ordinary dividend at the previous high water mark pence per share level. The Board normally makes additional returns of capital to shareholders after retaining sufficient earnings for capital and growth. These additional returns of capital have previously been made through a special dividend.

The Board considers the dividend on a total basis, taking into account our resilient balance sheet and long-term approach to running the business. The Board's intention is to use profits and cash flow to pay ordinary dividends, to retain sufficient capital to maintain a strong balance sheet and meet regulatory requirements, and to return excess cash to shareholders according to market conditions at the time.

The Board has declared an unchanged full-year ordinary dividend for the year of 9.2p per share. This results in a total ordinary dividend for the year of 17.1p, the same as 2018, representing an ordinary dividend pay-out ratio of 59% of underlying earnings. Following the announcement of the proposed acquisition of Merian Global Investors, no special dividend has been declared for the year ended 2019 as Jupiter balances investment for long-term growth with distribution to Jupiter shareholders. The Jupiter 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 the Group's capital allocation framework.

The full-year dividend payment will be paid on 9 April 2020 to shareholders on the register on 13 March 2020. The Board does not seek approval for dividend payments at the AGM, which means that dividends can be paid before the AGM.

As a result of the absence of a special dividend, the total dividend of 17.1p is down from 28.5p per share in 2018.

Liquidity

The Group's liquidity comprises cash available for use in the business, supported by an undrawn RCF of up to £50.0m. The Group maintains a consistent liquidity management model, with liquidity requirements monitored carefully against the existing and longer-term obligations of the Group.

Statement of viability

In accordance with provision 31 of the 2018 Corporate Governance Code, the Directors have assessed the prospects of the Group over a longer period than the 12 months required by the Going Concern provision.

The Directors confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities, as they fall due, to 31 December 2022. The Directors' assessment has been made with reference to the Group's current position and strategy, the Board's risk appetite, the Group's financial plans and forecasts, and the Group's principal risks and how these are managed, as detailed in the Strategic report.

The Group defines its long-term strategic planning objectives over five years and this is underpinned by a rolling five-year financial plan, the first year of which is the current year budget. The further into the future the planning horizon is, the greater the level of uncertainty in the financial projections. Therefore, the Group uses a three-year period in assessing viability in order to be consistent with the minimum period used in the Group's ICAAP and financial projections, and because it has a sharper focus than the full five-year rolling financial planning horizon.

The rolling financial plan incorporates both the Group's strategy and principal risks and is reviewed by the Board at least annually when the budget for the following year is approved. In exceptional circumstances, the Board reviews and approves structural changes to the budget intra-year.

These formal approval processes are underpinned by regular Executive Committee and Board discussions of strategy and risks, in the normal course of business.

Throughout the year the Board assesses progress by reviewing forecasts compared to the budget and longer-term projections compared to the financial plan. The current year forecast and longer-term financial projections are regularly updated as appropriate and consider the Group's profitability, cash flows, dividend payments, share purchases, seed investments and other key internal and external variables. Scenario analysis is also performed as part of both the Group's financial planning process and within the Group's ICAAP, which is approved by the Board. These scenarios evaluate the potential impact of severe but plausible occurrences which reflect the Group's risk profile.

Scenarios include:

- sustained fund underperformance combined with an operational risk loss event;
- the loss of discretionary distribution providers; and
- the failure to deliver the Group's investment strategy.

These considerations also include assessing the impact of different assumptions around the development of market levels and the impact this has on the value of assets under management and the Group's revenues.

The UK left the EU on 31 January 2020, and has entered into a transitional period which is due to run to 31 December 2020. Given the UK and the EU will be negotiating the rules to be applied to the UK's future trading and other relationships in this time, uncertainty around Brexit continues to contribute to high levels of market risk. This uncertainty could affect clients' wealth and subsequent attitude towards savings and investment. Brexit could result in unforeseen changes in government policy or the regulatory and legal framework for the fund management industry, and not just in the UK, the Group's home market.

In response to Brexit, we established a European management and distribution hub by opening a Luxembourg-based management company, compliant with EU rules, which began managing the activities

of Jupiter's European offices from 1 March 2019 onward. This allows us to continue to provide asset management services for our European clients without any disruption post-Brexit, despite the political and economic uncertainty currently surrounding the Brexit process. A "no deal" Brexit event remains a possibility at the end of the transition period, and it is possible that this could impact asset prices and investor appetite.

On 17 February 2020, the Group announced the proposed acquisition of Merian Global Investors. To assess changes in the liquidity and capital positions of the newly combined Group post-acquisition, we have modelled the impact of the significant one-off costs of the transaction, the additional operational risk requirements (including integration risk)

within the enlarged business and the increase in intangible assets not allowable for the purposes of measuring regulatory capital. We have also modelled a stressed severe market downturn scenario, including the occurrence of an operational risk event. Our analysis indicates that, following expected management responses to the stresses involved, for both scenarios, the combined group would continue to maintain a capital surplus.

We believe that the statement of viability continues to reflect our internal financial planning, budgeting, forecasting, review and challenge processes which assess profitability as well as those through which we assess risk exposures arising from the implementation of the Group's operational strategy.

The use of alternative performance measures (APMs)

The Group uses APMs alongside statutory reporting measures as part of its financial reporting. The following measures are used, principally within the Chief Financial Officer's Review, but also within other parts of the Strategic report, where they are cross-referenced to this page:

APM	Definition	Reconciliation/ data sources	Reason for use
Exceptional items	Items of income or expenditure that are significant in size and which are not expected to repeat over the short to medium term	Page 36	B
Fixed staff costs before exceptional items	Staff costs (excluding variable items such as bonus awards, LTIP, SAYE and SIP) before redundancy costs	Page 35	B
Net management fee margin	Net management fees divided by average AUM	Page 35	A
Net management fees	Management fees less fee expenses	Page 35	A
Net revenue	Revenue less fee and commission expenses	Page 35	A
Operating expenses (before exceptional items)	Administrative expenses (before exceptional items) less variable staff costs before exceptional items	Page 35	B
Operating margin (before exceptional items)	Operating profit (before exceptional items) divided by Net revenue	Page 35	B, C
Operating profit (before exceptional items)	Underlying profit before tax before Finance income and Finance costs	Page 108	B
Ordinary dividends per share	Interim and full-year dividends (does not include any special dividends)	Page 128	B
Total compensation ratio	Fixed staff costs before exceptional items plus variable staff costs before exceptional items as a proportion of net revenue	Page 35	C
Underlying EPS	Underlying profit after tax divided by issued share capital	Page 36	B, D
Underlying profit after tax	Underlying profit before tax less tax at the weighted average UK corporation tax rate	Page 36	B
Underlying profit before tax	Profit before tax less Exceptional items	Page 36	B
Variable compensation ratio	Variable staff costs before exceptional items as a proportion of net revenue less operating expenses before exceptional items	Page 35	B, C
Variable staff costs before exceptional items	Variable staff costs, excluding Exceptional items	Page 35	B

Changes in the use of APMs

1. The presence of non-recurring items in the year has caused the Group to add and amend several existing performance measures to incorporate such items. These measures exclude items arising in the year that are not expected to repeat over the short to medium term and enable users of the accounts to better compare results across years. As a consequence, there are new APMs in respect of Exceptional items, Operating expenses before exceptional items, Fixed staff costs before exceptional items and Variable staff costs before exceptional items. In addition, the definitions of Variable compensation ratio and Underlying EPS have been amended and comparatives restated in line with the new definitions. We have included new definitions of Underlying profit before tax and Underlying profit after tax to assist in the definition of Underlying EPS.
2. In prior periods, the Group has used Adjusted cost/income ratio as a measure of operational efficiency. Senior management considered the alignment of primary performance measures with the Group's strategic approach and has concluded that it would be more appropriate to use Operating margin (before exceptional items) for this purpose. The principal difference between these two measures is the inclusion of the return from seed investments within Operating margin (before exceptional items). Seed investment is a key part of the Group's strategy to launch products and increase AUM. Net returns from such investments constitute part of the cost/benefit of undertaking such activities to promote interest in the Group's new funds.
3. Further to 2 above, Operating profit (before exceptional items) has been introduced to aid the definition of Operating margin (before exceptional items).

Our reasons for using APMs

- A. To draw out meaningful subtotals of revenues and earnings, together with ratios derived from such measures, commonly used by asset managers after taking into account items such as fee expenses, including commissions payable, without which a proportion of the revenues would not have been earned, and administrative expenses which often have a direct link to revenues through the use of compensation ratios to set remuneration.
- B. To present users of the accounts with a clear view of what the Group considers to be the results of/distributions from its underlying operations, enabling consistent period-on-period comparisons and making it easier for users of the accounts to identify trends.
- C. To provide additional information not required for disclosure under accounting standards. The information is given to assist users of the accounts in gauging the level of operational gearing and efficiency in the Group.
- D. Used by the Board to determine the Group's ordinary dividend and as a consistent measure of profitability. Also used in the measurement of one of the criteria for share-based awards to senior staff with performance conditions.

All APMs relate to past performance. Other terms similar to APMs may be used within the remuneration section of this Annual Report and Accounts. Such terms constitute measures used as the basis for calculating Director or executive remuneration and are defined in the glossary.

The Strategic report found on pages 1-53 has been duly approved by the Board and signed on its behalf by

Wayne Mepham, Chief Financial Officer
27 February 2020

OUR APPROACH TO RISK MANAGEMENT

Integrity and good conduct are core to a strong risk culture.

The Board is responsible for the Group's risk strategy and for determining an appropriate risk appetite, as well as the tolerance levels within which the Group must operate. By defining these, the Board demonstrates that it is aware of, and, where appropriate, has taken steps to mitigate the risks that may have a material impact on the Group.

Approach to risk management

To help the Board discharge its responsibilities, the Group has a comprehensive approach to identifying, monitoring, managing and mitigating risk.

Our Risk Management framework clearly defines the roles and responsibilities for risk management. It details essential information about the Group's risks and provides a process for escalation through our governance structure, which enables continuous and robust oversight by the Risk & Finance Committee (RFC), Audit & Risk Committee (ARC) and the Board.

The Group is exposed to various risk types in pursuing its business objectives. These can be driven by internal and external factors. Understanding and managing these risks is both a business imperative and a regulatory requirement.

The type and severity of these risks can change quickly in a complex and competitive environment. The framework is dynamic and forward-looking to ensure it considers both current and emerging risks which could potentially impact the Group.

Risk governance

The Board delegates responsibility for certain aspects of risk management and control activities to the CEO and to the ARC.

ARC: The ARC encourages and safeguards the highest standards of integrity, financial reporting, risk management and internal controls in the Group.

ExCo: The CEO has ultimate responsibility for the governance of the risk management of the firm, but delegates the risk and control framework to the CRO, who has

responsibility for the monitoring and reporting of risk and controls, and through the RFC manages the ongoing development of the Group's risk and control framework.

RFC: The RFC provides support to the ExCo on the establishment, implementation and maintenance of adequate risk management and risk policies and procedures.

Responsibilities for risk management

The Group operates a three-tier risk governance framework, generally known as the Three Lines of Defence model, which distinguishes between risk management, risk oversight and risk assurance.

First Line: The business is responsible and accountable for the identification, assessment and management of the individual risks and associated controls.

Second Line: The Risk department provides independent oversight and challenge with respect to risk management. The Compliance department provides assurance to the Board that the Group's regulated activities are being undertaken in accordance with regulatory requirements.

Third Line: Internal Audit provides independent assurance over the effectiveness of Jupiter's business processes and controls.

Risk appetite

As a business, we have a relatively low appetite for risk, particularly for those risks that could lead to negative conduct or reputational outcomes.

An important part of the Board's remit is to determine our risk appetite and the tolerances within which we must operate. This is defined as the amount and type of risk we are willing to accept in order to achieve our strategic and business objectives.

This takes into account the interests of our clients and shareholders, as well as the Group's financial strategy and other regulatory requirements.

The Board formally considers and sets our risk appetite, taking into account our strategic plans, the business environment and the current and likely future condition of our business and operations.

Risk management framework

Our risk management processes enable us to identify the most significant risks that we face. The risk assessment process is the foundation of our risk framework and is conducted across the Group by department heads, senior managers, Executives and the Board.

Top-down risk assessment

All significant risks have a named owner, which is either a member of the ExCo or, for a small number of risks, the ExCo as a whole. We define the potential impact of each key risk and monitor it using key risk indicators (KRIs). We set thresholds for each KRI and use them to keep the Board informed about the Group's position in relation to its risk appetite. This enables us to identify trends and take action if it seems likely we will exceed this appetite.

Bottom-up risk assessment

Each functional business area is responsible for completing a risk and control assessment.

The assessment identifies and rates key risks and associated key controls by considering the operating environment, processes and controls, roles and responsibilities, as well as risk incidents that have occurred.

Where processes or controls are seen to be insufficiently robust, line management is required to define improvements to the operating environment to ensure they pose a minimal (or acceptable) level of risk to the Group.

Risk and control assessments are reviewed by relevant senior managers and executives.

The Group's risk management assurance programme is closely linked with its compliance monitoring programme. Any breaches found by the Compliance department are recorded in the in-house error database and are considered as part of the risk and control assessment process.

RISK PROFILE

Jupiter is exposed to a range of risks in the execution of its business strategy. Some risks are deliberately assumed to support the business plan, such as market risk relating to seed investment in funds. Other risks are inherent in routine business activities, such as the risk of fraud, and these exposures are minimised through the Group's control framework as far as is feasible and cost effective.

This reflects our current risk profile which will be reviewed as part of the proposed acquisition of Merian Global Investors, however, we don't anticipate our risk profile will change materially.

As an asset management firm, Jupiter's key risk exposures are in the strategic, investment, operational and regulatory risk categories. However capital adequacy, liquidity, market and credit risks are also monitored to ensure they remain within regulatory requirements and Group risk tolerances.

Key operational risks include those arising from outsourcing critical business functions and the risk of cyber-attack. The Group has dedicated teams and specific policies and procedure to assess, monitor and manage these particular risks.

1 Strategic risk

The risk that the Group is unable to meet its strategic objectives, as a result of matters inherent in the nature of its business or the markets in which it operates.

2 Investment risk

Underperformance of Jupiter funds relative to benchmarks, objectives or competition or in other ways failing to meet investors' objectives.

3 Operational risk

The risk of loss caused by weaknesses or failures in the Group's systems and controls, related to people, systems or processes. These include risks arising from failing to properly manage key outsourced relationships and cyber security. Regulatory (failure to comply with regulatory obligations) and legal risk is included in this definition.

4 Capital adequacy risk

The risk that the Group has insufficient capital in relation to its risk profile to comply with regulatory requirements.

5 Liquidity risk

The risk that the Group does not have sufficient liquid financial resources to meet its obligations as they fall due or can only secure such resources at excessive cost.

6 Counterparty/credit risk

The risk of loss caused by the corporate failure of one of the trade, prime brokerage or treasury counterparties to which the Group may be exposed, or of a custodial institution or third-party

service provider with which the Group has a critical relationship.

7 Market risk

The risk of loss arising from changes in the price of financial assets, interest rates or FX rates. This includes the risk that any market risk mitigation techniques used by the Group prove less effective than expected.

Conduct risk

The Group defines conduct risks as risks which result in customer detriment, negative impact to market stability or restrict effective competition. Conduct risk is not considered to be a separate risk category. Risks in the strategic, investment and operational risk categories may result in conduct risk impacts.

Reputational risk

The risk of loss or other adverse impact arising from the unfavourable perception of the Group on the part of clients, counterparties, employees, regulators, shareholders, other stakeholders, the media or the general public. The Group treats reputational risk as a potential impact that may arise from operational risks and operational risk incidents.

Emerging risks

The Group defines emerging risk as a condition, situation or trend that could significantly affect the Group's financial strength, competitive position or reputation within the next five years. These are raised by the business and challenged by executive risk owners to consider estimates of likelihood, impact, timing and any action required.

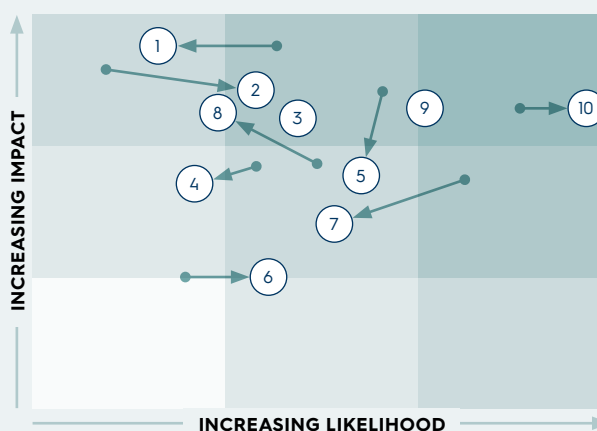
Risk reporting

Identified risks that have a sufficiently high likelihood of potential impact on the Group are reflected in the Enterprise Risk Management Dashboard, to ensure they receive an appropriately high level of senior management and Board attention. The Board takes action where these risks are deemed to be outside of risk tolerance.

The following section shows our assessment of the top 10 risks that we face, along with the Board's rating of each risk and how the significance of the risk has changed during the year. These risks are not static; new and emerging risks are considered and assessed by the Board throughout the year for inclusion.

RISK HEATMAP

Principal risks



- | | |
|--|---|
| 1 Failure to deliver strategy | 6 Challenge presented by Brexit |
| 2 Ability to attract and retain critical staff | 7 Operational control environment |
| 3 Ineffective product, client and geographic diversification | 8 Failure of a critical outsource partner |
| 4 Sustained market decline | 9 Cyber crime |
| 5 Sustained fund underperformance | 10 Regulatory change |

OUR PRINCIPAL RISKS

STRATEGIC RISK

The risk that Jupiter fails to achieve one or more strategic objectives could lead to reduced or negative net flows impacting AUM and revenue. This could result in a reduced pool of available profit for distribution to shareholders and would limit growth and potentially long-term viability.

Risk

Failure to deliver strategy

The risk of failure to achieve our strategic objectives, through internal or external factors, which could impair our ability to deliver value to our stakeholders.

Ability to attract and retain critical staff

The risk of failure to attract or retain the people critical to successfully delivering investment outperformance to our clients and all other aspects of our strategy.

Risk rating

2019 
2018 

2019 
2018 

Mitigation

The Board sets the strategy and is responsible for ensuring the Group has the right structure, leadership and culture to execute it.

The Board and the ExCo regularly review the strategic options, opportunities and threats. Plans, budgets and targets are set to be aligned with delivery of the strategic goals. Progress is monitored and where necessary corrective action is taken.

Our culture is a key differentiator for us, enabling us to attract, motivate and retain talented individuals, which in turn drives outperformance. We give autonomy coupled with personal accountability, and encourage independence of thought and challenge.

Our investment function is arranged around 12 strategies, providing a framework for repeatable performance, but the teams themselves are small and nimble. This culture and structure gives us clarity of purpose and helps us to attract and retain the best active fund managers. We actively manage succession and transition.

2019 update

Following Andrew Formica's arrival, a formal strategy review process began where the Board, the new CEO and his new senior management team identified Jupiter's key strengths, reviewed the Company's strategy, challenged existing assumptions, analysed the operating environment and considered opportunities for future growth.

Through a series of offsite meetings and an extensive consultation process, the Company's strategy was agreed and communicated to key stakeholders.

Following the appointment of Andrew Formica, changes were made at senior levels, reinforcing the Group's ability to meet the challenges facing the industry.

We successfully completed the transition and recruited new talent with an excellent track record to take our European Growth strategy forwards.

Through the course of the year we continued to invest in our people through targeted training, development plans and coaching to support a high-performance culture.

Risk rating

- Low
- Medium
- High

Change from last year

- ⊕ Increased
- ⊖ No change
- ⊙ Reduced

INVESTMENT RISK

Weak financial markets specific to our funds or poor performance by our fund managers may lead to our products being uncompetitive or otherwise unattractive to new or existing clients.

Ineffective product, client and geographic diversification

The risk that our product range, distribution partnerships, client type or geographic diversification are ineffective at growing AUM particularly in light of continued change and disruption in the competitive landscape.

2019 ● ⊖
2018 ●

We continually analyse our markets to ensure we maintain a diverse product suite that appeals to existing and potential clients. We focus on investment outperformance after fees. In response to the rising demand and supply of passive investment products, we focus on the clear differentiation of our active strategies and routes to markets where active solutions are in strong demand.

Our well-defined product development process enables us to deliver new products or enhancements, so we can target client groups in a timely and efficient way.

In 2019, we continued to diversify by client type, strategy and geography. We launched new products based on new and existing capabilities and further developed our institutional offering. We continually assess whether our product suite is fit for purpose both now and in the future, taking account of the major trends in our market.

We continued to expand our mutual fund client base in the UK, Europe and Asia, and maintain the momentum in Latin America and US offshore.

Sustained market decline

The risk of a severe market and economic downturn which affects all fund managers and all asset types across all geographic markets.

2019 ● ⊖
2018 ●

Our investment philosophy allows our fund managers to pursue their own investment styles and the flexibility to adjust strategies as far as possible to retain value during unfavourable market conditions. We have a broad range of investment strategies which enables us to offer products suitable for different market conditions.

We regularly review our discretionary expenditure and cost base to ensure sustainability. Our strong capital position and relatively low cost base means we are well placed to cope with this risk.

Our assessment of capital adequacy included regular modelling of seven stress tests which determined that the Group remained sufficiently capitalised under severe but plausible conditions.

Volatility in the markets continued in 2019, driven by political and economic uncertainty. The risk of this continuing, for the short term at least, remains and therefore we maintain a risk rating of medium.

Sustained fund underperformance

There is a risk that our clients will not meet their investment objectives, due to poor relative performance by one or more of our funds over a prolonged period.

2019 ● ⊖
2018 ●

Jupiter maintains a diversified range of flexible investment products, and aims to deliver long-term value to our clients across different market conditions. Our investment process seeks to meet investment objectives within clearly stated risk parameters.

Our Investment Risk team works closely with fund managers to challenge fund risk profiles, assess the risks across the portfolios and further develop our capabilities. This challenge process is formally reported to, and overseen by, our Risk and Finance Committee, which meets quarterly (and more frequently when required).

Volatility and uncertainty provided a challenging environment to operate in during 2019, however investment outperformance over three years remained strong at 72%. Over one year, 55% of our mutual fund AUM delivered above-median performance.

OPERATIONAL RISK

Jupiter is necessarily exposed to operational risk in the execution of its business and we seek to manage this within risk appetite. A significant operational risk event could impact our ability to perform business activities and processes which may impact the service we provide our clients. This could result in financial losses or fines.

Risk



Challenges presented by Brexit



Uncertainty regarding the UK's future relationship with the EU following the UK's withdrawal from the EU, as well as resulting legal and regulatory changes following the end of the transition period, could have an adverse effect on the business.

Operational control environment

We could suffer a material error executing a key business process, or from our systems or business premises being unavailable.

Risk rating

2019 
 2018 

2019 
 2018 

Mitigation

We have established a management company in Luxembourg, Jupiter Asset Management International S.A ("JAMI"), for our SICAV product range.

Throughout the current period of uncertainty, we have been closely monitoring communications from and developments with respect to the UK and EU governments and regulators to ensure we remain aware of and responsive to the latest industry guidance with the support of specialist experts.

We have efficient and well-controlled processes and maintain a comprehensive risk management framework which enables the business to focus its efforts on key activities.

We have continuity and business resumption planning in place to support our critical activities. We have implemented remote working, including core system access for all our essential staff if they cannot travel to our offices. If our normal business systems or premises become unavailable, we have alternative premises including a dedicated office suite equipped with all of our critical business systems.

2019 update

The new Luxembourg-based management company for our offshore SICAV range was successfully appointed on 1 March 2019 and now manages the activities of Jupiter's European offices. This allows us to continue to look after our European clients without any disruption post-Brexit.

Our governance, risk and control (GRC) framework is critical to our success. It ensures we protect the interests of our clients, people and shareholders, and that we meet their expectations of us. It also ensures that we are proactive in meeting all new regulatory requirements.

We have invested significantly in our GRC environment in recent years, so it remains fit for purpose as the business grows and new regulations are introduced. We continue to enhance our governance, process and controls, and to evolve the management information and reporting that supports our decision-making.

Risk rating

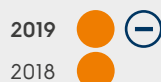
- Low
- Medium
- High

Change from last year

- ⬆ Increased
- ⬇ No change
- ⬇ Reduced

Failure of a critical outsource partner

The failure or non-performance of a third party provider who we rely on for business processing may lead to us failing to deliver the required service to our clients and/or regulatory non-compliance.



We subject all third parties who provide us with critical services to a high level of ongoing oversight, through our established Supplier Management framework, giving us assurance that they meet our required standards.

Jupiter has formal guidelines for managing and overseeing all third-party relationships, ensuring they receive a level of scrutiny that reflects their potential risk to our business.

In 2019, our assessment of suppliers reported one critical supplier that had an overall risk rating as medium. We have continued to work extensively with this supplier to oversee an agreed programme of work to deliver the management actions required to address our concerns. Significant progress has been made as a result and we expect the rating to reduce further as this work concludes.

Cyber crime

The risk that a successful cyber attack or fraud attempt could result in the loss of clients' assets or data or cause significant disruption to key systems.



We commit considerable human and technological resources to preventing a cyber security incident. Our server environments are housed in two data centres provided by a specialist third party and offer fully resilient and secure facilities.

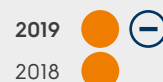
We have established a security awareness programme to extend knowledge and understanding within the business. Jupiter applies best practices from the ISO 27001 controls framework with additional reference to SANS Critical Security Controls in order to prioritise our technology defences. We have produced an extensive Cyber Security Incident Response plan to ensure departmental heads can adequately respond to the growing threat of cyber crime.

To ensure we remain well placed to identify and implement preventative measures against current and emerging cyber threats facing the industry, we are a member of the Fund Management Cyber Coordination Group coordinated by the FCA and the Investment Association Cyber Security Committee briefings. We actively participated in the National Cyber Security Centre (NCSC) intelligence sharing platform to help identify new threats.

We successfully retained our cyber essentials plus certification for 2019 and continued to promote cyber training and awareness initiatives across the Group.

Regulatory and legal change

The risk that changes in regulation or legislation restrict or impact our ability to do business or that we fail to implement changes required to meet new regulatory requirements.



We continually monitor regulatory developments to assess potential business implications. We invest in the expertise, systems and process change necessary to enable compliance with regulatory requirements by the required dates. We maintain a robust compliance culture and require all relevant employees to undertake training on regulatory matters.

Our Compliance department supports the business in implementing and maintaining appropriate regulatory controls.

Substantial resources were committed through 2019 on regulatory change programmes to ensure that we remain fully compliant in all jurisdictions in which we operate.

We successfully completed our Brexit developments to ensure that the possibility of a hard Brexit will not detrimentally impact the Group's operations and our ability to continue providing investment services to clients and investors in our funds.

We also implemented our Senior Managers and Certification Regime framework.

CORPORATE RESPONSIBILITY STAKEHOLDER ENGAGEMENT

Integrity is central to our culture and the foundation of how we interact with our stakeholders.

This report provides an overview of our corporate responsibility initiatives and stakeholder engagement.



INTER

“Change starts with a vision. Sustainable investing arrived at Jupiter some thirty years ago. We had a vision that is even stronger today.”

Charlie Thomas
Fund Manager

ACT

OUR CORPORATE RESPONSIBILITY

We believe sustainable companies that create value for all of their stakeholders, including the delivery of initiatives to help wider society, have better long-term growth potential.

We aim to provide value to society through a number of initiatives. Our investment activities deliver investment growth for our clients and provide responsible stewardship of our clients’ assets, which create value for our clients and for wider society. As a Group we aim to minimise our impact on the environment, support our communities and charities, and act with integrity at all times.

We view our corporate responsibility initiatives through two lenses:

- The impact our funds have by growing our clients’ investments and by investing in other companies. As shareholders in companies our funds engage with investee companies to help drive improvements in their governance processes and responsible initiatives (see pages 26 and 27).
- The impact our own activities have on our stakeholders. This report provides an overview of the Company’s initiatives to deliver benefits for wider society.

Our Group Corporate Social Responsibility (‘CSR’) Committee has oversight of the activities undertaken by both our funds and the Group itself, to ensure that our practices are aligned. The CSR Committee plays a key role in directing the Group’s activities to deliver value to society.

“In 2019 our total carbon emissions reduced by 31% from those produced in 2018. This was primarily driven by a reduction in air travel”

Stakeholder value

For how we deliver value to our:

- + Clients see p. 16
- + Shareholders see p. 17
- + Employees see p. 30

Environmental impact

Whilst our biggest potential impact to environmental matters is through our stewardship of the companies we invest in, via the funds we manage (see page 26), we continue to strive to reduce our direct environmental footprint.

We support the FSB Task Force on Climate-related Financial Disclosures (‘TCFD’) and our TCFD statement can be found on page 50. We are also members of The Climate Group’s RE100 initiative and are committed to sourcing 100% of our energy in our leased offices from renewable sources. We work with Carbon Intelligence to measure our carbon footprint and provide independent verification of our Scope 1, Scope 2 and Scope 3 GHG emissions, which can be found in the table below.

Our chosen GHG methodology (Defra’s Environmental Reporting Guidelines) takes the operational control approach. We have applied a materiality threshold of 5% for the purposes of reporting GHG data, in line with market practice for similar firms. As a result, locations with six or more staff are defined as material and included in the disclosure. In some cases, missing data has been estimated using extrapolation of available data from the reporting period or by using 2018 data as a proxy.

In 2019, our total carbon emissions reduced by 31% from those produced in 2018. This was primarily driven by a reduction in air

travel, which falls within Scope 3 emissions. Where possible we promote the use of video conferencing across our offices. Due to the global nature of our business travel will always be required and will vary dependent on business activities.

The key driver for the increase in our Scope 1 emissions is an increase in our natural gas usage at our London headquarters. We will work with our landlord to establish how this can be reduced.

Our emissions intensity measure is tCO₂e per full time employee equivalent (FTE). Using Scope 1 and location-based Scope 2 emissions, our emissions intensity in 2019 was 0.99 tCO₂e per FTE (2018: 0.92 tCO₂e per FTE). Using Scope 1 and market-based Scope 2 emissions, our 2019 emissions intensity was 0.20 tCO₂e per FTE (2018: 0.17 tCO₂e per FTE).

Communities and charities

We have a number of partnerships with academia, charities and other institutions to help promote diversity and bring new diverse talent into the investment management sector.

At the start of 2019, we introduced an employee volunteering scheme for our people. Under this scheme employees can take up to two days leave per annum for volunteering activities. Further information can be found in the case study opposite.

In 2019, we donated £145,780 to charitable causes, primarily through our Give As You Earn Scheme operated by the Charities Aid Foundation. Under this scheme employees donate a set amount each month, which is then double matched by Jupiter. This is designed to enable our employees to

Key Performance Indicator	2019	2018	% change
Direct emissions (Scope 1) ¹	96.3 tCO ₂ e	86.1 tCO ₂ e	12%
Indirect emissions (Scope 2): location-based	389.3 tCO ₂ e	376.4 tCO ₂ e	3%
Indirect emissions (Scope 2): market-based ²	0.0 tCO ₂ e	0.0 tCO ₂ e	0%
Other relevant indirect emissions (Scope 3) ³	711.0 tCO ₂ e	1,268.7 tCO ₂ e	-44%

¹ Direct emissions (Scope 1) comprised of building gas combustion, fugitive emissions from refrigeration and air conditioning equipment and owned vehicles.

² Direct emissions (Scope 2) is building electricity consumption.

³ Direct emissions (Scope 3) comprised of business travel, waste disposal and water consumption.

support causes of their choice and enables us to support a wider range of good causes. Jupiter also has a partner charity, which is chosen based on nominations from employees. Throughout 2019, our partner charity was Autistica, an autism research charity which aims to improve the lives of everyone affected by autism. Throughout the year our Charity Committee organises events for our employees to support our chosen charity. This includes a diverse range of activities to enable participation by all of our people. During the year we held quiz nights, a company-wide softball tournament and an internal 'bake-off' competition, amongst other initiatives.

Acting with integrity

Human rights and the Modern Slavery Act

Upholding human rights in our business operations is built into our culture. This includes how we treat individuals and how we encourage individuals within the Group to interact with each other.

We protect the rights of our employees through our employment policies and practices, which prohibit discrimination and promote inclusivity. At Jupiter, we

believe diversity and inclusion are simple concepts – to have the right people in the right role, regardless of background. Our Equal Opportunities Policy requires all employees and job applicants to be treated fairly and equally.

All of our employee procedures and policies are intended to be bias-free and we have a zero-tolerance policy on bullying and harassment. Our managers are supported in embedding an inclusive culture within their teams and we are dedicated to developing a culture of openness so that any issues or concerns can be discussed.

We have established diversity representative groups to support diversity across our organisation including a women's leadership programme and LGBT+ forum. Further information on our initiatives can be found in the Our People section on page 30.

We have due diligence procedures in place to ensure our suppliers uphold human rights both in their own organisations and, in turn, in those of their suppliers. In particular, we will not tolerate modern slavery or human trafficking.

State authorities and regulators

Compliance with all relevant legal and regulatory requirements is of critical importance to our business. Our culture supports ethical behaviour and individual accountability. We encourage employees to raise any concerns regarding our operations through our confidential whistleblowing arrangements.

As an investment firm our policies and procedures designed to combat financial crime are of material importance to our business. Financial crime includes money laundering, terrorist financing, bribery and corruption, tax evasion and fraud.

We have numerous policies and procedures designed to reduce the extent to which Jupiter's products could be used in connection with financial crime and a dedicated Financial Crime Team within Compliance.

The issues covered by those policies and procedures include:

- Financial crime policy
- Anti-money laundering, sanctions and Politically Exposed Persons
- Suspicious activity reporting
- Customer, distributor and enhanced due diligence
- Transaction monitoring
- Compliance monitoring
- Internal audit charter
- Employee vetting
- Market abuse prevention
- Anti-bribery and corruption
- Tax evasion
- Data protection and security (cyber crime)
- Whistleblowing.

Details of how we implement our policies can be found on page 51.

Taxation

We do not tolerate tax evasion, nor do we tolerate the facilitation of tax evasion by any person acting on the Group's behalf.

We seek to manage our tax affairs in a straightforward way, which means that we comply with our tax filing, reporting and payment obligations in all jurisdictions in a timely manner. Our corporate structure and operating model ensure that our tax affairs are simple to explain and transparent to the tax authorities.

Our approach is governed by a Board approved tax strategy. We ensure this strategy, and the procedures and controls which underpin our approach, are appropriate, monitored and fully implemented.

VOLUNTEERING CASE STUDY

Our employee volunteering scheme was successfully launched in 2019 and throughout the year employees have participated in volunteering activities to support their local communities and causes important to them.

A number of teams have chosen to complete team volunteering activities, which also provide team building opportunities and helps to develop skills not deployed in our every day working environment.

In June 2019, members of our Technology Leadership Team volunteered at Deen City Farm. In a change from their normal business activities, they had to roll up their

sleeves and undertake some hard manual labour!

Deen City Farm is an educationally focused urban farm and a valuable asset to the local community. They teach the local community about the rural environment and where their food comes from. They do not charge admission fees which enables access to families of all income levels.

Due to this, the farm is largely reliant on volunteers and donations. Our Team worked to clear hedges and trees from the public car park, fixing and weeding raised beds and spreading mulch and manure for planting.



CLIMATE-RELATED FINANCIAL DISCLOSURES

We are engaged supporters of the FSB Task Force on Climate-related Financial Disclosures ('TCFD'), which aims to promote a more informed understanding of climate-related risks and opportunities by investors and others. We support the TCFD through our operational activities, engagement with investee companies and work with partner organisations. We are continuing to develop our analysis and response to climate-related risks and opportunities.

Governance

The Board is responsible for the oversight of the Group's risk management and strategy which includes relevant climate-change financial risks. The CEO, Executive Directors and Executive Committee are responsible for the management of the Group's day-to-day business and for ensuring the implementation of our strategy, and, as such, have specific responsibility for climate change-related issues.

Throughout 2019, the Stewardship Committee received information on the environmental, social and governance ('ESG') risks impacting our portfolios, with a view to understanding the voting and engagement activities around these matters. The Group CSR Committee, reporting to the Executive Committee, oversees the Company's direct social responsibility initiatives including climate risk and coordinates with the Stewardship Committee to ensure a consistent approach.

Strategy

Climate-related risks and opportunities identified

Within our annual CDP Climate Change response, which can be found on the CDP website (www.cdp.net), we provide details on our substantive regulatory, physical and reputational risks and opportunities relating to climate change. We have identified four risks and four opportunities related to climate change which are deemed most material to our corporate strategy. These include transition risks at a corporate level relating to the potential costs of current and future climate-related regulation, as well as physical and transition risks which could affect companies held in our portfolios. Opportunities identified include shifts in consumer preferences which may increase client demand for our environmental and sustainable equities and fixed income strategies. Investment opportunities in companies that may stand to benefit from the transition to a low carbon economy, for instance companies which produce renewable energy, were also identified.

Impact of climate-related risks on the business and its strategy

Jupiter is not a significant producer of GHG emissions, and we consider our direct climate-related risk to be limited. The key aspects of climate change that have influenced the business strategy are climate change opportunities/risks associated with the assets we manage.

By appropriately considering ESG risk factors, including those arising from climate change, we believe our fund managers may be able to select companies which stand to benefit from the transition to a sustainable economy, while avoiding investments in companies unable to adapt to the energy transition. We also exercise investor stewardship to enhance the management of climate risk by companies we invest in and whose business models may be adversely affected.

Active ownership

We monitor climate change risks and opportunities in our funds' investments by hosting or attending meetings with management teams and directors to question and challenge companies about the issues we think may affect their long-term value. We are open to collective engagement and

industry collaboration on climate change. In February 2019 we joined the Institutional Investors Group on Climate Change ('IIGCC'). The IIGCC is a collective body through which European institutional investors and asset owners coordinate initiatives to tackle climate change. This coordinating role primarily encompasses direct engagement with companies, but also facilitates industry dialogue on climate change and supports the implementation of related best practice. IIGCC also engages on finance and climate policy at the global, EU and national level. Our engagement with IIGCC encompasses each of these areas. In 2019, Jupiter became a member of Climate Action 100+, an investor initiative which seeks to target collective action around a selection of the world's highest emitting companies and coordinate shareholder engagement with this subset. Joining Climate Action 100+ allows us to play a lead role in collective engagement with investee companies, on climate matters.

Risk management

Identification and management of climate-related risks

We have a formal framework for risk management (please see page 40) which is designed to identify and quantify all risks to our business including climate-related risks. We collate our global environmental data and produce quarterly reports on our direct environmental impact, allowing the identification of climate change risks and opportunities related to our direct operations (consumption and waste). Our Governance and Sustainability team helps identify relevant ESG factors that might affect the business performance of investee companies. To strengthen Jupiter's capabilities, the CIO office has invested in third-party ESG risk data and additional ESG personnel to help fund managers identify material environmental risks and opportunities affecting their portfolios. The data is deployed in two ways: i) to augment day-to-day investee company monitoring engagement and voting assessment at portfolio level and ii) to assist the CIO's office analysis of the ESG risk profile of our total assets under management. The CIO plays an oversight role in assessing stewardship objectives and monitors, reviews and assists our investment personnel in meeting them.

Metrics

At a corporate level, Jupiter has an ongoing target to reduce overall Scope 1 and 2 emissions year-on-year by more than 1%. This was not achieved this year with an increase in Scope 1 emissions of some 12% (see page 48 for further information). However, our total carbon emissions reduced by 31% from 2018.

We have been developing detailed climate impact reports for certain equity and fixed income portfolios, representing approximately 20% of our assets under management as at September 2019. These fund-level reports, issued to clients, focus on the GHG emissions attributable to the underlying portfolio companies, portfolio alignment with current climate goals, and a review of other portfolio level environmental risks. The reports indicated, as an initial assessment and subject to further analysis, a high degree of readiness of the equity portfolios for the energy transition but illustrated a shortfall of relevant disclosures by issuers within fixed income (corporate and sovereign) against which to assess the resilience of the portfolio. We continue to work alongside our industry partners to encourage TCFD and develop reporting techniques which capture transition risks and opportunities more broadly. We are developing our approach to scenario analysis. We have used the methodology provided by the Transition Pathway Initiative (TPI), a global, asset-owner led initiative, as an engagement tool in order to assess the preparedness of selected investee companies for the transition to a low carbon economy.

NON-FINANCIAL INFORMATION

We aim to comply with the Non-Financial Reporting requirements contained in sections 414CA and 414CB of the Companies Act 2016. A summary of the policies and outcomes, together with references to where further information and KPIs on these areas can be found, is detailed below. Details of our business model can be found on pages 16 and 17 and our principal risks on pages 42 to 45.

Clients

Our clients are central to everything we do. Our key policies include our Treating Customers Fairly Policy and our Conflicts of Interest policy; these establish the process through which we treat our clients fairly and, where possible, avoid situations which could result in a conflict of interest. Should a conflict arise the policy details how this should be managed. These policies have operated effectively during the year.

+ Further information can be found on p.16

Financial crime

We have multiple policies to prevent financial crime, which includes bribery and corruption, money laundering and terrorist financing. These policies are enforced throughout the Group and comply with all legal and regulatory requirements and best practice. All staff receive regular training on these policies and practices and we have a dedicated team overseeing Financial Crime. Throughout the year they have effectively mitigated the risk of our services being used for the purposes of financial crime.

+ Further information can be found on p.49

Employees

We operate a variety of policies to establish the process through which we ensure the fair treatment of our employees and potential employees. These support their rights, wider wellbeing and personal development. We are committed to promoting diversity and inclusion throughout our organisation. Our employees are encouraged to raise any concerns they may have on the operation of our business through our confidential whistleblowing arrangements, governed by our Whistleblowing Policy. These policies have operated effectively throughout the year.

Our diversity & inclusion statement online www.jupiteram.com

+ Further information can be found on p.30

Environment and society

Each year we publish a Corporate Responsibility Report which includes quantitative and qualitative information on our environmental and social strategies and practices. Our environmental policy details our strategy to manage our direct environmental impacts through the minimisation of our use of resources and production of waste and to assess the environmental performance of our suppliers. We have continued to reduce our overall GHG emissions during 2019.

Our environmental policy online www.jupiteram.com

+ Further information can be found on p.48

Human rights

We strongly support the protection of individuals' human rights and this is embedded in our corporate values. Our employment policies and practices are designed to protect our employees. Our modern slavery statement details the steps we have taken to ensure that there are no instances of modern slavery in our workplace or throughout our supply chain.

Our modern slavery statement online www.jupiteram.com

+ Further information can be found on p.49

Tax strategy

We seek to manage our tax affairs in a straightforward manner and our annual Tax Strategy is reviewed and approved by the Board. This strategy ensures that we comply with our tax reporting and payment obligations in a timely manner and that we engage with tax authorities in a cooperative and transparent way.

Our tax strategy online www.jupiteram.com

+ Further information can be found on p.49

Policy implementation

We ensure the effective implementation of our policies by:

- fostering a culture of integrity and accountability;
- clear communication of our policies through our employee induction, training, management briefings and our intranet, through which we make our key policies available to our people;
- our governance framework, including our Board, management and reporting committees, which provide us with a robust structure within which we oversee the implementation of the policies;
- workforce training programmes, covering areas such as anti-bribery and corruption, money laundering, market abuse and tax evasion, which employees are required to complete each year;
- our employee handbook, which assists with contractual terms, expected conduct and our policies; and
- reviewing the majority of our policies annually to ensure they are in line with best practice, meet our regulatory requirements and are updated with any changes required to ensure their effective implementation.

Our Compliance department and Internal Audit function monitors our success in implementing our policies, principles and codes of conduct. We operate an independent whistleblowing line enabling our employees to confidentially raise any concerns, including non-compliance with our policies and procedures.

HOW WE ENGAGE WITH OUR STAKEHOLDERS

We believe effective stakeholder engagement is critical to running a long-term sustainable business and we use a variety of engagement methods to ensure we understand our stakeholders' views.




It is important we engage with our stakeholders in an open and transparent manner. By having an open dialogue we can understand their views and priorities for the Company. This enables us to consider their interests in the decisions we make (see page 62 for further information) and helps us to make better decisions for the long-term benefit of the Company and all of its stakeholders. By providing updates and reporting on the business to our stakeholders, we receive feedback on our strategy and business generally, enabling us to continually innovate and improve.

A key example of this is our engagement with clients and distribution partners. By understanding changing client needs we can develop products to help them achieve their long-term investment objectives. This brings benefits to clients, the business and shareholders.

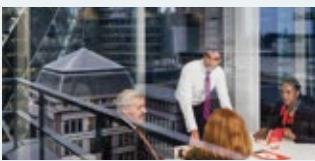
Our engagement with stakeholders is primarily led by management and engagement is across all areas and levels of the business, with reporting and escalation to the Board as appropriate. During the year the Board's engagement with our people was enhanced through direct engagement with our employee advisory panel, Connections.

The table opposite sets out who our key stakeholders are, the key reasons we engage with them, the areas they have a material interest in and a brief summary of how we engaged in 2019.

+ See our section 172 statement on p.62

CLIENTS	PEOPLE	SHAREHOLDERS
		
<p>Who they are and why we engage</p>		
<p>Our clients are the people and firms that invest in our funds and segregated mandates. They are at the core of our business; our purpose is to help them achieve their long-term investment objectives. We engage to understand their objectives and how these will evolve, which enables us to develop products to help them.</p>	<p>Our people are the talented individuals who are integral to the Company's operation and delivery for clients. Together we are able to be innovative and to perform at our best. In order to retain and attract talented individuals we aim to have a clear view of their priorities.</p>	<p>Our shareholders are the people who own the business and we rely on their support and engagement to help us deliver our long-term strategy. Understanding their views and providing regular updates to them on the performance of the business is of key importance to the success of the Company.</p>
<p>Material interests</p>		
<p>Our clients' material interests relate to the performance of our funds and segregated mandates after fees, the levels of service they receive from us, the range of products available and our effective stewardship of the assets we invest on their behalf.</p>	<p>Our people's material interests relate to our working and cultural environment. We aim to fairly reward them for their contribution and to have opportunities for learning, growth and further development.</p>	<p>Our shareholders' material interest is in ensuring a long-term sustainable business which delivers attractive returns. To ensure its sustainability they require us to uphold high standards of governance and operate an effective risk management framework.</p>
<p>How we engaged in 2019</p>		
<p>Our Distribution and Investment Management teams have primary contact with our clients through meetings, client briefings, direct communications and investor days. We publish thought leadership materials to help clients gain a better understanding of markets.</p>	<p>We engage with employees through our employee advisory panel Connections, regular town hall meetings, newsletters, direct communication and our employee survey.</p>	<p>We engage with our shareholders through individual meetings, our AGM, the Capital Markets Day and regular reporting. Further details of our investor relations programme can be found on page 60.</p>

STATE AUTHORITIES

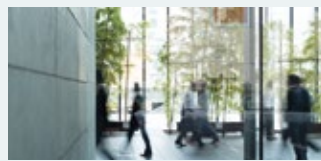


State authorities set the legal and tax frameworks within which we operate. Engagement with state authorities enables us to comply with all relevant legal provisions, to pay the taxes owed by us and our funds and to help shape future legislation for the benefit of wider society.

State authorities have an interest in ensuring businesses are run in a long-term sustainable manner for the benefit of all stakeholders. Transparent reporting and communication are key, together with the need for all taxes and payments to be paid promptly and in full.

We primarily engage with state authorities through the reporting we undertake and participation in consultations.

REGULATORS



We are regulated in a number of jurisdictions, by regulators who are responsible for supervising their respective financial systems. They have an interest in ensuring we act with integrity and are effective stewards of our clients' investments. By engaging with the regulators constructively we ensure our clients' best interests are served.

Regulators want to ensure that our business is run responsibly with the best interests of our clients at the centre of everything we do. They protect the integrity of the financial systems they supervise and promote healthy competition for the benefit of clients.

We have meetings with our key regulators and always engage in an open and cooperative manner. Our Compliance team is primarily responsible for this engagement and ensuring all regulatory reporting is completed in a timely manner.

BUSINESS PARTNERS



Our business partners include our distribution partners (platforms, advisers, wealth managers, financial institutions, funds of funds and life companies) and our suppliers. They are critical to ensuring the effective distribution and servicing of our products and they supplement our infrastructure, which enables us to benefit from their expertise and scale.

Our distribution partners require varied products that meet their clients requirements and deliver long-term outperformance. Our suppliers wish to develop mutually beneficial working relationships over the long-term.

Our Distribution team engages with our distribution partners through meetings, thought leadership and other direct communication. Each business unit is responsible for the day-to-day contact with their suppliers and our Supplier Management team has oversight responsibility.

SOCIETY



We believe we have a responsibility to make a wider contribution to society. This includes our stewardship of the assets we invest on behalf of our clients, the communities we operate in, charitable causes and wider society.

Society has an interest in how we manage our clients' assets and ensure good stewardship over our investments. They have an interest in ensuring we manage our business in a manner which minimises our impact on the environment and helps to benefit society.

We engage with society in a variety of different methods, from direct engagement with our charitable partners, our employee volunteering programme and partnerships with local schools to publications on our website.

Liz Airey, Chairman



COMPLIANCE STATEMENT

Jupiter supports the principles of corporate governance as set out in the 2018 version of the UK Corporate Governance Code (the Code) as issued by the Financial Reporting Council, which can be found on the FRC website at www.frc.org.uk.

Having reviewed the provisions of the Code the Board is satisfied that throughout the accounting year ended 31 December 2019, Jupiter complied with the provisions of the Code, with the exceptions as detailed below.

Provision 19 of the Code states that a Chair of the Board should not remain in post beyond nine years from the date of their first appointment to the Board. Liz Airey was first appointed to the Board in May 2010 and therefore has been in post for over nine years. The Nomination Committee have undertaken succession planning for the Chairman's role and Liz will step down in March 2020. Further information can be found in the letter from our Senior Independent Director on page 70.

Provision 36 of the Governance Code states that the Remuneration Committee should develop a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares. The Remuneration Committee intend to adopt a formal post-employment shareholding policy when the next Directors' Remuneration Policy is put forward for a formal shareholder vote in 2021. Further information can be found on page 94.

Further information on how the Company has applied the principles of the Code is set out in this Governance section.

Board leadership and Company purpose

+ See p. 56

Provides shareholders with information on the Company's Board and Senior Leadership team, an overview of the work undertaken to promote the long-term success of the Company and how the Board has considered stakeholders' interests.

Division of responsibilities

+ See p. 64

Provides information on the governance framework operated by the Group and how this has been applied throughout the year.

Composition, succession and evaluation

+ See p. 66

Provides an overview of the Board evaluation process and includes the report from the Nomination Committee on its work during the year on Board and Senior Executive composition and succession planning.

Audit, risk and internal control

+ See p. 71

Provides a report from the Group's Audit and Risk Committee on the work of the Committee during the year to oversee the Company's external and internal audit, the integrity of the financial statements, risk management and oversight of the internal controls framework.

Remuneration

+ See p. 76

Provides a report from the Group's Remuneration Committee on the work of the Committee during the year to oversee the Group's remuneration policies and practices and the implementation of the Directors' Remuneration Policy throughout 2019.

DEAR SHAREHOLDER

Good corporate governance is critical to the successful management of a sustainable business and in considering the interests of all of our stakeholders. This view is embedded throughout our organisation in both how we run the Company and how we manage the investments we make on behalf of our clients.

This is the first year companies have been required to adopt and report on the 2018 UK Corporate Governance Code ('Code'). We fully support the introduction of the revised code both as a listed company and as a shareholder in other companies. Our compliance with the revised code is set out in the Compliance Statement and our Corporate Governance Report provides an overview of how the Code has been applied.

Purpose, values and culture

During 2018 we engaged with our employees to seek their views on our purpose. When Andrew Formica joined in March last year, one of his first actions was to progress the results from this engagement and clearly articulate how our purpose links with our culture. Our purpose is simple: to help our clients achieve their long-term investment objectives and our culture supports this by ensuring that our clients come first. Further information on our purpose and principles can be found on pages 2 and 3. It is essential to ensure that these are fully embedded across the organisation and embraced by all of our people.

During the year the Board has also overseen the development of a culture dashboard to help assess and monitor the culture across the organisation on an ongoing basis. This will be fully embedded during 2020.

Strategy

After joining as CEO, Andrew met with all areas of the business in various departmental town hall meetings and engaged extensively with senior management on the firm's strategy. A two-day Board strategy session was held in June and the strategic plan and further initiatives were discussed with the Board in detail.

A key strategic decision, to recommend the acquisition of Merian Global Investors Limited, was taken by the Board in the first quarter of 2020. The acquisition of Merian's business is a significant opportunity to accelerate our strategy and will deliver attractive commercial and financial benefits.

Both firms are dedicated to active investment management and have a strong cultural alignment. We firmly believe that the acquisition is in the best interests of our shareholders and all of our stakeholders.

Details of the key Board activities undertaken during 2019 and how these relate to our strategic priorities can be found on page 61.

Board changes

During the year there have been two changes to the Board with the appointment of both a new CEO and CFO. The appointment of two new Executive Directors were critical decisions taken by the Board during the year.

In January 2019 we announced the decision to accelerate our succession planning for the Group's CEO, with the appointment of Andrew Formica, who joined the Board on 1 March 2019. Maarten Slendebroek stepped down from the Board and as CEO on the same date.

In February 2019 we announced that Charlotte Jones had decided to step down as CFO, in order to accept the role of CFO at RSA Insurance plc, where she already served on the Board as a Non-Executive Director. After a thorough search Wayne Mephram was appointed CFO on 3 September 2019.

As announced in November 2019, I will be stepping down from my role as Chairman and a Director with effect from 2 March 2020. Under the requirements of the 2018 Code, a Chairman should only serve for nine years from the date of their first appointment to the Board. I was appointed a Director in May 2010 and Chairman in September 2014. Succession planning for the Chairman's role was originally commenced during 2018, led by our Senior Independent Director.

However, due to the appointment of a new CEO, it was agreed that the succession planning for the Chairman's role be delayed to enable continuity during the transition in CEO. Our Senior Independent Director led the selection process and further information on this can be found in his letter on page 70. We are delighted that Nichola Pease will be appointed Chairman with effect from 2 March 2020. Nichola has extensive experience in asset management having served as CEO of JO Hambro and most recently as a Non-Executive Director of Schroders plc. She has over 30 years' experience in asset management and the wider financial services sector and will bring a wealth of experience and skills to the Board.

In addition, Bridget Macaskill, a Non-Executive Director and Chairman of the Remuneration Committee has decided to step down from the Board and will not seek re-election at the forthcoming AGM. She will have served on the Board for five years, having been appointed on 1 May 2015. Over this period Bridget has made a huge contribution to Jupiter's development and I would like to thank her for her invaluable support and the dedication she has shown throughout her tenure.

Roger Yates, who has extensive Remuneration Committee experience, will be appointed as Chairman of the Remuneration Committee with effect from the conclusion of the 2020 AGM. A search for an additional Non-Executive Director has been initiated and will be led by Nichola as my successor.

The recommended acquisition of Merian Global Investors Limited is subject to shareholder and regulatory approvals. Provided these are received a new Non-Executive Director, as nominated by TA Associates, will be appointed to the Board on completion of the acquisition. As a representative of TA Associates, they will not be considered independent and therefore will not join any of the Board Committees.

Diversity

We believe in diversity in its broadest sense and our aim is to employ the best people from the widest pool of applicants and support their career aspirations. We believe by focusing on identifying, developing, retaining and rewarding talent, and ensuring equality of opportunity, we will continue to deliver the right outcomes for our clients and build a sustainable and growing business in the long term. Our full diversity statement can be found on our website: www.jupiter.com.

In relation to gender diversity, 33% of the Board are currently women, which is in accordance with our stated aim of maintaining female representation on the Board at, or above 30%. Additionally 30% of our senior management (as per the Code definition) are women. We recognise that there needs to be continued focus on diversity matters both within Jupiter and across the industry. Details of our initiatives to continue to improve diversity can be found in our talent and culture section on pages 30 and 31.

Stakeholder engagement

Stakeholder engagement continues to be a focus of the Board and during the year we have continued to enhance our employee engagement activities. Our employee advisory panel, known internally as Connections, has been formalised. The Chairman of Connections attended two Board meetings during the year and, in one session, met with the Non-Executive Directors only, with no Executive Directors or senior management present.

We undertook an employee survey during 2019 and were particularly pleased with the high level of participation by employees, demonstrating the engaged nature of our workforce. Further information on the survey can be found in the Our People section on page 30.

During the year we established a Senior Leadership Group composed of employees below the Executive Committee level. This Group has been established to seek the views of our senior employees on our future plans and strategic initiatives, their priorities and to further develop employee engagement and talent management across the organisation.

Our annual Board evaluation confirmed that the Board had a detailed understanding of shareholder and employee views. It was agreed that further focus on specific client groups and their views should be a priority for 2020. Further information on stakeholder engagement can be found on pages 52 and 53.

2019 AGM

At our 2019 AGM three resolutions received less than 80% approval. We had engaged with our major shareholders prior to our AGM and, in line with the Code, with our major dissenting shareholders again following the outcome of our AGM vote. As detailed in our AGM voting statement released in October, these results were primarily driven by one large shareholder, who applies more stringent policies on capital management and director external time commitments than is market practice or recommended by the relevant advisory bodies and proxy advisors. We continue to believe that these resolutions are in the best interests of the Company and as a Board we unanimously recommend them for approval at the 2020 AGM. Further information on the outcome of the 2019 AGM can be found on page 60.

It has been a privilege to serve as Chairman of Jupiter and work alongside such talented and committed individuals. I am confident that the current refreshed Board and senior management team are the right people to drive Jupiter's strategy forward for the benefit of clients, shareholders, employees and other stakeholders.

Liz Airey, Chairman
27 February 2020

- AR** Member of Audit and Risk Committee
- NC** Member of Nomination Committee
- RM** Member of Remuneration Committee
- Denotes Chair of Committee

1. LIZ AIREY

Chairman

Appointed

Non-Executive Director in May 2010
Chairman in September 2014

Skills and experience

Liz brings a wealth of relevant financial skills and experience in financial governance and executive leadership.

Previous appointments

Liz's previous roles have included Non-Executive Director of Tate & Lyle plc (2007-2017) where she served as Senior Independent Director and Chairman of the Audit Committee, Non-Executive Director of Dunedin Investment Enterprise Trust plc where she held the roles of Senior Independent Director and Chairman of the Audit Committee (2005-2016), Chairman of the Unilever UK Pension Fund (2008-2014), Non-Executive Chairman of JP Morgan European Smaller Companies Trust plc (2006-2011) and Non-Executive Chairman of Zetex plc (2003-2007), a formerly listed manufacturer of specialist semi-conductors. In 1999 she was appointed a Non-Executive Director of AMEC plc, and served as Senior Independent Director (2004-2009). Prior to this in her executive career she was Finance Director of Monument Oil and Gas plc, a post she held from 1990 until the sale of the company to Lasmo plc in 1999.

Current external appointments

Liz is currently a member of the Corporate Governance Committee and Investments Committee of the ICAEW, Chair of Trustees of the Rolls-Royce UK Pension Fund and Non-Executive Director of Standard Life UK Smaller Companies Trust plc.

2. ANDREW FORMICA

Chief Executive Officer

Appointed

Chief Executive Officer in March 2019

Skills and experience

Andrew has over 25 years' experience in the investment management industry and is a qualified actuary, both in Australia and the UK. He brings strong leadership skills and has a proven track record of implementing successful business strategies.

Previous appointments

Before joining Jupiter he was CEO of Henderson Global Investors, becoming Co-Chief Executive of Janus Henderson on the merger with Janus Capital in 2017. During his time at Henderson and its predecessor businesses he held various roles including equity fund manager and head of equities.

Current external appointments

Andrew is currently a Non-Executive Director of Hammerson plc and of the Investment Association.

3. EDWARD BONHAM CARTER

Vice Chairman

Appointed

Group Chief Executive in 2007
Vice Chairman in March 2014

Skills and experience

With 35 years' experience in the investment market and over 25 years working at Jupiter, including seven years as CEO, Edward has extensive knowledge of the fund management business. His role as Vice Chairman focuses on engaging with the Company's key stakeholders, including clients, prospective clients and industry bodies.



1. Liz Airey
Chairman



2. Andrew Formica
Chief Executive Officer



3. Edward Bonham Carter
Vice Chairman



4. Wayne Mephram
Chief Financial Officer

Previous appointments

Edward joined Jupiter in 1994 as a UK fund manager, after working at Schroders (1982-1986) and Electra Investment Trust (1986-1994). He was appointed Chief Investment Officer in 1999 and Joint Chief Executive in May 2000. He became Group Chief Executive in 2007 and led Jupiter through its management buyout that year and its subsequent IPO in June 2010. Edward relinquished his role as Group Chief Executive in March 2014, when he was appointed Vice Chairman.

Current external appointments

Edward is the Senior Independent Director of Land Securities Group plc and ITV plc. He is also a Board member of The Investor Forum and Netwealth Investments Limited, a Trustee of the Esmeé Fairbairn Foundation, and a member of the Strategic Advisory Board of Livingbridge.

4. WAYNE MEPHAM

Chief Financial Officer

Appointed

Chief Financial Officer in September 2019

Skills and experience

Wayne has over 24 years' experience in asset management and across the financial services sector gained in senior financial roles and as a chartered accountant.

Previous appointments

Wayne began his career at PricewaterhouseCoopers where he progressed to lead audits in the Insurance and Asset Management practice. Prior to joining Jupiter, he worked at Schroders for nine years and was responsible for the Global Finance function as well as Procurement and Investor Relations.

Current external appointments

Wayne has no external appointments.

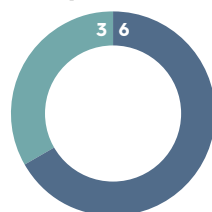
SUMMARY BOARD COMPOSITION

As at 31 December 2019

Board experience

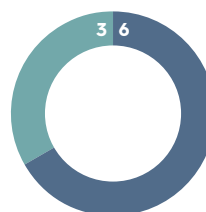
Key area	%
Asset Management	100%
Risk	100%
Clients	89%
People	77%

Composition



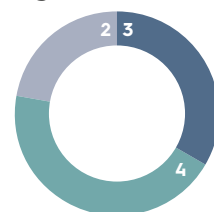
■ Non-Executive Directors
■ Executive Directors

Gender



■ Male
■ Female

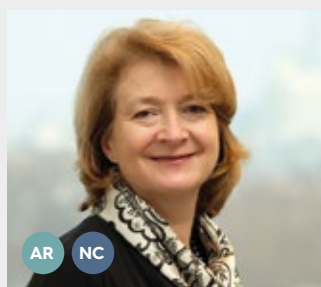
Age



■ 60+
■ 50-59
■ 40-49



5. Jonathon Bond
Senior Independent Director



6. Polly Williams
Independent Non-Executive Director



7. Bridget Macaskill
Independent Non-Executive Director



8. Karl Sternberg
Independent Non-Executive Director



9. Roger Yates
Independent Non-Executive Director

5. JONATHON BOND

Senior Independent Director

Appointed

Non-Executive Director in July 2014
Senior Independent Director in August 2017

Skills and experience

Jonathon spent 25 years in the private equity industry with a particular focus on raising standards of governance and performance. He has extensive international and general management experience, having founded and served on the board of several significant businesses.

Previous appointments

Jonathon was a founding Partner of Actis LLP, the emerging markets specialist alternatives fund manager, where he spent over 10 years. During that time he was a member of the Supervisory Board, Investment and Executive Committees, as well as setting up and running the in-house fund raising team. Jonathon previously worked as a founding Director of HSBC Private Equity in India (1994-2000), Electra Private Equity Partners in London and Paris (1985-1994) and Bain & Co in London (1985-1988). He was also Executive Chairman of the Skagen Group Limited (2013-2019), a family office and group of companies operating in the UK, Europe and the USA.

Current external appointments

Jonathon is Chairman of Grosvenor Britain & Ireland and a Non-Executive Director of Standard Life Private Equity Trust plc and of Lloyds Bank Insurance.

6. POLLY WILLIAMS

Independent Non-Executive Director

Appointed

Independent Non-Executive Director in March 2015

Skills and experience

Polly has a wealth of relevant experience, including roles with particular responsibility for audit and risk oversight, and is a chartered accountant. Previously, Polly was a Partner with KPMG, with responsibility for the Group Audit of HSBC Group plc.

Previous appointments

Polly's previous non-executive directorships include Worldspreads Group plc, APS Financial Limited, Z Group plc, National Counties Building Society (as Chairman), Scotiabank Ireland Limited and Daiwa Capital Markets Europe Limited.

Current external appointments

Polly is a Non-Executive Director of TSB Banking Group plc, where she is Chairman of the Audit Committee, and RBC Europe Limited, both wholly owned private companies. She is also a Non-Executive Director of XP Power Limited. Polly serves as a trustee of the Guide Dogs for the Blind Association.

7. BRIDGET MACASKILL

Independent Non-Executive Director

Appointed

Non-Executive Director in May 2015

Skills and experience

Bridget brings substantive knowledge and deep understanding of the investment management industry and extensive experience at board level. She has 25 years' experience in the investment management industry and has held several senior board appointments in the UK and USA.

Previous appointments

Bridget joined First Eagle Investment LLC in 2009 where she held the position of President and Chief Executive until March 2016. She then served as Chairman of First Eagle Holdings LLC, the parent company of First Eagle Investment Management LLC, until June 2019. Prior to joining First Eagle, she was President and Chief Executive at Oppenheimer Funds, Incorporated. Bridget was previously a Non-Executive Director of Prudential plc, J. Sainsbury plc, Scottish & Newcastle plc, Hillsdown Holdings plc and the Federal National Mortgage Association in the US. She has also served as a trustee of TIAA-CREF funds.

Current external appointments

Bridget is currently Chairman of Cambridge Associates, LLC, and is a Non-Executive Director of Close Brothers Group plc and Jones Lang LaSalle Incorporated.

8. KARL STERNBERG

Independent Non-Executive Director

Appointed

Independent Non-Executive Director in July 2016

Skills and experience

Karl brings some 30 years' international experience in the investment industry gained through both executive and non-executive roles.

Previous appointments

Karl was a founding Partner of institutional asset manager Oxford Investment Partners, which was bought by Towers Watson in 2013. Prior to that, he held a number of positions at Morgan Grenfell/Deutsche Asset Management between 1992 and 2004 including Chief Investment Officer for London, Australia, Europe and the Asia Pacific. Since 2006 he has developed his non-executive director career, with a focus on investment management and the investment trust sector in particular. From 2010 to 2015 he was a Non-Executive Director of Friends Life Group plc where he was Chairman of the Investment Oversight Committee. Karl was Chairman of JPMorgan Income & Growth Investment Trust plc until November 2016.

Current external appointments

Karl is the Senior Independent Director of Alliance Trust plc, and a Non-Executive Director of Herald Investment Trust plc, The Monks Investment Trust plc, Clipstone Logistics Reit plc, Lowland Investment Company plc, and JPMorgan Elect plc, all of which are investment trusts.

9. ROGER YATES

Independent Non-Executive Director

Appointed

Non-Executive Director in October 2017

Skills and experience

Roger has considerable knowledge of the asset management business with over 30 years' experience in the industry, having served as a fund manager, senior executive, non-executive director and chairman. Having led two global asset managers, Roger also brings significant understanding of international business management to the Board.

Previous appointments

Roger started his career at GT Management in 1981 and subsequently held positions at Morgan Grenfell and Invesco as Chief Investment Officer. He was appointed Chief Executive Officer of Henderson Group plc in 1999 and led the company for a decade. Most recently Roger was a Non-Executive Director of IG Group Ltd, Chairman of Electra Private Equity plc and Chairman of Pioneer Global Asset Management S.p.A. He was also a Non-Executive Director of JPMorgan Elect plc from 2008-2018.

Current external appointments

Roger is the Senior Independent Director of St James's Place plc where he chairs the Remuneration Committee and Senior Independent Director at Mitie Group plc.



1. Andrew Formica
CEO and Chairman of the Executive Committee



2. Wayne Mepham
CFO



4. Paula Moore
Chief Operating Officer



5. Minesh Patel
Head of Strategy and Corporate Development



7. Andrew Robinson
HR Director



8. Jasveer Singh
General Counsel



3. Veronica Lazenby
Chief Risk Officer



6. Stephen Pearson
Chief Investment Officer



9. Phil Wagstaff
Global Head of Distribution

1. ANDREW FORMICA

Chief Executive Officer and Chairman of the Executive Committee

Responsible for the strategic development of the Group and for the management of the overall business.

See page 56 for Andrew's full biography.

2. WAYNE MEPHAM

Chief Financial Officer

Responsible for financial management, capital management, tax, investor relations and financial regulatory reporting.

See page 56 for Wayne's full biography.

3. VERONICA LAZENBY

Chief Risk Officer

Veronica joined Jupiter in February 2020 and is the Group's Chief Risk Officer. Before joining Jupiter she held senior risk management roles at Schroders, Royal Bank of Scotland, Barclays and BNY Mellon. She is responsible for the management of the Group's risk profile.

4. PAULA MOORE

Chief Operating Officer

Paula joined Jupiter in 1997 and has held many senior roles within the Group. She is the Chief Operating Officer and is responsible for the Group's day-to-day operations including the fund operations, dealing, IT and facilities teams.

5. MINESH PATEL

Head of Strategy and Corporate Development

Minesh joined Jupiter in July 2019 as the Head of Corporate Development and Strategy. Before joining Jupiter he was Head of Corporate Development at Janus Henderson and previously held roles at Man Group and Merrill Lynch. Minesh oversees corporate development and strategic initiatives across the Group.

6. STEPHEN PEARSON

Chief Investment Officer

Stephen joined Jupiter in 2001 and held a number of senior roles within investment management before being appointed the Chief Investment Officer in 2015. Stephen is responsible for the management of all of Jupiter's investment teams.

7. ANDREW ROBINSON

HR Director

Andy joined Jupiter in September 2017 and was appointed HR Director in June 2018. Before joining Jupiter he held senior HR roles at UniCredit and Janus Henderson. Andy is responsible for the global HR function at Jupiter.

8. JASVEER SINGH

General Counsel

Jas joined Jupiter in November 2016 as General Counsel. Before joining Jupiter he was General Counsel and a member of the Executive Committee at Man Group. He is responsible for the legal, compliance and company secretariat teams.

9. PHIL WAGSTAFF

Global Head of Distribution

Phil joined Jupiter in June 2019 as the Global Head of Distribution. He was previously Global Head of Distribution at Janus Henderson and has held senior distribution roles at Gartmore, New Star and M&G. Phil is responsible for the distribution of all of Jupiter's products, which includes management of the distribution, marketing and communication teams.

PROMOTING THE LONG-TERM SUCCESS OF OUR BUSINESS

The Board is responsible for the long-term sustainable success of the Group for the benefit of its shareholders and with consideration of other stakeholders.

It is responsible for setting the purpose, culture, values and strategy of the Group and overseeing their implementation, establishing a sound framework of risk management and internal control and effective financial reporting. In undertaking its responsibilities the Board must have regard for other stakeholders, including employees, clients, suppliers and wider society.

All matters which are not specifically reserved for the Board's decision are delegated to the Chief Executive Officer, who in turn has established an Executive Committee to assist with the management of the business (as detailed in the division of responsibilities section on page 64). Since his appointment in March 2019, Andrew Formica has further strengthened the Executive Committee with a number of key new appointments. Details of the Executive Committee and a description of each individual's responsibilities can be found on pages 58 to 59. Our shareholders are a key stakeholder and details of our shareholder engagement during the year can be found below.

Investor relations

We have a comprehensive investor relations ('IR') programme in place to ensure effective engagement with our shareholders. Our Executive Directors, Chairman and Head of IR meet regularly with our major shareholders. Our Senior Independent Director and Non-Executive Directors are available to meet with shareholders to discuss topics relevant to their roles.

All of our Directors attend the AGM and meet with shareholders at the conclusion of the meeting. In December 2019, we held a Capital Markets Day which provided an update on our business strategy, operations and our refreshed management team.

The event was very well received and attended by our major shareholders and analysts. A live webcast of the presentation is available to view on our website, along with our financial results presentations.

Following all shareholder engagement the Board receives a summary of the engagement including key topics discussed and any specific shareholder views held.

An overview of our investor relations programme is detailed below and, in addition to the formal programme, management held some 65 additional ad-hoc meetings with shareholders throughout the year.

CALENDAR OF INVESTOR EVENTS

Q1 2019

- 2018 Year End Results released
- 2018 Annual Report published
- Investor Roadshow

Q2 2019

- Q1 2019 Trading Statement released
- Engagement with shareholders prior to the AGM
- AGM

Q3 2019

- 2019 Interim Results released
- Investor Roadshow
- Post AGM shareholder engagement
- Bank of America Merrill Lynch Annual Financial CEO Conference
- JPM Small/Mid Cap Conference

Q4 2019

- Q3 2019 Trading Statement released
- Capital Markets Day

AGM vote

At our AGM held in 2019, whilst all resolutions passed by the requisite majority, there were three resolutions which passed with under 80% approval. These related to the:

- Reappointment of Karl Sternberg
- Directors' authority to allot shares
- Disapplication of pre-emption rights.

As we stated in our post AGM voting statement, which can be found on our website www.jupiteram.com, this was primarily driven by our largest shareholder. They have more stringent voting policies on capital management and director time commitments than is market practice in the UK and those policies issued by leading proxy advisers and advisory bodies. We engaged with our major shareholders prior to the AGM and, in line with the Code, we engaged again with major dissenting shareholders after the AGM. As discussed in our post AGM voting statement we believe all resolutions proposed were, and continue to be, in the best interests of the Company and therefore are proposed to shareholders at the forthcoming AGM. Further information regarding Karl's ability to continue to dedicate sufficient time to his duties can be found in the Nomination Committee report on page 68.

Conflicts of interest

The Company's Articles of Association permit the Board to consider and authorise situations where a Director has an actual or potential conflict of interest in relation to the Group. The Board has a formal system to record potential conflicts and, if appropriate, to authorise them. Conflicts of interest are included as a standing agenda item at each Board meeting. When authorising conflicts or potential conflicts of interest, the Director concerned may not take part in the Board's decision-making.

+ The activities undertaken by the Board to promote the success of the Company are detailed overleaf

+ How the Board listens and responds to stakeholders is on page 62

PROMOTING THE SUCCESS OF OUR BUSINESS

During the year we reviewed our strategic focus and refreshed our key strategic priorities. We believe these priorities will drive our long-term sustainable success. Our eight strategic priorities and the activities undertaken by the Board during the year to drive these are detailed below.

- 1 Consistently deliver strong investment performance and outcomes for clients
- 2 Continue diversifying the business by client type, investment strategy and geography
- 3 Attract, develop and retain high-quality talent aligned with our culture
- 4 Expand the range of active investment strategies through recruitment of investment talent and successful product launches
- 5 Reinvestment in UK retail to cement strong position
- 6 Build further on overseas foundations and broaden institutional client offering
- 7 Use technology to enhance investment capabilities and improve client outcomes
- 8 Deliver consistent total returns for shareholders

KEY BOARD ACTIVITIES

Strategy

- Corporate development initiatives which included the proposed acquisition of Merian and the decision to enter into a strategic partnership with NZS in the US.
- Completed a detailed review of our UK retail book of business.
- Approved our 2020 Financial Plan.
- Reviewed our capital management strategy.
- Approved a revised strategy and business plan for our Institutional Business and received updates on the progress thereon.
- Received an update on our technology initiatives and strategy, including the development of our data science capability.
- Oversaw the transition of the European Growth portfolio to an experienced new investment team.
- Considered our current seeding portfolio and agreed that the current seeding limit of £150m remained appropriate.

Link to strategic priorities

1 2 3 4 5 6 7 8

Performance

At each Board meeting the Board receives a report on business performance from the following:

- Chief Executive Officer, which provides an overview of the key developments across the business during the period.
- Chief Financial Officer, which contains detailed analysis of our financial performance and current resources.
- Chief Investment Officer, which provides a detailed overview of the performance of all of our investment strategies.
- Global Head of Distribution, which provides an update of our gross and net flows, split by geography and strategy and provides an overview of the potential flow pipeline.

The Board also undertakes detailed 'deep dive' reviews on specific areas and in 2019 this included specific investment strategies, our use of data science and the progress of our change portfolio.

Link to strategic priorities

1 2 7 8

Risk

- Set our Risk Appetite Statement and monitored compliance thereon.
- Challenged and approved our ICAAP.
- Oversaw the successful completion of our Governance, Risk and Controls programme.
- Reviewed and approved our enterprise risk management framework and the effectiveness of our internal controls.
- Managed risks arising from the transition of the European Growth portfolio to a new investment team.
- Reviewed the liquidity of our fund range and ensured appropriate policies and procedures were in place to manage liquidity.

Link to strategic priorities

1 8

Culture and governance

- Our approach and initiatives to promote diversity and inclusion which included agreeing our revised policy and targets, and receiving updates on the progress thereon.
- Received regular updates on our work to ensure compliance with the Senior Managers & Certification Regime and implementation of the FCA's Asset Management Market Study; two key regulatory projects.
- Regular engagement with our workforce and shareholders.
- Reviewed management's development of a Culture Dashboard and provided feedback on the overall framework and metrics detailed.
- Reviewed our health and safety policies and how these were operating.
- Approved annual and full-year dividends in accordance with our dividend policy.

Link to strategic priorities

3 8

LISTENING AND RESPONDING TO OUR STAKEHOLDERS

S.172 STATEMENT

We recognise that better stakeholder input leads to the increased sustainability of our business strategy.

Section 172 of the Companies Act 2006 requires Directors to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between shareholders of the Company

This section serves as our 'Section 172 Statement' which details how our Board has discharged this duty.

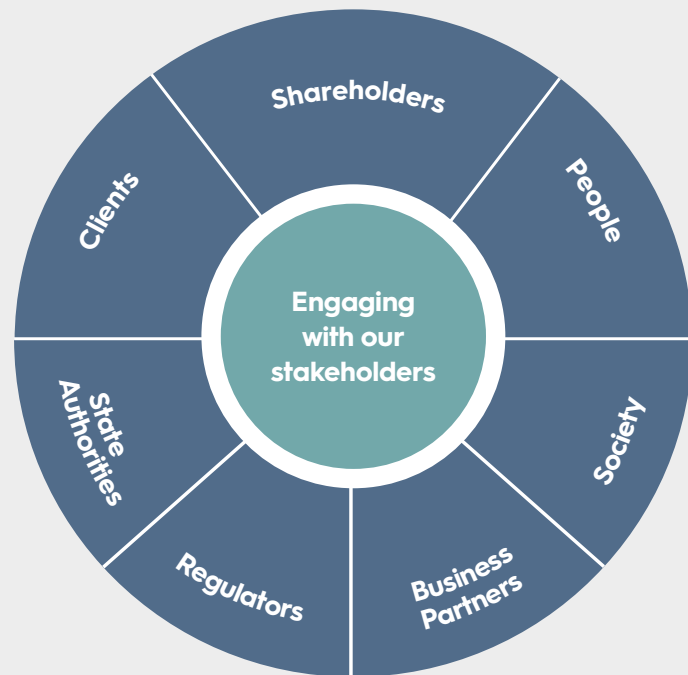
How the Board has discharged its S.172 duties

It is important to note that the Board fulfils these duties partly by delegation through a corporate governance framework as detailed on page 64. An overview of how the Board has discharged this duty is below and the case study overleaf provides a practical example of items considered in a key Board decision.

- The actions taken by the Board during the year to promote the success of the business and how these are linked to our strategic priorities are detailed on page 61. We have a comprehensive risk management framework which helps us to identify, evaluate, manage and mitigate risks to our business and further information can be found on pages 40 to 45.
- Our employees are critical to our business and ensuring we have a culture which attracts and retains talented individuals is of upmost importance to the Board. We have established a workplace advisory panel to help engage with our employees (as detailed overleaf). Information on our people

Our stakeholder groups

Our stakeholders are people, organisations or communities who have an interest or concern in how Jupiter is run. The Board has identified seven stakeholder groups; Clients, Shareholders, People, Business Partners, Regulators, State Authorities and Society.



+ Find out more about our engagement activities in 2019 on p. 52

and initiatives we have in place to support them in their careers can be found on pages 30 to 31.

- Building strong business relationships with our clients, suppliers and business partners is key to ensuring the success of our business. We continually seek our clients' views on our product capabilities and market trends, which we include in our product design process. We obtain feedback on clients' opinions of our services both directly from clients and by participating in initiatives such as research projects. This feedback is provided to the Board by our Global Head of Distribution who is invited to attend all Board meetings. Our suppliers are critical to our business and we ensure there is an appropriate framework for oversight. This includes ensuring suppliers are paid promptly for the goods and services received. During the year our average creditor payment days was 23.
- The Board considers the impact of our operations on the community

and environment. During the year we introduced a Group CSR Committee to ensure appropriate oversight of these matters and the Committee includes our CEO, Vice Chairman and Senior Independent Director. Further information on our initiatives can be found in our CSR Report on pages 48 to 51.

- The Board places great emphasis on maintaining high standards of business conduct and our culture encourages our people to act with integrity at all times. This is supported by the policies and processes we have implemented and further information can be found on page 51.
- Our CEO, CFO and Chairman meet regularly with our major shareholders and report back to the Board. All Directors attend our AGM and shareholders meet the Board and discuss business matters after the conclusion of the meeting. Further information on our full shareholder engagement programme can be found on page 60.

How the Board considers our stakeholders in their decisions

Within our Strategic report on page 52 to 53 we provide information on our stakeholders. This includes the reasons why we engage with each stakeholder group, what the Board understands to be their material interests and the primary methods of engagement. The Board listens to our stakeholders through a combination of information provided by management and also by direct engagement.

The Board seeks to understand each of our stakeholder groups' interests, priorities and views. Each decision will have a different impact and relevance to each stakeholder group, so having a good understanding of their respective priorities enhances the quality of the decisions the Board makes.

Consideration of stakeholder interests are embedded across our business. This enables qualitative conversations about stakeholders and their interests to be held across all levels of the organisation.

Last year we revised our Board paper template to ensure that papers include a section on key stakeholder impacts. We provided training to senior management on the importance of capturing the key stakeholder considerations within the papers. This helps to ensure that when decisions are debated there is clear identification and discussion of the impacts on our stakeholders, and their interests are taken into account.

CONNECTIONS COMMITTEE

In line with the requirements of the Code we have an established employee workforce advisory panel Connections, which comprises representatives from all areas of our business (pictured below). Connections meets on a regular basis to discuss employees' views on a wide variety of matters including the business, its strategy and operations and provides feedback to management and the Board. The Chairman of Connections engages regularly with Senior Management, the Executive Committee and the Board, to discuss the outcomes of Connections' meetings and details of employee views. At one session the Connections Chairman met with just the Non-Executive Directors, and no executives present, to facilitate more open discussion. In addition the Chairman of Connections is a member of our Group CSR Committee, which regularly considers items specifically related to employees, for instance our charitable events, volunteering programmes and diversity initiatives.



CASE STUDY

During the year the Board agreed to make a minority investment in US based investment firm NZS Capital ('NZS') and to enter into a strategic partnership with them to exclusively distribute their investment portfolios. In reaching this decision the Board considered the long-term sustainability of NZS's business model and the impact to our stakeholders. The key considerations are detailed below:

- Our existing clients who could benefit from additional investment strategies, which are aligned with our current investment philosophy. In addition, due to the complementary nature of the investment processes, clients will benefit from NZS activities through collaboration across our investment management teams.
- The Board considered the potential returns on investment for our shareholders. In addition to the direct financial impacts, the investment accelerated our strategy to diversify into new geographies in a manner which reduced the level of risk to our business.
- Ensuring that there was a cultural alignment between NZS and Jupiter was of key importance to the Board. The principals of NZS met with a number of members of our investment management team and senior management and the Board sought feedback on this engagement, all of which was very positive.
- The NZS investment approach goes beyond ESG by considering a broader definition of fiduciary duty that delivers non-zero-sum or win-win outcomes, taking into account customers, employees, the planet and society, in addition to shareholders. This approach will help to provide benefits to our clients and wider society.
- How we would support the operations of NZS and how this would integrate with our business and be supported by our business partners.

OUR GOVERNANCE FRAMEWORK

The chart below provides an overview of how our Board governance framework operates, which includes a summary of the matters reserved for Board decision together with the key roles and responsibilities. The roles of the Chairman, Chief Executive Officer and Senior Independent Director are clearly defined in writing, approved by the Board and available on our website www.jupiteram.com.

GOVERNANCE

BOARD GOVERNANCE FRAMEWORK

Schedule of matters reserved

- Establishing the Group’s commercial objectives and strategy
- Setting the Group’s purpose, culture and values
- Approving significant capital projects, expenditure and borrowings
- Overseeing the Group’s operations and management, and maintaining an effective system of internal controls and risk management
- Setting the annual budget
- Approving the dividend policy and dividend payments
- Overseeing financial reporting, including approving the Annual Report and interim financial statements
- Ensuring adequate succession planning, including agreeing Board and other senior appointments and the appointment or removal of the Company Secretary
- Deciding major acquisitions, disposals and investments

The full schedule of matters reserved for the Board can be found on our website www.jupiteram.com.

BOARD

Chairman

- Leads the Board, ensuring its effective discharge of duties
- Supports the CEO in the execution of duties
- Ensures effective governance
- Ensures views of stakeholders are communicated to the Board and decisions consider their interests

Chief Executive Officer

- Proposes the strategy and ensures its execution
- Runs the business within the delegated authorities, risk management and internal control frameworks
- Builds and maintains an effective management team

Chief Financial Officer

- All aspects of financial and capital reporting and the integrity thereof
- Supports the CEO in the execution of the strategy
- Responsible for relations with shareholders

Executive Vice Chairman

- Stakeholder engagement
- Environmental, social and governance matters
- Supporting Fund Management

Senior Independent Director

- Sounding board for the Chairman
- Leads the Chairman’s performance appraisal and succession
- Available to shareholders, should they have concerns not resolved through normal channels

Independent Non-Executive Directors

- Contribute to and constructively challenge management on the development and implementation of the strategy
- In conjunction with management establish the Board’s risk appetite and monitor the control framework
- Constitute the Board’s governance committees

Executive Committee

- Operates under the authority and direction of the Chief Executive Officer and comprises senior management from key functions
- Responsible for the operational and financial performance of the Group
- Formulates strategy and agrees business plans, budgets, policies and procedures for the day-to-day management of the Group

Audit and Risk Committee

- Board Committee comprises three independent Non-Executive Directors
- Responsible for overseeing financial reporting, risk management and internal control framework, compliance and external and internal audit

+ Read how we are delivering our priorities from p. 71

Remuneration Committee

- Board Committee comprises three independent Non-Executive Directors and the Chairman of the Board
- Responsible for overseeing the remuneration of Executive Directors, senior management and Group-wide policies

+ Read how we are delivering our priorities from p. 76

Nomination Committee

- Board Committee comprises all independent Non-Executive Directors and chaired by the Chairman of the Board
- Recommends changes to the structure of the Board, oversees succession planning for the Board and senior management and talent and diversity policies across Jupiter

+ Read how we are delivering our priorities from p. 67

Board operation

During the year there were six scheduled meetings held, with additional Board meetings held to consider ad-hoc items or provide final approvals as required by the business. In addition, the Board holds a two-day offsite each year which undertakes a deep dive review of the strategy and performance thereon. There is an informal programme of Board events; the Chairman held regular meetings with the Non-Executive Directors, some of which included the CEO. The Senior Independent Director met with the Non-Executive Directors to evaluate the Chairman's performance.

Separately, Non-Executive Directors meet regularly with senior members of management.

The Board holds an annual dinner with members of the firm's Fund Management Team, which enables a more informal discussion around investment strategies and views on the market and the Company.

Induction and training

All new Non-Executive Directors are provided with a full, tailored induction which involves meetings with the Chairman, members of the Executive Committee and senior management, Committee Chairmen, the Senior Independent Director, professional advisors and the opportunity to meet key shareholders.

The induction programme is designed to provide a thorough understanding of the strategy, business, operations, key stakeholders, the governance structure and the regulatory environment. In addition, each Director is provided with key documents including strategic and business plans, an overview of the corporate and organisational structure and governance framework, key policies and governance documents, and provided with access to previous Board and Committee papers and minutes.

BOARD ATTENDANCE RECORD

	Board	Audit and Risk Committee	Remuneration Committee	Nomination Committee
Liz Airey	6/6		5/5	3/3
Jonathon Bond	6/6	5/5	5/5	3/3
Edward Bonham Carter	6/6			
Andrew Formica ¹	4/4			
Charlotte Jones ²	4/4			
Bridget Macaskill	6/6		5/5	3/3
Wayne Mepham ³	2/2			
Maarten Slendebroek ⁴	2/2			
Karl Sternberg	6/6	5/5		3/3
Polly Williams	6/6	5/5		3/3
Roger Yates	6/6		5/5	3/3

1 Andrew Formica joined the Board on 1 March 2019.

2 Charlotte Jones stepped down from the Board on 30 July 2019.

3 Wayne Mepham was appointed to the Board on 3 September 2019.

4 Maarten Slendebroek stepped down from the Board on 1 March 2019.

Directors receive ongoing training through Board briefings, both internally and externally facilitated. This includes business and market developments and legal, regulatory and governance updates. Directors regularly attend external training and update programmes.

All Directors have access to the services of the Company Secretary, who advises the Board on governance matters. The appointment of the Company Secretary is a matter for the Board as a whole. The Board is able to obtain independent advice, at the Company's expense, where this is necessary to discharge their duties effectively.

Independence and time commitment

All of our Non-Executive Directors are considered independent in thought and judgement and under the provisions of the Code. We firmly believe that all of our Directors have sufficient time to dedicate to their duties as evidenced by our Directors' attendance record in the table above and also by their responsiveness to the Company's business. The Nomination Committee Report on page 68 describes the work undertaken by the Committee to provide oversight on these matters.

BOARD EVALUATION PROCESS

In line with the provisions of the Code the Board undertakes an evaluation annually. Every third year this is facilitated by an external evaluator.

The last external evaluation was undertaken in 2017 and internal evaluations have been undertaken in 2018 and 2019. An externally facilitated evaluation will therefore be undertaken in 2020. The diagram below provides details of the process followed for the 2019 evaluation.

Stage 1

Tailored questionnaires developed for the Board, each of its Committees and individual Directors.

Stage 2

The Nomination Committee review and approve the proposed process and questionnaires.

Stage 3

Questionnaires are completed and the results compiled. Reports are then prepared in conjunction with the Chairman.

Stage 4

The Chairman meets with individual Directors to discuss the conclusions of the evaluation process.

Stage 5

The Board and all of its of Committees review their respective evaluations and develop action plans for the forthcoming year.

The evaluation considered the progress made on the priorities identified in the 2018 evaluation process and sought views on actions taken by the Board during the year and the general operation of the Board. The evaluation identified areas for improvement and priorities to focus on in 2020 and these are summarised in the table below:

2018 PRIORITIES

Stakeholder engagement; continued focus on stakeholder engagement, specifically shareholders and employees

External threats; the long-term external risks facing the business need to be a focus (for example Brexit, digital disruption, FinTech and Millennial saving habits

Board/Committee meetings; building on the progress achieved to date and further improving the efficiency and effectiveness

2019 STATUS

There has been continued extensive engagement with shareholders and employees and this was demonstrated by this year's evaluation, with the Board confirming they had a good understanding of shareholder and employee views and that it was felt stakeholders' interests were accounted for in key decisions.

There has been an increased focus on external threats during the year. The Board and the Audit and Risk Committee continued to oversee the Group's preparations for Brexit, which were successfully implemented in March 2019. This is expected to continue to be an area of focus for the Board throughout 2020.

There has been increased focus on the key items and both Board and Committee meetings agendas are split between items which are considered and discussed in depth and those for information and routine approval. Overlap between the work of the Board and its Committees has been reduced.

2019 EVALUATION CONCLUSIONS

The evaluation process demonstrated that the Board continued to operate effectively and that all individual Directors were performing well and to the required standards. A summary of each Committee's evaluation is contained within the relevant Committee's report.

The Board evaluation asked specific questions on key initiatives undertaken during the year, including the Board succession processes for the CEO and Chairman and the strategy day. The feedback on these items was very positive. Overall it was felt that the Board was working very well with a good level of challenge and open debate. The conclusion identified a number of priorities for the Board to consider in 2020:

- Facilitate deep-dive reviews of the Distribution function and key initiatives being undertaken to enable the Board to enhance its understanding of Jupiter's client profile and clients' views.
- Further support Directors' ongoing training and development.
- Enhance Board reporting with more succinct reports providing further clarity on actions and key considerations and increasing the reporting on peer and market data.

NOMINATION COMMITTEE REPORT

Liz Airey, Chairman



COMMITTEE'S KEY RESPONSIBILITIES

- Keep the composition of the Board and its Committees under review to ensure a correct balance of skills, knowledge, experience and diversity is in place.
- Lead the search and selection process for new Board appointments, including identifying the skills and experience required.
- Oversee succession planning for both Directors and Senior Executives.
- Review the Company's policies and practices for talent management, development and diversity.
- Consider each Director's performance and continuing contribution, including the review of their external time commitments and, when appropriate, recommending their re-election to shareholders.

A full copy of the Committee's terms of reference can be found at www.jupiteram.com.

COMMITTEE MEMBERS AND REGULAR ATTENDEES

Members	Appointment date	Meetings attended
Liz Airey (Chair)	May 2010	3/3
Jonathon Bond	Sept 2014	3/3
Bridget Macaskill	Dec 2016	3/3
Karl Sternberg	Dec 2016	3/3
Polly Williams	Dec 2016	3/3
Roger Yates	Oct 2017	3/3

The Committee comprises all independent Non-Executive Directors in accordance with the Code. Other attendees, such as the CEO, HR Director, CFO and General Counsel attend by invitation.

There have been a number of informal meetings held during the year to discuss Board appointments. All required Directors attended.

DEAR SHAREHOLDER

This year the Committee has overseen a period of significant change at both Board and Senior Executive level.

In January this year we announced the appointment of Andrew Formica as Chief Executive Officer and he took over the role from Maarten Slendebroek in March this year. This was an important step in our succession planning and we believe Andrew is the right person to drive the Company forward, which has been evidenced throughout this year.

We also announced the resignation of Charlotte Jones, our Chief Financial Officer, in February. Charlotte stepped down from the Board on 30 July 2019 to join RSA Insurance plc, a FTSE100 Company, as Chief Financial Officer. The Committee commenced a search process, which is described in more detail on page 68, and Wayne Mephram was identified as the preferred candidate. Wayne joined the Board and was appointed Chief Financial Officer in September 2019.

May 2019 marked my ninth year on the Board of Jupiter and in line with the provisions of the 2018 Code, the Committee, led by our Senior Independent Director Jonathon Bond, commenced a process to appoint my successor. An overview of this process is provided by Jonathon on page 70 and resulted in the selection of Nichola Pease as the Company's new Chairman. This change will be effective in March 2020 and I am delighted to be passing the role over to Nichola.

Bridget Macaskill, a Non-Executive Director and Chairman of the Remuneration Committee, has decided to step down from the Board and will not be seeking re-election at the AGM in May. The Committee reviewed the composition of the Board and its Committees and recommended that Roger Yates should be appointed Chairman of the Remuneration Committee, with effect from the conclusion of the AGM. The Committee has also agreed to recruit a new Non-Executive Director and Nichola Pease, as the incoming Chairman, will lead the recruitment process.

NOMINATION COMMITTEE REPORT

There have been a number of changes to the Executive Committee during the year to strengthen and broaden the level of experience in our senior management team. These changes will help to ensure that the Company executes our strategy and achieves our goals.

Ensuring that there is wider diversity, not just at Board level, but across all levels of our organisation is a key part of the Committee's oversight responsibilities and has been considered at both Committee and Board meetings. We believe that, by creating an inclusive culture, we ensure that we are able to continue to attract and retain top talent. Having a diverse Board, senior management team and workforce leads to better decision-making and performance for the benefit of all of our stakeholders. Our approach and initiatives to help drive diversity can be found in our talent and culture section on page 31.

Liz Airey, Chairman

27 February 2020

Key activities during the year

- Oversaw the recruitment process for the Chief Financial Officer and recommended the appointment of Wayne Mephram to the Board. Further details on this process can be found under Director appointments.
- Led by the Senior Independent Director, undertook succession planning for the role of Chairman and recommended the appointment of Nichola Pease to the Board.
- Reviewed the Board skills, experience and knowledge and assessment of the composition of the Board and its Committees.
- Assessed the contribution, independence and performance of Directors and recommended their reappointment to the Board.
- The review and challenge of succession plans for the Executive Committee and other senior managers.
- Changes to the composition of the Executive Committee and oversight of coaching and development plans.
- Various Group initiatives in relation to talent management and diversity, further details of which can be found on pages 30 to 31.

Board skills and experience

The Committee keeps the skills and experience of the Board and its Committees under review. The Committee has identified the limited amount of technology and legal experience amongst the Board members. After consideration it was agreed that these skills gaps should continue to be supplemented by utilising the expertise of our senior management.

The General Counsel attends all Board meetings and is able to advise the Board on any legal or regulatory matter which may be discussed at the meeting. Our Head of Technology provides regular updates to the Board and Audit and Risk Committee on our technology strategy, cyber risk, data science and developments in technology more widely. Our Legal and Technology Teams are always available to advise the Board, outside of the formal Board schedule.

Director appointments

For all Board appointments the Committee engages a recruitment firm to help identify external candidates and identifies internal candidates itself.

The Committee decides on the recruitment firm to be appointed and provides a specific brief, including a detailed role profile and a requirement for a diverse list of candidates.

Odgers Berndtson, who have no other connection with Jupiter other than for recruitment, were retained to assist with the recruitment of a new CFO. A long list of candidates was presented by Odgers Berndtson and selected candidates were interviewed by members of the Committee and other Directors, and met with senior managers as appropriate. Standard vetting and skills assessments were undertaken. Feedback was collated and discussed by all members of the Committee who decided upon the preferred candidate and made a recommendation to the Board, who made the final decision.

Directors' external commitments

At each meeting a schedule of Directors' external appointments, which includes details of the required time commitments for those roles, is reviewed by the Committee to ensure all Directors can commit enough time to their duties. This includes consideration of the need for Directors to have sufficient capacity to be able to address non-standard business situations arising in different roles at the same time, which could increase the time requirements on the Director. Any significant new appointments are required to be approved by the Committee. The Committee is confident all Directors have sufficient time to dedicate to their duties and this has been further evidenced in practice throughout the year.

For the last two years the reappointment of Karl Sternberg as a Director of the Company has received approval from shareholders below 80%. As previously discussed, following engagement with our major shareholder, this is due to their voting policy which is particularly stringent on this matter and goes beyond those of the proxy advisors and the majority of our other shareholders.

All of Karl's appointments outside of Jupiter are to listed investment trusts, which by their nature, require substantially less time commitment than a listed operational company. Karl was appointed to the Board in 2016 for an initial term of three years (subject to annual re-election by shareholders). During 2019 the Committee conducted a detailed review of Karl's performance, contribution and commitment to his role. The Committee unanimously recommended his reappointment for a further three-year term. The review specifically highlighted his depth of knowledge in the asset management sector, his ability to constructively challenge management and responsiveness to Jupiter business. It was also noted that Karl often provided support to management, especially within the fund management teams, outside of Board meetings and Company events. The Board remains fully confident he has sufficient time to fulfil his duties and continues to provide a very valuable contribution to the Group.

During the year an internal evaluation of the Committee's effectiveness was undertaken, the process for which can be found on page 66. The table below provides an update on the priorities identified in the 2018 evaluation and also a summary of the conclusions from the 2019 evaluation.

2018 PRIORITIES	2019 STATUS
Chairman succession	This has been a key focus of the Committee during the year and we were pleased to announce the appointment of Nichola Pease as our new Chairman which will be effective in March 2020.
Development of senior management team	We have continued to develop our senior management team with a number of key appointments during the year. The 2019 evaluation highlighted the importance of ensuring that the new senior management team were fully embedded and the need to monitor their continued development.
Continued oversight of succession planning and talent development	A number of steps have been taken to enhance the strength and depth of the senior management team, which has assisted succession planning across the organisation.

2019 EVALUATION CONCLUSIONS

The evaluation process demonstrated that the Committee had operated effectively and particularly commended the recent Board recruitment processes. The Committee identified a number of priorities for 2020:

- Continued focus on succession planning and talent development across the business, in light of significant executive changes during 2019.
- Enhance engagement with management across the business.
- Consider improvements to meeting management by extending attendance at meetings where appropriate and reducing presentations of standard papers to enable further time for constructive debate and challenge.

NOMINATION COMMITTEE REPORT

Letter from the Senior Independent Director

Jonathon Bond,
Senior Independent Director



DEAR SHAREHOLDER

In November 2019 we were delighted to announce the appointment of Nichola Pease as our new Chairman effective from 2 March 2020. This letter provides an overview of the recruitment process.

We first started succession planning for the Chairman role in 2018, following the publication of the new UK Corporate Governance Code and its provisions relating to the Chairman's tenure. At this time we developed a specification for the role, which included the key skills, experience and personal characteristics desired in the Chairman. We engaged an external search firm, Russell Reynolds, to undertake a search and to provide a longlist of diverse candidates for consideration. During this process it was decided to accelerate our plans for the CEO succession and therefore we agreed it was in the best interests of the Company and good governance to have continuity in the role of Chairman whilst the transition in CEO was completed.

The Chairman succession planning was therefore recommenced in 2019. The role specification was reviewed, and it was agreed Russell Reynolds would continue to be engaged on the executive search. Russell Reynolds has no other connection with the Company, other than in the provision of recruitment services. A long-list of candidates was developed with individuals sourced by Russell Reynolds and any internal candidates. Selected candidates were then interviewed by myself and other Board members in order to agree a short-list of potential candidates.

Further interviews, meetings with senior management and vetting were undertaken on each short-listed candidate before feedback was collated and discussed by the Nomination Committee, excluding any interested parties. The Committee unanimously agreed that Nichola Pease was the preferred candidate to recommend to the Board.

Nichola has extensive experience and understanding of investment management and this was a key criterion for the role. In addition, her diligence, strategic approach, and leadership skills were highlighted.

The Nomination Committee considered Nichola's independence and noted that whilst Nichola and Andrew Formica had not previously worked together, they had co-founded Investment20/20 which was an industry wide-initiative to bring more diverse talent into the asset management sector. The Committee considered this, and the level of independence and integrity demonstrated by Nichola, together with the wide industry participation in Investment20/20. It was agreed that this would not impact Nichola's independence and in accordance with the requirements of the Code Nichola was considered independent on appointment.

We are delighted to welcome Nichola to the Board as Chairman effective from 2 March 2020 and look forward to shareholders having the opportunity to meet with her at the forthcoming AGM to be held in May.

I would personally like to extend my thanks to Liz Airey for her significant contribution to the Company since her appointment to the Board in 2010. She has overseen a period of significant growth for Jupiter and her excellent stewardship and commitment has benefited all of the Company's stakeholders.

Jonathon Bond,
Senior Independent Director

Nichola Pease,
Chairman Designate



AUDIT AND RISK COMMITTEE REPORT

Polly Williams, Chair of the Audit and Risk Committee



COMMITTEE'S KEY RESPONSIBILITIES

- Overseeing the Group's financial reporting processes, including reviewing statements, announcements and judgements concerning its financial performance.
- Assessing the principal risks that could impact the Group's business model, future performance, liquidity and solvency.
- Review and monitor the effectiveness and adequacy of the process for identifying, assessing, mitigating and managing significant strategic, operational and liquidity risks, appetites and tolerances.
- Reviewing the Group's internal controls and risk management systems on an ongoing basis including the adequacy and effectiveness of the framework used to monitor the Group's significant outsourced relationships.
- Reviewing the Group's whistleblowing arrangements and ensuring the proportionate and independent investigation of any matters reported.
- Overseeing the appointment, performance, remuneration and independence of the external auditors, including the provision of non-audit services to the Group.
- Monitor and review the effectiveness of the Group's internal audit function.

A full copy of the Committee's terms of reference can be found at www.jupiteram.com.

COMMITTEE MEMBERS AND REGULAR ATTENDEES

The Committee is comprised solely of independent Non-Executive Directors in accordance with the UK Corporate Governance Code. There have been no changes to the Committee's membership during the year. Jonathan Bond is also a member of the Remuneration Committee, ensuring the identification of issues relevant to both Committees.

Members	Appointment date	2019 Meetings attended
Polly Williams (Chair)	March 2015	5/5
Jonathon Bond	July 2014	5/5
Karl Sternberg	July 2016	5/5

The Chairman and members of senior management are invited to attend Committee meetings. The Board has confirmed that it is satisfied that the Committee as a whole has the competence relevant to the asset management sector. The Board has also confirmed that Polly Williams holds recent and relevant financial experience.

DEAR SHAREHOLDER

The Committee monitors and challenges the Group's financial reporting, internal controls and risk management systems to ensure that shareholder interests are protected.

The key responsibilities of the Committee did not change during the year and included overseeing the Group's financial reporting, challenging and examining the Group's systems of internal control and risk management, assessing the independence and objectivity of the external auditors and monitoring the effectiveness of internal audit.

In addition to these key responsibilities the Committee has continued to monitor and challenge the progress made by the Group to enhance its internal control environment. Detailed reviews of the independence of the external and internal auditors were conducted and the Committee reviewed and challenged the Internal Capital Adequacy Assessment Process ("ICAAP") process and the Group's capital management practices. The Committee received presentations from management on the Group's operational resilience and its defences against cyber attacks. During the year the Committee reviewed liquidity across the Jupiter range of funds and the processes to ensure fund liquidity was appropriately managed.

In September 2019, Wayne Mephram joined Jupiter as the Group's Chief Financial Officer and Veronica Lazenby was appointed Chief Risk Officer in February 2020. These appointments are critical to the oversight responsibilities of the Committee and I, as Committee Chairman, participated in the selection process for both.

I hope that you find this report a useful insight into the work of the Committee and I look forward to meeting with shareholders at our AGM on 21 May 2020.

Polly Williams, Chair of the Audit and Risk Committee
27 February 2020

AUDIT AND RISK COMMITTEE REPORT

Key activities during the year

- Considered whether the Group’s 2019 interim and annual financial reports were fair, balanced and understandable and provided the information necessary for shareholders to assess the Company’s position and performance, business model and strategy.
- Reviewed and challenged management on the determination of Alternative Performance Measures (“APMs”) and the measures proposed by management for inclusion in financial reporting, with a specific focus on exceptional items.
- Considered a report from PwC on the Group’s regulatory capital including the regulatory returns, ICAAP and Pillar 3 disclosures and challenged management’s response to PwC’s recommendations.
- Reviewed the performance and independence of the external auditors and monitored the provision of non-audit services, including the

approval of non-audit service costs that exceeded £50,000.

- Reviewed the effectiveness of the Group’s internal control environment and monitored delivery of the Governance, Risk and Control programme.
- Reviewed updates to the Group’s whistleblowing arrangements and received a report from the Chairman of the Committee as Whistleblowing Champion.
- Challenged the approach, methodology and results for the Group’s ICAAP and wind-down plan.
- Reviewed liquidity management of the Group’s funds.
- Reviewed cyber risks and the Group’s defence systems and processes.
- Reviewed procedures for the deterrence, detection and prevention of fraud.
- Received quarterly reports from the Chief Compliance Officer on material compliance and regulatory matters impacting the Group.

- Reviewed the Group’s AAF report and challenged management on the issues identified.
- Received regular updates on the progress and status of internal audit reviews and monitored management’s responses to address audit actions.
- Reviewed the effectiveness of the internal audit function.

Meetings

During the year the Committee held five scheduled meetings; these were held at key times in the audit and financial reporting schedule. The Chairman regularly meets on a one-on-one basis with members of senior management to fully understand any matters of concern and to facilitate effective debate at Committee meetings. In addition the Committee holds private and separate meetings with the external audit team, Internal Audit, Chief Risk Officer, Head of Compliance and the Chief Financial Officer.

Committee effectiveness

During the year an internal evaluation of the Committee’s effectiveness was undertaken, the process for which can be found on page 66. The table below provides an update on the priorities identified in the 2018 evaluation and also a summary of the conclusions from the 2019 evaluation.

2018 PRIORITIES

Implementation of enhancements to the Group’s operations and assurance process

Implementation of the Senior Managers and Certification Regime (SM&CR)

Resilience to external risks

Technological developments and the operations of the Group

2019 STATUS

This has been a key focus of the Committee during the year with updates provided at each meeting during the year. The dedicated programme to enhance the Governance, Risk and Control framework was successfully completed by the business at the end of 2019.

The Group successfully implemented the requirements of a ‘Core’ firm in advance of the 9 December 2019 deadline. The Committee will continue to monitor the Group’s compliance with the regulation.

The Committee received briefings from management on operational resilience and cyber risk during the year, in addition to its regular risk management updates.

Initiatives have been implemented by the business to automate manual processes across the organisation, where appropriate.

2019 EVALUATION CONCLUSIONS

The evaluation process demonstrated that the Committee had operated effectively during the year and particularly commended the open debate and challenge during Committee meetings and the effectiveness of the Committee Chairman. The Committee identified a number of priorities for 2020:

- Continued focus on ensuring the Committee effectively balanced its time between financial and risk matters
- Enhanced engagement with management on the external risk landscape and the operational resilience of the Group
- Consider opportunities to increase exposure of the Committee to digital and tech expertise

Annual report and accounts

The Committee has assessed the financial statements of the Company as to whether they are fair, balanced and understandable and that they accurately represent the financial position and performance of the Company. The key areas of estimation and judgement considered by the Committee are detailed below:

Key areas of estimation and judgment

Share-based payments	<p>The most significant share-based payment accounting costs for the Company relate to Long-Term Incentive Plans ("LTIP") and Deferred Bonus Plans ("DBP"). The key area of estimation is on the anticipated levels of vesting and timing of exercising of options.</p> <p>The Committee reviewed the assumptions in leaver rates and the proposal by the Finance Team to increase the leaver rate assumption for LTIPs over the life of the awards. The impact of this assumption to the Income statement was reviewed and the Committee agreed that these assumptions were appropriate.</p>
Goodwill	<p>The Group has goodwill of £341.2m on its balance sheet which is not amortised and remains the same from year to year unless deemed impaired. A full impairment test using a discounted cash flow model was conducted during the year. The test demonstrated that there continued to be significant headroom available between the fair value of the goodwill asset and its carrying value.</p> <p>The Committee agreed with the Finance Team's recommendation that no impairment of the Group's goodwill was required.</p>
Lease assets and liabilities	<p>IFRS 16 became effective for periods beginning on or after 1 January 2019. The new standard removes the distinction between operating and finance leases and requires the recognition of a right of use asset and corresponding liability for future lease payments. The Committee received updates throughout the year on the impact of IFRS 16 and key judgements, including the determination of the lease term and identification of an appropriate discount rate to use in the calculation of the lease liability. The Group opted to apply IFRS 16 using a modified retrospective approach and adjusted its opening reserves at 1 January 2019.</p> <p>The Committee agreed with the discount rate recommended by the Finance Team and the estimation and judgement required to determine the incremental borrowing rate.</p>
Seed investments	<p>In accordance with IFRS 10 the Group is required to consolidate any entities under the control of the Company. A number of factors are applied to identify the funds that require consolidation. The Committee discussed the approach taken by the Finance Team and agreed that the methodology applied was appropriate.</p>

Significant accounting matters

Gains and losses on fund awards	<p>As part of its annual compensation, Jupiter makes deferred awards to certain employees in the form of cash payments linked to the value of specified fund units ("fund awards"). Subsequent to their grant, fund awards are treated as liabilities of the Group and remeasurements in the liability recognised in the Income statement with the Group hedging for this exposure.</p> <p>The Committee agreed with the Finance Team's proposal to treat the gains and losses of exposure to fund awards under staff costs, rather than under gains and losses. Appropriate disclosure has been made in the notes to the accounts to ensure the financial statements fully explain the details of the transactions.</p>
Trade and other receivables/ payables	<p>The Company has contested VAT payments across certain matters with recoverable costs.</p> <p>The Committee reviewed the status of the ongoing legal cases and agreed it would be updated on any material developments. It was agreed that the accounting treatment was appropriate.</p>

AUDIT AND RISK COMMITTEE REPORT

Going concern

The Committee is responsible for reviewing whether it is appropriate for the Company to adopt the going concern basis of accounting in preparing the half-year and annual financial statements for the year ended 31 December 2019.

The Committee reviewed a number of factors such as liquidity management and cash generation from operations, contingent liabilities, unfavourable market scenarios versus the Group's core forecasts and other risks to the Group's operations or balance sheet position.

The Committee resolved that it was appropriate for the Group to adopt the going concern basis of accounting in preparing the half-year and annual financial statements for the year ended 31 December 2019 and that the Company would be able to continue to operate over a period of at least 12 months from the date of approving the financial statements.

Statement of viability

Under the 2018 Corporate Governance Code the Company is required to provide a statement of viability which can be found on page 37. The Committee reviewed the Group's viability for a period of three years and discussed the Group's current financial position, the Group's liquidity and any risk to its future liquidity, its capital surplus position and, for the annual financial statements for the year ended 31 December 2019, the impact of the proposed acquisition of Merian Global Investors Limited. The Committee recommended to the Board that the viability statement be approved.

Fair, balanced and understandable

The Committee assessed whether, taken as a whole, the 2019 Annual Report and Accounts was fair, balanced and understandable and provided the information necessary to assess the Company's position and performance, business model and strategy. A workshop was held for the Non-Executive Directors in January 2020 to review and provide feedback on the presentation of the Annual Report as a whole. The Committee reviewed the accounts at its February meeting and the Committee agreed that the 2019 Annual Report and Accounts had met the test of fair, balanced and understandable and provided a true representation to shareholders of the Company's position and performance, business model and strategy.

Alternative performance measures

The Committee reviewed the approach proposed by the Finance Team for disclosure of APMs. The Chairman of the Remuneration Committee attended the Committee's discussion on exceptional items at its December meeting to ensure the principles adopted to determine underlying profits and exceptional items were fully aligned with those identified for the determination of the variable compensation pool.

The Committee reviewed the principles proposed by the Finance Team for the calculation of adjustments to determine underlying profits. Exceptional items are defined as items of income or expenditure that are significant in size and which are not expected to repeat over the short to medium term. Such items have been separately presented to enable a better understanding of the Group's ongoing financial performance and where appropriate such items may be recognised over multiple accounting periods. The exceptional items for the 2019 financial year relate principally to accelerated accounting charges for deferred employee awards and redundancy costs. The Committee reviewed the costs proposed by the Finance Team as exceptional items for the period and agreed that they met the principles for treatment as exceptional items.

The use and disclosure of APMs in the Annual Report and Accounts was reviewed by the Committee and was found to be appropriate with clear definitions and explanations.

External audit

PwC served as the Group's external auditors during the year.

Tenure

PwC was reappointed as the Company's external auditor following a formal tender in 2014. PwC was first appointed external auditor in 2007. Jeremy Jensen has been the lead audit partner since 2015, and the completion of the 31 December 2019 audit concludes his five year tenure. The Chairman of the Committee participated in the selection of his replacement, Colleen Local. The Company is in compliance with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 and the Corporate Governance Code.

Effectiveness

A formal evaluation was conducted of the independence and effectiveness of PwC as the Company's external auditors. The evaluation was fulfilled by means of a questionnaire completed by members of the Committee and employees that had participated in the audit process. Questions assessed the robustness of the audit, the quality of delivery, the quality of people and service and the audit fee. Overall, PwC was found to have performed effectively during the audit and to have upheld high standards of professional service.

Fees

During the year PwC informed the Committee of its expectation that fees charged in respect of the audit would increase going forwards, driven principally by changes to the audit market and an increased focus on audit quality. The Committee challenged the level and rationale for the increases.

The fees incurred with PwC during the year are disclosed below.

Audit fee

2019 £0.3m

2018 £0.2m

Audit related assurance services

2019 £0.2m

2018 £0.2m

Audit fee for subsidiaries

2019 £0.7m

2018 £0.4m

Other assurance services

2019 £0.2m

2018 £0.3m

Other non-audit services

2019 £0.2m

2018 £0.1m

Services classified as non-audit services, as above, include the review of the interim results, CASS audit, overseas regulatory audits and assurance over the AAF Controls Report, for which there are material benefits for having this undertaken by our auditors. The Committee is of the view that the provision of these services by PwC continues to be the most efficient and cost-effective means for this work to be completed.

The increase in audit fees for subsidiaries was driven by the new Luxembourg management company which commenced operations in March 2019.

Non-audit services

To safeguard the external auditors' objectivity and independence the Committee has approved a non-audit services policy, which sets out the procedure for the provision of any non-audit services by the external auditors to any entity within the Group. The policy requires all non-audit services amounting to £50,000 or more to be approved by the Committee. At each Committee meeting the non-audit spend of the Group is reviewed and an assessment made of the independence of the external auditors.

The increase in non-audit services costs for the year was largely due to the engagement of PwC to conduct non-audit work of the Company's regulatory capital management. The Committee had carefully considered whether PwC was the correct supplier for this service and had agreed that it was more efficient and cost-effective, based on PwC's existing knowledge of the business.

Internal audit

The Group's Internal Audit function is outsourced to EY. The lead Internal Audit Partner reports directly to the Chairman of the Committee. The Committee worked with Internal Audit to ensure that the audit plan for the year addressed the most material risks to the Group and the key themes affecting the asset management industry. This included a focus on client assets, front office controls, market abuse controls, cyber security and business change management. A total of 11 internal audits were completed during 2019.

Effectiveness of Internal Audit

During the year the Committee reviewed the effectiveness and independence of the Internal Audit function. In order to ensure a full understanding of performance an assessment was completed by senior management and other senior employees involved in Internal Audit's work during the year. Key performance metrics were considered under four main categories: Scope and Planning; Knowledge and Experience; Conduct of the Internal Audit team; and Quality of reporting.

The effectiveness review demonstrated that:

- Audits conducted were focused on the highest risk areas to the Group
- The Internal Audit team was flexible in responding to changes in the business
- The knowledge and experience of the Internal Audit team was good and effectively supported the internal audit process

Areas identified as priorities for 2020 included drawing more on EY's specialist industry expertise and insights on key industry themes and trends before and during the audit process. The Committee reviewed whether outsourcing of the Internal Audit function to a specialist independent provider continued to be appropriate for the business. The Committee remained of the view that outsourcing the function to an external provider remained appropriate, in particular as it facilitated access to a range of subject matter experts. EY conducted its own independent assessment of the effectiveness of internal audit. The Committee will monitor the implementation of areas identified for improvement.

In line with the approach taken for the external auditors, the Committee monitors the fees paid to EY for services outside the internal audit to ensure their objectivity and independence.

Risk management and internal control environment

The Committee has responsibility delegated from the Board for oversight of the Group's systems of control and risk management. The Committee fulfils this responsibility by monitoring the Company's risk and control framework to ensure it is adequate and managed effectively to achieve the Company's long-term strategic objectives.

Monitoring of the Group's risk management environment

During the year the Committee received regular management reports from the Chief Risk Officer on:

- Strategic, operational and investment risks
- Performance in accordance with the Enterprise Risk Framework
- Performance in accordance with the Risk Appetite Statement

The Committee reviewed the Group's ICAAP and recommended its approval to the Board. In its review of the Group ICAAP, the Committee assessed and challenged:

- Management's methodology and approach
- The risk management framework
- Operational risk scenarios and assumptions
- Capital and liquidity stress testing
- The Group's proposed wind-down plan

Monitoring of the Group's internal control environment

During the year the Committee:

- Evaluated and monitored material control issues identified by management through regular reports from the Chief Operating Officer and the Head of Enterprise Risk.
- Considered reports from the second line of defence on the oversight of operational risk controls.
- Reviewed reports from the third line of defence on the maturity of the internal control environment.
- Monitored implementation of the Governance, Risk and Control programme.
- Conducted an annual review of the effectiveness of Jupiter's system of risk management and internal control which includes financial, operational and compliance controls. The Committee recommended to the Board that the risk management and internal control framework was operating effectively.

The Committee welcomed the progress made by the Governance, Risk and Control programme to enhance the Group's controls and embed a more robust risk and control culture. The programme successfully completed at the end of the year and transitioned to a 'business as usual' environment. The programme established Business Control Forums ("BCF"), a quarterly meeting between function heads and their direct reports dedicated to monitoring and directing their risk and control environment. The BCFs have provided additional clarity to senior managers on how effectively their control environments are operating and enhanced management information on key risks and controls.

REMUNERATION COMMITTEE REPORT

Bridget Macaskill, Chairman of the Remuneration Committee



COMMITTEE'S KEY RESPONSIBILITIES

- Determining the overarching policy for the remuneration of the Group's employees, ensuring it is structured in a way that rewards individual and corporate performance and is aligned with appropriate risk, compliance and conduct standards and the long-term interests of shareholders, clients and other stakeholders;
- Determining the overall size of the annual variable compensation pool and the total compensation ratio;
- Determining and reviewing annually individuals who may be considered to have a material impact on the risk profile of Jupiter, relevant subsidiaries and/or its funds (Code Staff) for the purposes of the relevant remuneration regulations;
- Determining the Chairman's fees and the total individual remuneration packages of Executive Directors, Executive Committee members and individuals identified as Code Staff;
- Approving the design of, determining the targets for, and monitoring the operation of, any performance-related pay schemes operated by the Group;
- Reviewing the design of all share incentive plans and deferred bonus arrangements for approval by the Board and, if applicable, shareholders; and
- Overseeing any major changes in employee benefit structures throughout the Group.

A full copy of the Committee's terms of reference can be found at www.jupiteram.com.

COMMITTEE MEMBERS AND REGULAR ATTENDEES

Members	Appointment date	Meetings attended
Bridget Macaskill (Chair)	May 2015	5/5
Liz Airey	April 2012	5/5
Jonathon Bond	February 2015	5/5
Roger Yates	October 2017	5/5

The Committee comprises only independent Non-Executive Directors in accordance with the UK Corporate Governance Code. The Chief Executive Officer, Company Secretary, HR Director and Head of Reward are invited to attend Remuneration Committee meetings to contribute.

In addition, the CFO, CIO, CRO and Compliance Director are invited to attend Committee meetings to provide specific input, where requested. No individual is present when their remuneration is being discussed.

DEAR SHAREHOLDER

I am pleased to present our Directors' Remuneration Report ("DRR") for 2019.

2019 was a year of significant change for Jupiter. We welcomed both a new CEO and CFO, as well as two other new Executive Committee members, bringing a refreshed leadership team to the Company. One of our most senior and key fund managers, who led our European Growth strategy, departed Jupiter in October 2019. Fortunately, as part of our ongoing succession planning, we had already recruited two new fund managers who were able to take over the management of the funds in a smooth transition. However, this switch did lead to some redemptions which we discuss further below. Despite this overall level of change, Jupiter has continued to maintain positive investment performance for its clients, which is our primary purpose.

Leadership changes

As announced in last year's DRR, Andrew Formica succeeded Maarten Slendebroek as CEO from 1 March 2019. Andrew's fixed and variable compensation has been determined in line with our approved Directors' Remuneration Policy.

Under the terms agreed for Maarten's departure, he has been awarded a pro-rata bonus for the 2019 performance year up to 30 April. Full details of the remuneration arrangements in relation to Maarten's departure were provided on page 82 of the 2018 Annual Report and Accounts.

Charlotte Jones also left the Company in 2019, having served as CFO for almost three years. She is not entitled to a bonus in respect of 2019 and forfeited all previously deferred unvested compensation awards. Wayne Mephram joined as successor in September 2019 and full details of the terms of his appointment and those of Charlotte's departure are provided on page 89.

Performance and remuneration for 2019

Investment performance for clients remained strong, with 55% and 72% of mutual fund AUM performing above the median, after all fees, over one and three years respectively.

Underlying PBT declined 11% year-on-year due to reduced management fees as a result of lower average assets under management and lower performance fees, partially offset by a decline in administrative expenses.

It was disappointing that flows were negative for the year, although the two funds which were responsible for the majority of outflows in 2018, Dynamic Bond and Strategic Bond, recovered strongly and experienced aggregate net inflows of £2.0bn during the year. A significant majority of the net outflows for 2019 were the result of the change of lead managers in our European Growth strategy as noted above. While such outflows are not unusual when a top performing manager departs, the major part of this redemption activity has now occurred and we do not expect to see the same pattern in 2020.

Bonus outcomes for 2019 were determined in accordance with the balanced scorecard and were 56% of the potential maximum for the CEO, representing a fractional increase compared to the prior year. This is reflective of the quantitative financial metrics mentioned above as well as significant progress against strategic and individual objectives. Details of actual performance against the targets set for 2019 and the specific individual variable pay awards can be found on pages 85 to 88.

The level of overall change and restructuring in 2019 led, unusually for Jupiter, to some exceptional charges which are further detailed on page 36 of the Annual Report and Accounts. The variable compensation ratio of 30% sits fractionally above the top end of the range previously communicated to shareholders, whilst total compensation of 34% remains in line with previous guidance.

In future, we intend to focus solely on the total compensation ratio as the most meaningful metric to report to shareholders. The Committee considers this to be the most relevant data point for assessing whether the Company's overall remuneration spend is appropriate relative to the corporate financial performance and the returns experienced by shareholders.

The link between strategy and remuneration

Jupiter's primary focus is on delivering value to clients through long-term investment outperformance after all fees. Jupiter's business model of combining this investment outperformance with an effective distribution platform, supported by efficient and scalable operations, has enabled us to deliver value to shareholders since listing in 2010.

The Directors' Remuneration Policy aims to support the delivery of the Company's growth strategy, by incorporating key

financial and strategic performance measures into the bonus scorecard (page 88) and the LTIP performance conditions (page 92), whilst allowing the Remuneration Committee appropriate discretion to ensure bonus and LTIP payouts remain in line with overall shareholder experience.

Linking risk and reward

In line with regulation, a high proportion of variable compensation is deferred into shares over a period of three years, further aligning the interests of Executive Directors with those of shareholders. A two-year post-vesting holding period on LTIP awards and robust malus and clawback provisions on all variable compensation ensure Executive Directors are rewarded for delivering on the long-term business strategy and a strong governance framework exists to appropriately manage all elements of performance related pay.

The introduction of the Senior Managers and Certification Regime for asset managers towards the end of 2019 reinforces the continued importance risk, compliance and conduct must serve in remuneration both at a corporate and individual level. The Committee has had in place for a number of years a robust set of checkpoints it must review before approving the variable compensation spend each year (as described in detail on page 99), as well as operating a risk, conduct and compliance underpin for all individuals. This allows for individual variable compensation awards to be reduced where appropriate, potentially to zero.

Pensions

Since listing in 2010, Jupiter has maintained a single and equitable policy on pension contributions across its entire UK workforce. Employer pension contributions for all UK employees, including Executive Directors, are set at 15% of salary, regardless of length of service or any other factor.

Developments in legislation and governance

The Directors' Remuneration Policy (the "Policy"), as approved by shareholders at our 2018 AGM, remains appropriate and no changes are proposed this year. The Annual Report on Remuneration is subject to an advisory shareholder vote at our 2020 AGM.

The 2018 DRR contained publication of the Company's first CEO pay ratio, with the Committee having considered it to be in shareholders' best interests to comply with the new requirement a year in advance of being required to do so. 2019 is therefore our second year of making such a disclosure and corresponding analysis of the year-on-year trend is included with the disclosure later in this report.

Additionally, the Committee has considered the various requirements under the latest Corporate Governance Code in relation to justification of Executive Director pay in the context of strategic rationale, internal and external measures and Company-wide pay policies.

Employee share ownership

Employee share ownership continues to be a strong area of focus at Jupiter to ensure alignment with our other shareholders in having a long-term interest in the Group's performance.

Towards the end of 2019, the Company agreed to grant all eligible employees a free share award under the Company's Share Incentive Plan ("SIP") in early 2020. This award, contingent upon employees continuing to serve with the Company for at least three years from the award date, ensures full participation in at least one of the Company's all employee share plans. The cost of this will be included in the variable and total compensation ratios for the financial years over which the award is charged.

In addition, approximately 55% of employees hold share options under our second all employee share plan, Sharesave.

Shareholder engagement

I would like to thank shareholders for their support in approving our previous Annual Report on Remuneration at the 2019 AGM, with over 96% of votes cast in favour. 2020 will see Jupiter embark on its triennial review of the Directors' Remuneration Policy in respect of implementing a new three-year policy with effect from 2021. As part of this process we will seek to proactively engage with our significant shareholders and investor bodies to obtain feedback in respect of our existing policy and where improvements can be made to reflect evolving best practice and regulation.

We also welcome feedback at any point in time from our entire shareholder base regarding our Remuneration Policy and its application, and we hope that we will earn your support in respect of our Remuneration Report for 2019 at the forthcoming AGM. As announced with our year-end results on 28 February, I have decided to step down from the Board at the conclusion of the 2020 AGM and therefore this will be my last report as Chairman of the Remuneration Committee. It has been a privilege to participate in Jupiter's growth over the last five years and I wish the team every success for the future. I look forward to seeing many of you at the AGM in May.

Bridget Macaskill, Chairman of the Remuneration Committee
27 February 2020

Remuneration policy table – components of Executive Director remuneration

This section of the Remuneration Report provides an overview of the key remuneration elements in place for Executive Directors. We have not made any changes to our Remuneration Policy this year and as such remain bound by the Policy approved at the 2018 AGM.

We have not reproduced our full Remuneration Policy in this report, but the main elements are set out in the policy table below and overleaf. A copy of our full Directors' Remuneration Policy as approved by shareholders in 2018 is available in the Remuneration Report section of the 2017 Annual Report and Accounts, a copy of which can be found on our website:

www.jupiteram.com/en/corporate/Investor-Relations/Reports-and-results.

	PURPOSE AND LINK TO STRATEGY	OPERATION
Base salary	Provides an element of fixed remuneration which reflects the size and scope of the role and the calibre of the individual.	Base salaries are generally reviewed annually and take into account a range of factors, including: <ul style="list-style-type: none"> • size and scope of the role; • skills, performance and experience of the individual; • market competitiveness; • wider market and economic conditions; and • the level of increases in the wider employee population.
Pension	Provides individuals with market competitive retirement benefits. Supports recruitment and retention of high-calibre people to deliver the business strategy.	Payments are made at a consistent level to all UK employees, either into a pension plan (for example, into a defined contribution plan or some other arrangement which the Committee considers to have the same economic benefit) or delivered as a cash allowance of the same equivalent cost to the Company.
Benefits	Provides individuals with market aligned benefits.	Benefits are provided on a consistent basis to all UK employees. Typical benefits include: private medical insurance, life assurance, dependants' pension and an income protection scheme to cover long-term illness.
Annual bonus and Deferred Bonus Plan ('DBP')	<p>The annual bonus rewards corporate performance and the achievement of stretching strategic and personal objectives.</p> <p>The DBP provides a deferral element in the form of Jupiter shares. This provides a strong link to long-term and sustainable value creation and reinforces retention.</p> <p>Clawback and malus provisions apply, to mitigate actions and behaviours outside of Jupiter's risk appetite.</p>	<p>The Company operates a balanced scorecard approach across a range of metrics.</p> <p>At the beginning of each performance year, the Committee agrees a range of targets for each metric. Multiple factors are considered in setting targets, including the Board approved budget, market expectations, prior year achievement, strategic focus and priorities, as well as the wider economic landscape.</p> <p>During the year, the Committee monitors performance against these targets.</p> <p>After the year end, annual bonus awards are determined based on actual performance against the balanced scorecard. The overall outcome is not formulaic; the Committee applies a level of judgement to ensure the pay-out levels reflect both individual performance and the experience of shareholders for the year.</p> <p>50% of the non-deferred bonus is delivered in shares, subject to a six-month holding period. Under the DBP, 50% of the total bonus is deferred into shares, vesting annually in equal tranches over three years, and subject to an additional six-month holding period.</p>

MAXIMUM OPPORTUNITY

There is no defined monetary maximum. For the Policy period, the annual salary increases for incumbent Executive Directors will be limited to the average salary increase for other employees.

Increases for any new Executive Directors may be made in certain circumstances such as a significant change in the scale, scope or responsibility of a role; or significant market movements.

The annual base salaries for 2019 and 2020 for each Executive Director are set out in the Annual Report on Remuneration.

15% of salary.

PERFORMANCE MEASURES

N/A

N/A

There is no defined maximum. The value of other benefits will vary year-on-year, depending on factors such as the third-party provider charges and market conditions. They are set at a level the Committee considers reasonable in the context of the local jurisdiction and the individual's circumstances.

N/A

Individual bonus limits (inclusive of any DBP award), expressed as a percentage of salary, apply per role as follows:

- 425% for the Chief Executive Officer;
- 250% for the Chief Financial Officer; and
- 200% for the Vice Chairman.

Measures and weightings are set by the Committee at the start of each performance year and will be disclosed prospectively in our Annual Report on Remuneration. Under the balanced scorecard approach, the following will also apply:

- At least 75% of the annual bonus award will be based on corporate quantitative measures. No more than 25% of the annual bonus award will be based on individual and strategic measures.
- All variable compensation is subject to a risk and compliance assessment, under which payments can be reduced, including to zero.

Actual performance, target ranges for objective measures and commentary for strategic and individual measures will be disclosed retrospectively in the Annual Report on Remuneration.

Remuneration policy table – components of Executive Director remuneration continued

	PURPOSE AND LINK TO STRATEGY	OPERATION
All-employee share plans	Jupiter encourages employee share ownership and operates an HMRC approved Sharesave plan and an HMRC approved Share Incentive Plan. Executive Directors are eligible to participate in both plans on the same basis as other UK employees.	Under the Sharesave plan, employees enter into a three- or five-year savings contract and are granted linked options over shares in the Company. The Share Incentive Plan awards take the form of shares in the Company acquired by employees from pre-tax salary in conjunction with matching shares awarded.
LTIP	<p>Provides long-term reward with awards made on an annual basis.</p> <p>Encourages long-term outperformance and reinforces retention.</p> <p>Clawback and malus provisions apply, to mitigate actions and behaviours outside of Jupiter's risk appetite.</p>	<p>At the beginning of the year, the Committee will select the relevant performance measures and targets, as well as the applicable weighting for each measure.</p> <p>LTIP awards will vest a minimum of three years from the date of grant with performance normally measured over a period of at least three financial years, subject to continued employment and satisfaction of applicable performance conditions.</p> <p>Awards will be subject to an additional two-year post-vesting holding period, unless the Committee determines otherwise.</p>
Minimum shareholding requirements	Ensures long-term interests of Executive Directors are sufficiently aligned to those of shareholders.	Executive Directors should build up a minimum level of shareholding in the Company within five years of appointment to the Board. This is monitored by the Committee to ensure Executives make sufficient progress towards the required target.

LEGACY PAYMENTS

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out above where the terms of the payment were agreed (i) before our 2014 AGM (the date the Company's first shareholder-approved Directors' Remuneration Policy came into effect); (ii) before the Policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder-approved Directors' Remuneration Policy in force at the time they were agreed; or (iii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes 'payments' includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' at the time the award is granted.

MAXIMUM OPPORTUNITY

Under the Sharesave and Share Incentive Plan, maximums are as prescribed by HMRC from time to time.

PERFORMANCE MEASURES

N/A

Individual LTIP limits, expressed as a percentage of salary, apply per role in respect of any one financial year as follows:

- 375% for the Chief Executive Officer;
- 225% for the Chief Financial Officer; and
- 150% for the Vice Chairman.

Performance measures (applicable to 100% of any LTIP award), weightings and target ranges are set by the Committee at the start of each performance period and will be disclosed prospectively in our Annual Report on Remuneration. The following will also apply:

- For each performance measure, no more than 25% of the maximum will vest for achievement of the 'Threshold' performance level and 100% of the maximum for achievement of the 'Maximum' performance level.
- In exceptional circumstances, the Remuneration Committee retains the discretion to vary or replace a performance condition if an event occurs that means a performance condition has ceased to be appropriate, provided that any varied or new performance condition is, in its opinion, not more or less difficult to satisfy.

All variable compensation is subject to a risk and compliance assessment, under which payments can be reduced, including to zero. In addition, the LTIP is subject to an underlying business performance underpin. The Committee will compare the vesting outcome for LTIP awards against shareholder and client experience over the same performance period.

Individual minimum shareholding requirements, expressed as a percentage of salary, apply per role as follows:

- 300% for the Chief Executive Officer;
- 200% for the Chief Financial Officer; and
- 200% for the Vice Chairman.

N/A

COMMON AWARD TERMS

Awards under any of the Company's share plans referred to in this report may:

- be granted as conditional share awards or nil cost options or in such other form that the Committee determines has the same economic effect. Alternatively, if regulations so require, awards may also be granted over fund units, in which case, references to Jupiter shares in this Policy would also include fund units;
- have any performance conditions applicable to them amended or substituted by the Committee if an event occurs which causes the Committee to determine an amended or substituted performance condition would be more appropriate and not materially less difficult to satisfy;
- incorporate the right to receive an amount (in cash or additional shares) equal to the value of dividends which would have been paid on the shares under an award that vests up to the time of vesting (or where the award is subject to a holding period, release). This amount may be calculated assuming that the dividends have been reinvested in the Company's shares on a cumulative basis;
- be settled in cash at the Committee's discretion; and
- be adjusted in the event of any variation of the Company's share capital or any demerger, delisting, special dividend or other event that may affect the Company's share price.

NEWLY APPOINTED DIRECTORS

In the event another Executive Director role is created for the Company in future, the maximum variable opportunities (expressed as a percentage of salary for the new position) under the Annual Bonus and LTIP will not exceed the percentages shown for the CEO in the summary table above.

Overview of activities in 2019

The following regular agenda items were considered during the scheduled Committee meetings which took place during 2019:

	Jan	Feb	May	Oct	Dec
Remuneration policy and disclosures					
Review of remuneration policy			■	■	■
Directors' Remuneration report	■	■			■
Risk and reward					
Input from Risk and Compliance	■			■	
Review of risk checkpoints prior to variable compensation pool approval	■				■
Malus and clawback assessment		■			
Annual remuneration discussions					
Bonus and LTIP pool	■	■	■	■	■
Assessing performance against bonus scorecard	■		■	■	■
Individual performance and remuneration outcomes	■	■			
LTIP performance condition testing	■				
Allocation of LTIP awards	■				
Setting bonus scorecard and LTIP performance measures	■	■			■
Setting individual objectives for Executive Directors		■		■	
Minimum shareholding testing					■
Review Chairman's fees					■
External market					
Shareholder trends and feedback			■	■	
Governance developments				■	
Market trends				■	
Benchmarking data				■	
Regulatory					
Internal Audit of Remuneration Policy				■	
Remuneration Policy Statement				■	
Code Staff identification (CRD III, UCITS V and AIFMD)		■		■	
Gender Pay Gap Report				■	
Committee remit and effectiveness					
Terms of reference review					■
Self-evaluation				■	

Work of the Remuneration Committee in 2019

The table above provides for a high level overview of the various topics which the Committee has worked on during 2019. The remainder of this section satisfies several new requirements of the latest Corporate Governance Code.

Provision 40 statement and strategic rationale

The Committee aims to have in place remuneration arrangements which are simple and therefore well understood by the entire workforce, including the Executive Directors. The simplicity is supported, for example, by a single pension and benefits structure applicable to all UK employees and not differentiated

based on seniority. Jupiter operates a single bonus deferral plan, and an LTIP scheme for a limited number of more senior employees. This simple and well communicated remuneration structure should ensure compensation spend is appropriately valued by employees, and not eroded by complexity.

All variable compensation, including that for Executive Directors, is subject to a series of risk checkpoints (as described in more detail on page 99), which aim to assess a range of ex-ante and ex-poste potential financial and non-financial risks to the business prior to payment of any bonuses. In conjunction with an individual risk, compliance and conduct underpin, and the provision of malus and clawback conditions on variable compensation

awards to Executive Directors, the Committee is confident that its work provides a robust framework to ensure appropriate risk alignment of compensation.

The range of possible pay awards available to Executive Directors under the current Policy were clearly set out in the 2017 Directors' Remuneration report prior to the Policy being voted on.

An overview of how the structure of the Policy and specific performance metrics align with Jupiter's business strategy and culture is set out in the Chairman's letter.

Engagement with shareholders

There were no material concerns raised by shareholders following publication of the prior year DRR and therefore no

specific engagement has taken place with shareholders during 2019 in relation to remuneration and there are no proposed changes to the Policy for 2020. As stated in the Chairman's letter, the Committee welcomes feedback at any point in time from our entire shareholder base regarding our Remuneration Policy.

Operation of remuneration policy

A description of how the Committee assesses the quantum of the bonus scorecard outcomes in the context of the overall corporate performance and experience of shareholders and clients is provided separately on pages 87 and 88.

Statements regarding the Committee's use of discretion in regards to the bonus outcomes for 2019 and the testing of the LTIP performance conditions ending in 2019 are included on pages 87 and 90 respectively.

Remuneration decisions made by the Committee in relation to the Executive Directors also take into account a range of additional factors including internal relativities (details of our CEO pay ratio are on pages 101 and 102) and relevant external market data.

Wider workforce pay and engagement

The Remuneration Committee is closely involved in considering the remuneration policies and pay levels of the wider Jupiter workforce. The Committee's work involves debate, discussion and ultimate approval of the Company-wide variable compensation spend as well as the salary increase budget for the whole workforce, with consideration given to the amounts and proportions of total spend allocated to different areas of the business. Part of this discussion requires an assessment of the financial KPIs of the business, including underlying PBT, which is also a key metric under the bonus scorecard for Executive Directors.

The Committee is provided with data illustrating the mean and median bonus levels and salary increase percentage split by gender for the current and previous performance year, in order that it can also analyse the outcomes from a gender pay perspective.

One of the recurring exercises undertaken by the Committee on an annual basis is a review of external compensation benchmarking data, giving an overview of fixed and total compensation levels for all employees relative to the wider market.

This data allows the Committee to challenge pay decisions at a more granular level, and make proposals to management in respect of the upcoming pay round.

The Committee approves all compensation for Code Staff, including for fund managers. Whilst this process is a regulatory driven requirement, it involves a detailed and robust discussion, including with the CIO in relation to the financial and non-financial considerations for determining fund manager bonuses.

Jupiter also has an established employee representation forum (Connections), whose Chairman met with the Board twice during 2019. This engagement is Jupiter's method for ensuring a formal dialogue exists between employees and the Board. It provides the opportunity for employees to engage with the Board on any relevant employee matter, including pay, and from 2020, Connections will also meet directly with the Remuneration Committee.

Collectively this work helps demonstrate the Committee's considerations in appropriately balancing the pay outcomes for the wider employee population with its decisions regarding Executive Pay.

During the year an internal evaluation of the Committee's effectiveness was undertaken. The table below provides an update on the priorities identified in the 2018 evaluation and also a summary of the conclusions from the 2019 evaluation.

2018 PRIORITIES	2019 STATUS
Operating review: implement the recommendations arising from the operating review undertaken in 2018.	The procedural recommendations adopted from the review were all implemented during the year. This was a specific topic considered during the 2019 evaluation and the responses were very positive.
Effective shareholder engagement: maintain effective engagement with shareholders.	The Remuneration Committee Chairman is very proactive in engaging with shareholders and the Committee has a good understanding of key shareholder views. Effective engagement helped to ensure that the 2018 Remuneration report received 96% of votes in favour at the AGM.
Employee remuneration structures: review remuneration structures in key areas.	The Committee reviewed the remuneration structures and approved a number of minor changes to enhance the operation of the remuneration framework.
2019 EVALUATION CONCLUSIONS	
The evaluation process highlighted that the Committee was considered to discharge its duties very effectively. There were a number of priorities identified for 2020:	
<ul style="list-style-type: none"> The Directors' Remuneration Policy, which must be approved by shareholders at least every three years is scheduled for renewal at the 2021 AGM. The development of the policy and engagement with shareholders is a key priority for 2020 and 2021. The evaluation identified that the quality and timeliness of some of the papers could be improved. 	

Single total figure

Executive Directors' 2019 and 2018 remuneration (audited information)

	Andrew Formica ¹	Wayne Mepham ¹	Edward Bonham Carter ⁹		Maarten Slendebroek ¹		Charlotte Jones ^{1,10}	
	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
A. Fixed pay								
Base salary	371	100	116	160	71	425	191	325
Taxable benefits ²	2	1	-	2	-	8	-	1
Pension ³	49	14	15	21	9	56	26	44
Total fixed remuneration	422	115	131	183	80	489	217	370
B. Annual bonus								
Annual bonus:								
- Delivered in cash	223	35	33	44	41	250	-	-
- Delivered in shares vesting immediately with six-month holding period	223	34	32	44	41	250	-	-
- Delivered in shares vesting over three years	446	70	66	89	81	500	-	-
Total bonus⁴	892	139	131	177	163	1,000	-	-
C. Vesting of LTIP awards⁵								
For performance in multi-year periods:								
- 2016 award (2016-2018) ⁶	-	-	-	105	-	523	-	-
- 2017 award (2017-2019) ⁷	-	-	74	-	371	-	-	-
Total value of LTIP vesting	-	-	74	105	371	523	-	-
D. Other								
Buy-out awards ⁸	-	524	-	-	-	-	-	-
SIP matching shares	4	-	-	-	-	2	-	-
Sharesave award	4	4	-	-	-	-	-	-
Total other	8	528	-	-	-	2	-	-
Total variable remuneration (B+C+D)	900	667	205	282	534	1,525	-	-
Total remuneration (A+B+C+D)¹¹	1,322	782	336	465	614	2,014	217	370

1 2019 figures for Andrew Formica, Wayne Mepham, Maarten Slendebroek and Charlotte Jones all represent pro-rated periods of the performance year for which they carried out their Executive Director roles at Jupiter. Detailed information on the relevant periods applicable for each Executive are provided on page 89.

2 Comprising private medical and dental insurance and reimbursement of reasonable expenses incurred in the performance of their duties and payment of any tax arising.

3 Represents employer pension contributions and/or cash allowance in lieu of pension contributions. There are no defined benefit arrangements. Employees with registered pension protection or those impacted by the Tapered Annual Allowance may elect to have some or all of their pension contributions paid instead as a cash allowance, after deducting an amount equal to the cost of employer national insurance on such cash payments. The pension amounts in the single figure table may therefore be less than 15% of the salary.

4 These amounts have been determined by the Remuneration Committee based on performance against the relevant annual bonus performance measures in respect of the relevant year.

5 The value of the LTIP awards vesting is based on the Remuneration Committee's determination of performance against the relevant LTIP performance measures across prior multi-year performance periods.

6 The value of the 2016 LTIP award vesting in 2019 has been restated based on the share price on the vesting date 1 April 2019 of £3.69 and vesting due to performance of 42.5%.

7 Estimated value of the 2017 LTIP award vesting in 2020 based on 32.4% vesting due to performance and average closing share price over the period 1 October to 31 December 2019 of £3.62 (the actual vesting date is 29 March 2020). The number of shares vesting for Maarten Slendebroek was time pro-rated in respect of the period between the grant and vesting dates which he served as an Executive Director.

8 The buy-out awards amount for Wayne Mepham represents a replacement bonus for the first part of the 2019 performance year prior to joining Jupiter and the buy-out of deferred compensation awards forfeited on resignation from his prior employer. Further details are provided on page 89.

9 Edward Bonham Carter's contractual working hours reduced from four to three days per week from 1 January 2019. His 2019 single figure totals therefore reflect his pro-rated salary and benefits, and his annual bonus opportunity is reduced in line with this.

10 Charlotte Jones resigned following the determination of her 2018 bonus amount as disclosed in the prior year DRR but prior to its payment date. Accordingly, the 2018 single figure amount for Charlotte Jones has been restated to reflect the fact that no bonus was paid to her in respect of the 2018 performance year.

11 Amount of single figure attributable to share price appreciation/(depreciation) is as follows. Edward Bonham Carter: £(12,000) (2019); £(11,000) (2018). Maarten Slendebroek £(61,000) (2019); £(57,000) (2018).

Executive Director variable pay awards for 2019 performance

Variable pay awards for 2019 performance have been determined by the Committee using the following process:

- At the start of the year, the Committee sets and agrees the performance metrics, relative weighting between corporate quantitative (at least 75%) and strategic goals, and associated targets for each performance level (threshold, target and maximum) for corporate quantitative metrics.
- The annual metrics and weightings are disclosed prospectively in the Directors' Remuneration Report; the detailed targets are considered commercially sensitive and are disclosed retrospectively, following the performance year end.
- Throughout the year the Committee monitors progress against the relevant performance metrics.
- Following year end, actual performance against each of the bonus metrics is assessed, as reported in the scorecard on the following pages. For corporate quantitative metrics, this is in the context of the threshold, target and maximum ranges set.
- Individual bonuses for the Executive Directors are determined. Bonuses are not formulaic and judgement is applied by the Committee in arriving at award amounts. The Committee will consider the context in which performance has been achieved, having reference to shareholder and client experience during the year.
- Overall variable compensation spend is considered in the context of the variable and total compensation ratios relative to their expected ranges as previously communicated to shareholders.

Assessing corporate quantitative performance (audited information)

The following section sets out Jupiter's actual performance against target for the primary measures relating to profitability, flows and investment outperformance, which are each given a 25% weighting and therefore together comprised 75% of the bonus metrics for 2019.

Performance metric	Primary measure	Threshold performance (25% vesting)	Target performance (50% vesting)	Maximum performance (100% vesting)	Actual performance	Percentage outcome	Commentary
Profitability	Underlying PBT ¹	£109.0m	£145.3m	£181.6m	£162.7m	74.0%	<p>Threshold, target and maximum measures for 2019 were based on the AUM at the end of 2018, which were significantly lower than they had been twelve months earlier, and the resulting budget projections for 2019. Although this resulted in targets which were below those in the prior year scorecard, they were still considered stretching, while remaining appropriately incentivising for the Executive Directors.</p> <p>Actual performance was between target and maximum.</p>
Investment outperformance	<p>Proportion of mutual funds (weighted by AUM) achieving performance of first or second quartile over one year (25% weighting) and three years (75% weighting)</p> <p>Proportion of segregated mandates and investment trusts (weighted by AUM) achieving performance above the benchmark over one year (25% weighting) and three years (75% weighting)</p>	40%	60%	80%	65%	62.5%	<p>Investment performance in Unit Trusts and SICAVs remained strong over three years, with 68% of AUM achieving first or second quartile using the weighted average of one and three year time periods.</p> <p>Investment performance for the segregated mandates and investment trusts was disappointing, with the weighted average across one and three years achieving 16%.</p> <p>The AUM weighted performance across all products or assets over one year (25% weighting) and three years (75% weighting) was 65%.</p>

¹ Stated before exceptional items (see APMs on page 38).

Single total figure continued

Performance metric	Primary measure	Threshold performance (25% vesting)	Target performance (50% vesting)	Maximum performance (100% vesting)	Actual performance	Percentage outcome	Commentary
Flows	Net sales	£(2,000)m	£0.0m	£5,000m	£(4,530)m	0.0%	2019 saw net outflows predominantly due to the loss of assets associated with our European Growth strategy. Actual net flows fell below threshold performance.

Assessing corporate strategic performance (audited information)

The following table sets out supporting commentary and information the Committee considered in assessing overall performance in each of the areas of strategic performance identified for 2019 as well as the Committee's overall qualitative assessment of the outcome for each metric. In conjunction with assessment of individual performance, these measures comprise 25% of the bonus metrics for 2019, with the exception of Maarten Slendebroek where 25% of his bonus has been determined based on performance against his personal objectives. The exact weighting of each metric is listed in the bonus outcomes table on page 88.

Performance metric	2019 assessment	Outcome
Diversification	A clear strategic direction was set by the new CEO, reinforcing the strategic priority of continuing to diversify the business by client type, investment strategy and geography. 2019 saw a continuation of diversification by asset class, with equities representing less than 50% of overall AUM by the year end, with a corresponding increase in fixed income assets. A significant step was taken during the year to support diversification by geography, with Jupiter agreeing the acquisition of a 25% stake in NZS Capital, providing us with new capabilities in global technology and innovation and creating an important footprint in the US market.	Significantly achieved
Culture and values	Under new leadership, management has successfully defined and communicated, both internally and externally, the four key cultural pillars of the organisation; our clients come first, our value is in our people, we strive to challenge ourselves and we succeed together. Significant work has taken place to embed these pillars throughout the organisation, and to monitor culture via an internal cultural dashboard. Jupiter successfully completed its implementation of the Senior Managers and Certification Regime ("SM&CR") during the year, ahead of the 9 December 2019 regulatory deadline. The organisation is able to demonstrate full compliance in line with the readiness checklist issued by the FCA. Compliance with SM&CR is a key part of Jupiter's drive to improve culture, governance and accountability within the firm. As part of the implementation, Jupiter has created a Reasonable Steps framework and supporting guidelines emphasising the steps senior managers need to take to ensure the relevant activities in relation to culture and people are effectively embedded in their area of accountability.	Achieved
Operating platform	A number of significant projects were progressed or completed in 2019 to further enhance Jupiter's operating platform. Depositary services for all unit trusts were transferred to Northern Trust and fund accounting for 70% of funds was migrated to the same provider, with the remainder scheduled to complete in Q1 2020 in line with the planned timetable. A new governance, risk and control model was put in place, introducing Business Control Forums to all areas of the business, aimed at reinforcing culture and raising risk and control engagement amongst all staff. In addition, a new client management platform (Salesforce) was put in place for our distribution teams to help centralise client and prospect information and engagement activity, as well as providing deeper client intelligence and perspective. A new technology was also introduced to monitor market abuse activity via email.	Achieved

Assessing individual performance (audited information)

The following table sets out supporting commentary and information the Committee referenced in assessing individual performance of the Executive Directors for 2019.

Executive	2019 assessment	Outcome
ANDREW FORMICA Chief Executive Officer (from 1 March 2019)	<p>One of Andrew's key personal objectives for the year was the development and articulation of a firm-wide purpose, set of values and a strategic intent. Following his initial assessment of the firm and engaging with employees to obtain feedback, Jupiter's cultural pillars and its strategic direction were presented internally to all employees prior to the half year corporate results.</p> <p>Andrew has overseen and implemented significant positive changes to the leadership team. He has built an enhanced Executive Committee, appointing a new CFO, Global Head of Distribution and Head of Business Strategy and Corporate Development, thereby establishing a cohesive senior management team who are supportive of one another and the direction of the business. Andrew has also appointed a new Chief Risk Officer who will join in early 2020.</p> <p>He has also overseen the on-time completion of key governance workstreams in the business including compliance with the Senior Managers and Certification Regime, as well as enhancements to Jupiter's Governance, Risk and Control framework.</p>	Outstanding
WAYNE MEPHAM Chief Financial Officer (from 2 September 2019)	<p>Wayne made a very effective start on his arrival in Q3 2019, maintaining a high level of delivery as well as making some immediate enhancements to financial forecast and management reporting. His personal objectives also involved appropriate consideration of and implementing changes to Jupiter's control environment and governance arrangements, which he completed for the Risk and Finance Committee process, the identification and monitoring of control enhancements for any issues identified in the business and the Risk and Control Self-Assessment process within the Finance function.</p> <p>Wayne was also tasked with improving the transparency of the financial management information reporting to the Remuneration Committee to support their decision making, which he has done via frequent attendance at Committee meetings and presentation of relevant materials. This has also assisted him in building strong relationships with individual Board and Executive Committee members during his first trimester in the business.</p>	Very Good
EDWARD BONHAM CARTER Vice Chairman	<p>Edward has delivered significant value in many areas of Jupiter's business both internally and externally. He also served as an important contributor in the recruitment of the incoming CFO, Chairman and new fund managers. Edward has continued to represent and promote Jupiter externally, for example at London Business School, and the Pension and Lifetime Savings Association, consistently receiving positive feedback from clients and event organisers. Edward also acts as a key driver of various industry and internal change initiatives, such as being closely involved with the Investment20/20 programme and acting as Diversity and Inclusion champion.</p>	Very Good
MAARTEN SLENDEBROEK Chief Executive Officer (up to 28 February 2019)	<p>Given the short period of the year in which Maarten remained in the CEO role, 75% of his 2019 bonus has been determined based on the corporate financial metrics and 25% in relation to his personal performance goals. These objectives were focussed on him completing the 2018 financial year results and ensuring a smooth and supportive transfer to the new CEO. The Committee consider that Maarten performed well in meeting these goals.</p>	Very Good

Determining individual Executive Director 2019 annual bonuses (audited information)

The 2019 annual bonus awards have been determined by the Committee using both an assessment of performance against the metrics laid out in the balanced scorecard on the previous pages, and a holistic assessment of the shareholder and client experience in the year and an assessment of risk and compliance underpins. Specific conclusions reached by the Committee were as follows:

- Despite a reduction in total dividends, shareholders experienced an increase

in share price of almost 40% during the year, resulting in an overall total shareholder return of 48%. The Committee did not make any positive adjustment in respect of this significant share price appreciation.

- There were no risk or regulatory compliance issues at a Group or individual level for which the Committee considers it appropriate to make any variable compensation adjustments for Executive Directors.
- More generally, the Committee was satisfied that the balanced scorecard was a fair outcome consistent with the

shareholder and client experience during the year. It has therefore made no discretionary adjustments to the bonus scorecard outturn.

- Bonus outcomes for Andrew Formica, Wayne Mepham and Maarten Slendebroek have been time pro-rated to reference the appropriate periods of the 2019 performance year for which they are entitled to a bonus, as detailed on page 89.

A summary of the Committee's conclusions is set out in the bonus outcomes table overleaf.

2019 Executive Director bonus outcomes (audited information)

2019 scorecard performance metric	Outcome (as percentage of maximum)	Weighting	Weighted percentage of maximum	Andrew Formica, Chief Executive Officer £'000	Wayne Mepham, Chief Financial Officer £'000	Edward Bonham Carter, Vice Chairman £'000	Maarten Slendebroek, Chief Executive Officer £'000
Profitability	74.0%	25%	18.5%	£350	£139	£44	£334
Flows	0.0%	25%	0.0%	£0	£0	£0	£0
Investment outperformance	62.5%	25%	15.6%	£296	£117	£38	£282
Strategic goals and personal performance ¹	80% - 87.5%	25%	22.5%	£426	-	-	-
			20.0%	-	-	-	£361
			21.5%	-	£161	-	-
			20.5%	-	-	£49	-
Subtotals		100%		£1,072	£417	£131	£977
Pro-rata total 2019 bonus²				£892	£139	£131	£163
Outcome as percentage of maximum				57%	56%	55%	54%
Delivered as upfront cash				£223	£35	£33	£41
Delivered as share options with six-month holding period				£223	£34	£32	£41
Delivered as share options vesting over three years				£446	£70	£66	£81

- 1 One quarter of Maarten Slendebroek's bonus has been determined based solely on the achievement of his personal objectives in accordance with the terms of his settlement agreement.
- 2 Maarten Slendebroek's pro-rated bonus amount shown in the table above relates to the period during 2019 he served as an Executive Director of the Company (1 January to 28 February). Maarten continued to work up to 30 April 2019, therefore he has also been awarded a bonus up to this date determined using the same performance metrics. Further details are provided on the following page.

Overall compensation spend

Jupiter's overall variable compensation spend is determined appropriate and affordable in the context of Jupiter's overall performance. We aim to balance and align the interests of our staff and our shareholders.

The variable compensation spend is assessed in its financial reporting context, which considers the accounting treatment of the variable compensation spend. In addition, the Committee considers the

total compensation expense, which includes the fixed component of remuneration as well as the variable.

The variable compensation expense is determined by the nature and extent of bonuses awarded in 2019 as well as deferred awards (including LTIP) made in prior years. It also includes national insurance charges levied on Jupiter in relation to variable compensation.

The 2019 underlying variable compensation expense of £70.7m resulted in a variable

compensation ratio of 30% and a total compensation ratio of 34%. The variable compensation ratio sits fractionally above the top end of the range previously communicated to shareholders, whilst total compensation remains in line with previous guidance.

As mentioned previously, in future we intend to focus solely on the total compensation ratio as the most meaningful metric to report to shareholders.

Non-Executive Directors' 2019 and 2018 fees (audited information)

	Liz Airey		Jonathon Bond		Bridget Macaskill		Polly Williams		Karl Sternberg		Roger Yates	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Fees	235	235	92	88	92	90	92	90	72	70	72	70
Benefits ¹	-	2	-	-	4	14	1	1	-	-	-	-
Total	235	237	92	88	96	104	93	91	72	70	72	70

- 1 Benefits comprise reimbursement of reasonable taxable business expenses incurred in the performance of duties and the payment of any tax arising.

External directorships

Executive Directors are not permitted to hold external directorships or offices without the Board's prior approval. During the year several Executives held non-executive director positions with other companies. Andrew Formica served as non-Executive Director on the Board of Hammerson plc. This role was held by Andrew prior to his appointment to Jupiter, and the Board agreed Andrew could continue serving. During the period he was also an Executive Director of Jupiter during 2019 (1 March to 31 December), Andrew received fees of £55,417 from Hammerson plc. Edward Bonham Carter served as a Non-Executive Director of Land Securities Group plc, for which he was paid fees of £95,000. Edward also served as the Senior Independent Director to the Board of ITV plc; his fees from this position for 2019 were £95,425. Charlotte Jones continued in her appointment as a Non-Executive Director to the RSA Group plc Board. Her fees for this role during the period in which she also served as CFO at Jupiter during 2019 (1 January to 30 July) were £40,096. In all instances Andrew, Edward and Charlotte have been permitted to retain their fees for these appointments.

Payments to newly appointed Directors (audited information)

Andrew Formica was appointed as CEO on 1 March 2019. Under the terms of his appointment, his salary was set at £445,000. He is entitled to a pro-rata bonus for 2019, representing the period of the performance year he served as CEO, determined under the balanced scorecard as disclosed on pages 85 to 88.

Wayne Mephram was appointed as CFO on 3 September 2019. His salary was set at £300,000. This salary is below that of Wayne's predecessor, however as he gains experience the Committee will look to increase this as appropriate and in line with the Policy. Wayne is entitled to a pro-rata 2019 bonus for the period of the performance year he worked for Jupiter, determined in line with the balanced scorecard.

In addition, under the terms of his appointment, Jupiter agreed to the following remuneration arrangements for Wayne:

- A replacement bonus of £280,000, representing the expected pro-rata 2019 bonus forfeited on resignation from his previous employer in relation to the period 1 January to 31 August 2019. The replacement bonus is subject to the same deferral arrangements as a normal annual discretionary bonus under the Policy. Its value is shown in the single figure table.
- The buy-out of unvested deferred compensation awards forfeited on resignation from his previous employer. These have been bought out by Jupiter on as similar terms as possible in relation to the value, timing and type of instruments over which the awards were originally granted. The total value of these awards was £244,342, which were bought out on the following terms:
 - a cash payment of £38,411 payable in March 2020;
 - a nil cost option granted over 31,690 Jupiter Fund Management plc shares, 11,657 vesting March 2021 and 20,033 in March 2022;
 - a nil cost option granted over 35,289 Jupiter Strategic Bond fund units vesting in March 2021; and
 - a nil cost option granted over 2,107 Jupiter European fund units vesting in March 2022.
- The share and fund unit awards are not subject to performance conditions, and were granted under the terms of the Deferred Bonus Plan. The awards are shown in the DBP tables on pages 95 to 96. Awards are subject to continued employment as well as malus and clawback provisions.

Payments to exiting Directors (audited information)

As previously disclosed by the Company, Maarten Slendebroek stepped down as the Chief Executive Officer with effect from 1 March 2019, and until 30 April assisted in the transition to his successor. The Company and Maarten agreed to the terms of a Settlement Agreement whereby his employment ceased on 1 November 2019.

Maarten has been awarded a bonus of £325,850 for the 2019 performance year, reflecting the pro-rated period from 1 January to 30 April 2019 and based on the level of achievement of the Company's 2019 financial objectives as well as his defined individual objectives. Performance against each of these metrics has been disclosed in the prior pages of this report. The 2019 bonus figure reported in the Single Figure Table on page 84 represents the amount for the period 1 January to 28 February, which corresponds to the period Maarten was an Executive Director in 2019.

Following the completion of his handover period to Andrew Formica at the end of April, Maarten had a six-month gardening leave period. Until the end of his employment, Maarten continued to be paid his base salary and be entitled to benefits per his contract and the approved Policy, totalling £322,530 for the period 1 March to 1 November 2019. No variable pay has been awarded in respect of this six-month period.

In accordance with the agreed terms of his departure, Maarten was awarded good leaver status in relation to his Deferred Bonus Plan awards and time pro-rated good leaver status on his Long-Term Incentive Plan awards. He continues to have awards vesting following his standing down as an Executive Director, as shown in the relevant tables at the end of the DRR.

Charlotte Jones stepped down as an Executive Director and departed Jupiter on 30 July 2019 having resigned from her role as CFO six months prior to this. Charlotte forfeited her 2018 bonus on resignation and the Single Figure Table has been updated to reflect this. She received no remuneration following cessation of employment and all unvested deferred compensation awards as at the date of resignation lapsed.

Payments to former Directors (audited information)

No payments were made to former Directors during 2019 other than those disclosed in the section above (payments to exiting Directors).

Payments for loss of office (audited information)

No payments were made for loss of office in 2019 other than those disclosed in the section above (payments to exiting Directors).

Single total figure continued**Performance condition testing for 2017 LTIP award, vesting 29 March 2020 (audited information)**

The LTIP award vesting figures for Edward Bonham Carter and Maarten Slendebroek shown in the single total figures on page 84 include LTIP awards due to vest on 20 March 2020, subject to four equally weighted performance conditions measured over a three-year period to 31 December 2019. The performance conditions have been tested and performance against those conditions and the associated level of vesting are outlined below. The Committee is satisfied that the vesting outcome is appropriate and has not exercised any discretion in relation to the testing of the performance conditions.

Performance condition	Performance against the condition over the performance period	Proportion of condition vesting
Underlying EPS vs index <ul style="list-style-type: none"> 30% vesting for 5% growth in excess of the index; 100% vesting for Jupiter's underlying EPS growth exceeding the index by 10% per annum; and Straight-line vesting between these points. 	<p>Jupiter's underlying EPS fell by 0.6% on an annualised basis. The index grew by 5.4% on an annualised basis.</p> <p>Jupiter's annualised underlying EPS growth did not therefore exceed the index by 5%.</p>	<p>0% of condition vesting</p> <p>(0% of total award)</p>
Actual net sales against target <ul style="list-style-type: none"> 30% vesting for net sales 80% of target; 65% vesting for net sales 100% of target; 100% vesting for net sales 125% of target; and Straight-line vesting between these points. 	<p>Jupiter's net sales over the performance period were £(3.7)bn representing (58)% of the £6.3bn target.</p>	<p>0% of condition vesting</p> <p>(0% of total award)</p>
Investment outperformance¹ <p>Proportion of mutual funds achieving first and second quartile performance over three years, weighted by AUM:</p> <ul style="list-style-type: none"> 25% vesting for 50%; 100% vesting for 80%; and Straight-line vesting between these points. 	<p>Jupiter's investment performance was such that 73.1% of mutual funds achieved first and second quartile performance over the performance period, weighted by AUM.</p>	<p>83% of condition vesting</p> <p>(20.7% of total award)</p>
Strategic goals <ul style="list-style-type: none"> Developing existing employees and recruiting new talent to provide the performance, products and service required by clients. Broadening the client base in the UK and internationally. Maintaining an appropriate risk control and compliance environment. 	<p>Acquisition of key new talent in the distribution function included a new Global Head of Distribution and senior hires to lead the institutional, product development and marketing functions. The fund management department also continued to grow with fund managers recruited to lead the Multi-Asset strategy as well as key succession planning for our European Growth strategy. Combined, these hires have allowed Jupiter to enhance the products and level of service offered to clients.</p> <p>During the performance period Jupiter put in place a renewed Learning and Development curriculum available to all employees, as well as a focused programme for developing people managers and potential future leaders in the business.</p> <p>As our offices in APAC have matured, at the end of 2019, 44% of assets were with clients/partners outside of the top five, compared with 29% at the start of the performance period. The UK and EMEA have experienced lower levels of diversification using the same measure.</p> <p>Jupiter maintained a high compliance standard over the performance period with no FCA fines. A Group-wide risk and control register was delivered enhancing Jupiter's Risk and Control Self Assessment process and further driving first line ownership. Error rates continue to be low, although material retrocessions incidents led to a cost to the business in 2018 and 2019.</p>	<p>47% of condition vesting</p> <p>(11.7% of total award)</p>
Total		32.4% vesting

¹ The methodology applied for measuring investment performance under LTIP awards granted prior to 2018 uses Financial Express to assess the relative performance of unit trusts and Morningstar to assess the relative performance of SICAVs. The three-year investment performance figure of 72% of mutual fund AUM outperforming the median used Morningstar as the single source of relative investment performance data for all funds.

IMPLEMENTATION IN 2020

The following section provides an overview as to how each element of the Policy will be applied in 2020.

Base salary

The CEO's base salary will increase from 1 January 2020 by 2.2%, which is below the average salary increase for all other employees (4.0%). Salaries for the two other Executive Directors will remain unchanged. Edward Bonham Carter's salary reflects his pro-rated amount based on a three-day working week.

- Andrew Formica: £455,000 (2019: £445,000);
- Wayne Mephram: £300,000 (2019: £300,000); and
- Edward Bonham Carter: £120,000 (2019: £120,000).

Annual bonus

Annual bonuses in respect of 2020 (inclusive of any deferred bonus award) will continue to be subject to the following individual caps as a percentage of base salary in line with the Policy:

- Andrew Formica: 425%;
- Wayne Mephram: 250%; and
- Edward Bonham Carter: 200%.

The 2020 bonuses will be determined on the normal timetable and in line with the process below.

The performance measures for the 2020 annual bonus will be set within the following balanced scorecard. 75% of these measures will be corporate quantitative measures, with clearly determined Threshold, On-Target and Maximum goals. The remaining objectives

will be strategic and individual measures. Determination of bonus amounts is not formulaic; in addition to reviewing each of the performance measures, the Committee will take a holistic view of the overall performance of the Company for the year to ensure that any bonus amounts appropriately reflect the experience of stakeholders. Where performance measures produce an outcome which does not align with that of stakeholders, the Committee may exercise its discretion as it considers appropriate.

Subject to completion of the proposed acquisition of Merian Global Investors, the Committee will adjust the relevant Threshold, On-Target and Maximum levels in the 2020 balanced scorecard as it considers appropriate to reflect the post-acquisition business.

2020 balanced scorecard

Area	Metric	Performance measures
Corporate quantitative (75%)	Profitability	<ul style="list-style-type: none"> • Measured through underlying Profit Before Tax
	Flows	<ul style="list-style-type: none"> • Measured through net flows
	Investment outperformance	<ul style="list-style-type: none"> • Measured through the proportion of mutual funds achieving first or second quartile performance and the proportion of separate account assets beating their benchmarks (weighted by AUM) • Measured over one year (25% weighting) and three years (75% weighting)
Strategic and individual (25%)	Diversification	<ul style="list-style-type: none"> • Evidence of continued diversification by investment strategy, geography and client type
	Culture, talent and client	<ul style="list-style-type: none"> • Embed, develop and measure the firm's culture, attract and retain high-quality talent and achieve high levels of client satisfaction
	Operating platform	<ul style="list-style-type: none"> • Achieve further efficiencies via optimisation of technology and operational design
	Personal performance	<ul style="list-style-type: none"> • Achievement against specific personal performance objectives
Underpin	Risk and regulatory compliance	<ul style="list-style-type: none"> • The Committee considers the 'checkpoints' set out on page 99 when exercising its judgement to determine the appropriate variable compensation pool, at a Group level • The Committee also receives an annual report on internal control and risk management factors from the Chief Risk Officer and the Compliance Director to consider when assessing appropriate awards, at an individual level • Any risk or compliance factor (corporate or individual) has the potential to reduce variable compensation, including to zero

IMPLEMENTATION IN 2020 continued

Targets for each performance measure will be set by the Committee in line with the framework described on page 85. The Committee considers more specific details of the 2020 performance measures and targets to be commercially sensitive. Further details of the targets and weightings for each of these measures and performance against each will be provided in the 2020 Remuneration Report.

The determination of variable pay awards in relation to 2020 performance will continue to be assessed with the application of judgement, taking into account a holistic assessment of Group and individual performance. The balanced scorecard, set out in the table above, will allow the Committee to assess performance against key financial and strategic metrics. The Committee's assessment against these metrics and the

decision about any variable pay awards will be clearly disclosed to shareholders.

In addition to the performance measures outlined on the previous page, the Committee considers the 'checkpoints' set out on page 99 when exercising its judgement to determine the overall variable compensation spend for any particular year, and also considers individual risk behaviours when assessing individual awards.

Proportion of bonus and delivery method

The payment of bonuses for Executive Directors for 2020 will be as follows and is compliant with the relevant remuneration regulations.

25%

- Delivered as cash.

25%

- Delivered as deferred Jupiter shares.
- Immediate vesting, but subject to subsequent six-month post-vesting holding period.

50%

- Delivered as deferred Jupiter shares.
- Vesting in equal tranches over three years, but subject to subsequent six-month post-vesting holding period.

LTIP awards

The 2020 LTIP awards will be subject to the following performance conditions which are unchanged from 2019.

PROPORTION OF LTIP	PERFORMANCE CONDITION	PERFORMANCE MEASURE	
50%	Underlying EPS Growth Jupiter's underlying EPS must achieve at least 5% growth over the performance period	Jupiter's underlying EPS growth over the performance period	Proportion of the award subject to the EPS performance condition that will vest
		5% growth or below	0%
		25% growth or above	100%
		Any other percentage	Sliding scale between the relevant percentages above
50%	Jupiter's investment outperformance The proportion of all of Jupiter's assets (weighted by AUM) achieving above median performance relative to their peer group (retail) or above benchmark performance (institutional) weighted: 25% over the three year period to 31 December preceding the vesting date; and 75% over the five year period to 31 December preceding the vesting date	Proportion of funds (weighted by AUM) achieving above median/benchmark performance	Proportion of the award subject to the investment outperformance condition that will vest
		Less than 50%	0%
		50%	25%
		80% or above	100%
		Any other percentage	Sliding scale between the relevant percentages above

These awards will be granted in March 2020 and will vest on the third anniversary of grant, subject to the achievement of the stretching performance conditions, as set out in the table above. The awards will also be subject to a two-year post-vesting holding period in line with the Policy.

The 2020 LTIP award values will be as follows:

- Andrew Formica: £1,706,250 (375% of salary);
- Wayne Mepham: £675,000 (225% of salary); and
- Edward Bonham Carter: £180,000 (150% of salary)

Investment outperformance is critical to Jupiter's clients and the Company's long-term success. Its importance is recognised through its use as a performance measure within the annual bonus scorecard and the LTIP. Given the longer time horizon over which LTIP assesses performance, both a three- and five-year outperformance measure is included.

EPS growth is important to shareholders and is the best measure of Jupiter's successful execution of its growth strategy. There is no payout under this performance condition at threshold performance, or where EPS growth is less than 5% over the period.

In addition to a risk and compliance assessment, LTIP awards are subject to an underlying business performance underpin. The Committee will compare the vesting outcome for LTIP awards against shareholder and client experience over the same performance period.

The Committee is not proposing to adjust the performance measures in respect of the proposed acquisition of Merian Global Investors at this time. This is on the basis that the 2020 awards will be granted prior to shareholder approval and completion of the transaction. The LTIP performance conditions and measures will be reviewed as part of the forthcoming Directors' Remuneration Policy review later this year.

Non-Executive Director fees

Jupiter normally reviews Non-Executive Director fees annually. The Non-Executive Chairman's fee and fees for certain Non-Executive roles were last increased with effect from 1 January 2018 and 1 January 2019 respectively. Following the annual review at the end of this year, the Audit and Risk Committee and Remuneration Committee Chairman's fees have both been increased with effect from 1 January 2020 to ensure these remain reflective of the time commitment involved with the roles. All other Non-Executive Director fees remain unchanged.

	2019 annual fee	2020 annual fee
Base fee	£64,000	£64,000
Senior Independent Director fee	£12,500	£12,500
Audit and Risk Committee Chairman fee (in addition to member fee)	£20,000	£22,000
Remuneration Committee Chairman fee (in addition to member fee)	£20,000	£22,000
Audit and Risk Committee member fee	£7,500	£7,500
Remuneration Committee member fee	£7,500	£7,500
Non-Executive Chairman fee (all inclusive)	£235,000	£235,000

Non-Executive Directors are reimbursed for reasonable business expenses.

The roles and committee responsibilities of the Non-Executive Directors during 2019 were as follows:

Director	Title	Roles and committee responsibilities
Liz Airey	Independent Chairman	<ul style="list-style-type: none"> • Nomination Committee Chairman • Remuneration Committee member
Jonathon Bond	Independent Non-Executive Director Senior Independent Director	<ul style="list-style-type: none"> • Senior Independent Director • Audit and Risk Committee member • Nomination Committee member • Remuneration Committee member
Bridget Macaskill	Independent Non-Executive Director	<ul style="list-style-type: none"> • Nomination Committee member • Remuneration Committee Chairman
Polly Williams	Independent Non-Executive Director	<ul style="list-style-type: none"> • Audit and Risk Committee Chairman • Nomination Committee member
Karl Sternberg	Independent Non-Executive Director	<ul style="list-style-type: none"> • Audit and Risk Committee member • Nomination Committee member
Roger Yates	Independent Non-Executive Director	<ul style="list-style-type: none"> • Nomination Committee member • Remuneration Committee member

Directors' shareholdings (audited information)

Director	Ordinary shares held at 31 December 2019 (no restrictions)	Unvested ordinary shares held at 31 December 2019 (subject to continued employment)	Total ordinary shares held at 31 December 2019	Vested but unexercised options at 31 December 2019	Unvested options, vesting not subject to performance conditions at 31 December 2019	Unvested options, vesting subject to performance conditions at 31 December 2019	Total options over ordinary shares held at 31 December 2019	Shareholding as a percentage of salary ⁴	Shareholding as a percentage of salary including vested but unexercised shares ⁴
Andrew Formica	507,186	971	508,157	-	6,545	394,663	401,208	413%	413%
Wayne Mepham	-	-	-	-	38,235	-	38,235	0%	0%
Edward Bonham Carter	10,007,276	-	10,007,276	90,702	78,626	172,777	342,105	30,209%	30,482%
Maarten Slendebroek ¹	564,152	388	564,540	104,691	578,321	795,037	1,478,049	481%	570%
Charlotte Jones ²	73,032	-	73,032	-	-	-	-	81%	81%
Liz Airey	45,450	-	45,450	-	-	-	-	-	-
Jonathon Bond	29,794	-	29,794	-	-	-	-	-	-
Bridget Macaskill ³	125,000	-	125,000	-	-	-	-	-	-
Polly Williams	-	-	-	-	-	-	-	-	-
Karl Sternberg	11,101	-	11,101	-	-	-	-	-	-
Roger Yates	25,000	-	25,000	-	-	-	-	-	-

1 Figures for Maarten Slendebroek are as at 1 March 2019, the date he stepped down as a Director.

2 Figures for Charlotte Jones are as at 30 July 2019, the date she stepped down as a Director.

3 Includes connected person's holding.

4 The high percentage of shares held by Edward Bonham Carter relates to shares purchased during the period 2007-2010 while Jupiter was privately owned.

There have been no changes to the above interests between the year end and 27 February 2020 (the latest practicable date before the printing of the Annual Report and Accounts).

Minimum shareholding requirements (audited information)

Executive Directors should maintain a significant holding of shares in the Company. The Policy in operation for the 2019 performance year provides that the Chief Executive should hold shares in the Company with a value equivalent to at least 300% of base salary, and other Executive Directors a value equivalent to at least 200% of base salary. Shortly after his appointment to the Board in March 2019, Andrew Formica purchased 506,173 JFM plc shares in the market. Following his appointment to the Board in September 2019, Wayne Mepham is expected to build up his shareholding within the five years following appointment. The Committee is confident that future awards will allow Wayne to build up the required shareholding within the relevant period, and will monitor his progress against the target.

Post-employment shareholding requirements

Following publication of the most recent version of the Corporate Governance Code in July 2018, the Committee has examined the Deferred Bonus Plan and LTIP rules to ensure that the post-employment requirements of these are in line with the new standards. The Committee believes that the interests of the Executive Directors remain aligned with those of our other shareholders in the period immediately following the termination of employment through the following mechanisms:

- Unvested deferred bonus and LTIP awards (pro-rated where relevant) are, subject to Remuneration Committee discretion, normally released on the normal vesting date with no acceleration; and
- Vested LTIP awards are, subject to Remuneration Committee discretion, normally released at the end of the holding period with no acceleration.

The Committee intends to review this approach when the next Directors' Remuneration Policy is put forward for a formal shareholder vote, in the light of market developments at that time.

Directors' service contracts unexpired terms

The Executive Directors are the only Directors with service contracts, none of which contain an expiry term.

Share awards (audited information)

DBP - options over Jupiter shares

Director	Year granted	Options held at start of year		Grant date	Options granted during the year			Options exercised/lapsed during the year		Options held at end of year		
		Number of shares under option held as at 1 January 2019 including dividend adjustments ¹	Market value per share at date of grant ⁵		Face value at award	Price used to determine number of shares ²	Number of shares under option ²	Number of shares under option lapsed during the year	Number of shares under option exercised during the year	Number of shares under option held as at 31 December 2019	Earliest exercise date	Latest exercise date
Wayne Mepham	2019 (Buyout Award)	-	-	4 Sept 2019	£39,955	£3.43	11,657	-	-	11,657	1 March 2021	1 Sept 2021
	2019 (Buyout Award)	-	-	4 Sept 2019	£68,660	£3.43	20,033	-	-	20,033	1 March 2022	1 Sept 2022
Edward Bonham Carter	2016 (in respect of 2015)	23,506	£4.09	-	-	-	-	-	23,506 ⁴	-	01 April 2019	01 July 2019
	2017 (in respect of 2016)	19,180	£4.21	-	-	-	-	-	-	19,180	29 March 2020	29 June 2020
	2018 (in respect of 2017)	16,342	£4.90	-	-	-	-	-	16,342 ⁵	-	20 Sept 2018	20 March 2019
	2018 (in respect of 2017)	33,737	£4.90	-	-	-	-	-	-	33,737	20 March 2021	20 Sept 2021
	2019 (in respect of 2018)	-	-	22 March 2019	£44,250	£3.52	12,854	-	-	12,854	22 Sept 2019	22 March 2020
	2019 (in respect of 2018)	-	-	22 March 2019	£88,500	£3.52	8,569	-	-	8,569	22 Sept 2020	22 March 2021
							8,569	-	-	8,569	22 Sept 2021	22 March 2022
							8,571	-	-	8,571	22 Sept 2022	22 March 2023
Maarten Slendebroek	2016 (in respect of 2015)	213,709	£4.09	-	-	-	-	-	213,709 ⁶	-	01 April 2019	01 July 2019
	2017 (in respect of 2016)	166,577	£4.21	-	-	-	-	-	-	166,577	29 March 2020	29 June 2020
	2018 (in respect of 2017)	104,691	£4.90	-	-	-	-	-	104,691 ⁷	-	20 Sept 2018	20 March 2019
	2018 (in respect of 2017)	216,129	£4.90	-	-	-	-	-	-	216,129	20 March 2021	20 Sept 2021
	2019 (in respect of 2018)	-	-	22 March 2019	£250,000	£3.52	72,631	-	72,631 ⁸	-	22 Sept 2019	22 March 2020
	2019 (in respect of 2018)	-	-	22 March 2019	£500,000	£3.52	48,420	-	-	48,420	22 Sept 2020	22 March 2021
							48,420	-	-	48,420	22 Sept 2021	22 March 2022
							48,421	-	-	48,421	22 Sept 2022	22 March 2023
Charlotte Jones	2017 (in respect of 2016)	14,684	£4.21	-	-	-	-	14,684	-	-	29 March 2020	29 June 2020
	2018 (in respect of 2017)	40,855	£4.90	-	-	-	-	-	40,855 ⁹	-	20 Sept 2018	20 March 2019
	2018 (in respect of 2017)	81,710	£4.90	-	-	-	-	81,710	-	-	20 March 2021	20 Sept 2021

Share awards (audited information) continued

DBP – options over Jupiter fund units

Director	Year granted	Options held at start of year		Options granted during the year			Options held at end of year			
		Number of fund units under option held as at 1 January 2019	Market value per unit at date of grant ¹⁰	Grant date	Face value at award	Price used to determine number of units ¹⁰	Number of units under option	Number of units under option held as at 31 December 2019	Earliest exercise date	Latest exercise date
Wayne Mepham	2019 (Buyout Award)	-	-	04 Sept 2019	£39,302	£1.11	35,289	35,289	01 March 2021	01 Sept 2021
	2019 (Buyout Award)	-	-	04 Sept 2019	£58,014	£27.52	2,107	2,107	01 March 2022	01 Sept 2022

1 Outstanding share awards granted prior to 2019 were adjusted by 3.22% as a result of the 11 April 2019 Special Dividend. See below.

2 Outstanding share awards granted in 2019 were adjusted by 2.32% as a result of the 29 August 2019 Interim Dividend.

3 Average closing share price from three trading days prior to date of grant.

4 Closing share price on date of exercise, 20 June 2019, was £4.13. This resulted in a value of shares on exercise of £97,080.

5 Closing share price on date of exercise, 07 March 2019, was £3.60. This resulted in a value of shares on exercise of £58,831.

6 Closing share price on date of exercise, 04 April 2019, was £3.80. This resulted in a value of shares on exercise of £812,094.

7 Closing share price on date of exercise, 13 March 2019, was £3.65. This resulted in a value of shares on exercise of £382,122.

8 Closing share price on date of exercise, 29 October 2019, was £3.48. This resulted in a value of shares on exercise of £252,756.

9 Closing share price on date of exercise, 01 March 2019, was £3.63. This resulted in a value of shares on exercise of £148,304.

10 Average closing unit price from three trading days prior to date of grant.

Key terms:

- no performance measures are attached to options granted under the DBP, although awards are normally subject to continued employment with the Company;
- malus and clawback provisions may apply (see the Remuneration Policy table for further details);
- no exercise price is payable on the exercise of DBP options; and
- holders of unvested share option awards are not entitled to cash dividend payments as the holders are not the legal owners of the shares. The Remuneration Committee determined that it was appropriate for holders of share option awards to benefit from dividends declared in 2019 as follows, as permitted under the relevant plan rules:

For awards granted prior to 2019 under the DBP and prior to 2018 under the LTIP schemes, an upwards adjustment to the number of shares over which options were held by a factor of 3.22% in respect of the 11 April 2019 Special Dividend. This factor is equivalent to the value the holder of a share option award would have received had they been entitled to receive the Special Dividend as a cash payment.

For awards granted in 2018 under the LTIP scheme, an upwards adjustment to the number of shares over which options were held by a factor of 5.98% in respect of the 11 April 2019 Ordinary and Special Dividends. This factor is equivalent to the value the holder of a share option award would have received had they been entitled to receive the Ordinary and Special Dividends as a cash payment.

For awards granted in 2019 under the DBP and in 2018 and 2019 under the LTIP schemes, an upwards adjustment to the number of shares over which options were held by a factor of 2.32% in respect of the 29 August 2019 Interim Dividends. This factor is equivalent to the value the holder of a share option award would have received had they been entitled to receive the Interim Dividend as a cash payment.

LTIP – options over Jupiter shares

Director	Year granted	Options held at start of year		Options granted during the year			Options exercised/lapsed during the year		Options held at end of year			
		Number of shares under option held as at 1 January 2019 including dividend adjustments ^{1,2,3}	Market value per share at date of grant ⁴	Grant date	Face value at award	Price used to determine number of shares ⁴	Number of shares under option ⁵	Number of shares under option lapsed during the year	Number of shares under option exercised during the year	Number of shares under option held as at 31 December 2019	Earliest exercise date	Latest exercise date
Andrew Formica	2019	-	-	22 March 2019	£1,390,000	£3.52	403,835	-	-	403,835	22 March 2024	22 Sept 2024
Edward Bonham Carter	2014	16,148	£4.14	-	-	-	-	-	16,148 ⁵	-	03 April 2017	03 April 2019
	2015	49,466	£4.12	-	-	-	-	-	-	49,466	27 March 2018	27 March 2020
	2016	65,652	£4.09	-	-	-	-	37,270	-	28,382	01 April 2019	01 April 2021
	2017	63,097	£4.21	-	-	-	-	-	-	63,097	29 March 2020	29 March 2022
	2018	57,385	£4.61	-	-	-	-	-	-	57,385	20 March 2023	20 Sept 2023
	2019	-	-	22 March 2019	£180,000	£3.52	52,295	-	-	52,295	22 March 2024	22 Sept 2024
Maarten Slendebroek	2016	328,263	£4.09	-	-	-	-	186,346	141,917 ⁶	-	01 April 2019	01 April 2021
	2017	364,450	£4.21	-	-	-	-	48,524	-	315,926	29 March 2020	29 March 2022
	2018	334,103	£4.61	-	-	-	-	155,976	-	178,127	20 March 2023	20 Sept 2023
Charlotte Jones	2017	122,370	£4.21	-	-	-	-	122,370	-	-	29 March 2020	29 March 2022
	2018	143,710	£4.61	-	-	-	-	143,710	-	-	20 March 2023	20 Sept 2023

1 Outstanding share awards granted prior to 2018 were adjusted by 3.22% as a result of the 11 April 2019 Special Dividend.

2 Outstanding share awards granted in 2018 were adjusted by 5.98% as a result of the 11 April 2019 Ordinary and Special Dividends.

3 Outstanding share awards granted in 2018 and 2019 were adjusted by 2.32% as a result of the 29 August 2019 Interim Dividend.

4 Average closing share price from three trading days prior to date of grant.

5 Closing share price on date of exercise, 07 March 2019, was £3.60. This resulted in a value of shares on exercise of £58,133.

6 Closing share price on date of exercise, 02 April 2019, was £3.71. This resulted in a value of shares on exercise of £526,512.

Key terms:

- performance conditions for LTIP awards granted between 2013 and 2017 are: underlying EPS, net sales, investment outperformance and strategic goals, all equally weighted. These performance conditions are measured over the period 1 January in the year of grant to 31 December in the year prior to vesting and the targets are consistent with those for the 2017 award as shown on page 90;
- performance conditions for LTIP awards granted in 2018 and 2019 are: 50% EPS growth and 50% investment outperformance. The targets and vesting schedule for EPS are as follows: For awards granted in 2018: less than 20% EPS growth over the performance period, 0% vesting; 40% EPS growth or above over the performance period, 100% vesting; any other EPS growth percentage is subject to a sliding scale between 0% and 100%. For awards granted in 2019: less than 5% EPS growth over the performance period, 0% vesting; 25% EPS growth or above over the performance period, 100% vesting; any other EPS growth percentage is subject to a sliding scale between 0% and 100%. The targets and vesting schedule for investment outperformance are: less than 50% of funds (weighted by AUM) achieving median/benchmark performance, 0% vesting; 50% of funds (weighted by AUM) achieving median/benchmark performance, 25% vesting; 80% or above of funds (weighted by AUM) achieving median/benchmark performance, 100% vesting; any other percentage of funds (weighted by AUM) achieving median/benchmark performance, a sliding scale in between the relevant percentages. These performance conditions are measured over the period 1 January in the year of grant to 31 December in the year prior to vesting. Awards are subject to a two-year post-vesting holding period;
- malus and clawback provisions may apply (see the Remuneration Policy table for further details);
- an exercise price of £0.02 per share is payable on the exercise of LTIP options granted prior to 2018;
- the number of shares under award granted prior to 2018 were adjusted as a result of the 11 April 2019 Special Dividend, as described under the DBP share table above;
- the number of shares under award granted in 2018 were adjusted as a result of the 11 April 2019 Ordinary and Special Dividends and 29 August 2019 Interim Dividend, as described under the DBP share table above; and
- the number of shares under award granted in 2018 were adjusted as a result of the 29 August 2019 Interim Dividend, as described under the DBP share table above.

Share awards (audited information) continued

Joiner plan – options over Jupiter shares

Director	Year granted	Options held at start of year		Options granted during the year			Options exercised during the year		Options held at end of year		
		Number of shares under option as at 1 January 2019	Market value per share at date of grant	Grant date	Face value at award	Price used to determine number of shares	Number of shares under option	Number of shares under option exercised during the year	Number of shares under option as at 31 December 2019	Earliest exercise date	Latest exercise date
Charlotte Jones	2016	49,429	£4.29	-	-	-	-	49,429 ¹	-	31 January 2019	31 January 2021

¹ Closing share price on date of exercise, 1 March 2019, was £3.63. This resulted in a value of shares on exercise of £179,427.

Key terms:

- the options granted under the Joiner Plan are one-off awards made as a buy-out of awards foregone by Charlotte Jones on resignation from her previous employer, in order to join Jupiter. To match the terms of the awards foregone, no performance conditions are attached to the options granted under the Joiner Plan;
- an exercise price of £0.02 per share is payable on the exercise of Joiner Plan options;
- the options granted under the Joiner Plan will not be settled with newly issued shares; and
- malus and clawback provisions apply to the Joiner Plan awards.

Share Incentive Plan

Director	Shares held at start of year		Shares awarded during the year				Shares acquired/forfeited during the year		Shares held at end of year	
	Number of shares subject to award as at 1 January 2019	Market value per share at award ¹	Award date	Face value at award	Price used to determine number of shares ¹	Number of shares granted during the year	Number of shares acquired during the year	Number of shares forfeited during the year	Number of shares subject to award as at 31 December 2019	Earliest vesting date
Andrew Formica	-	-	04 April 2019	£1,799	£3.80	473	-	-	473	04 April 2022
	-	-	07 May 2019	£1,801	£3.62	498	-	-	498	07 May 2022
Maarten Slendebroek	462	£3.89	-	-	-	-	462	-	-	02 May 2017
Edward Bonham Carter	387	£4.64	-	-	-	-	-	387	-	04 May 2021
	1	£3.91	-	-	-	-	-	1	-	04 October 2021
Edward Bonham Carter	457	£3.28	-	-	-	-	-	-	457	02 May 2016
	462	£3.89	-	-	-	-	-	-	462	02 May 2017
	1	£3.50	-	-	-	-	-	-	1	02 October 2017

¹ Market price on the date of purchase of SIP shares.

Sharesave – options over Jupiter shares

Director	Year granted	Options held at start of year		Options granted during the year			Options held at end of year			
		Number of shares under option as at 1 January 2019	Market value per share at date of grant	Grant date	Face value at award	Price used to determine number of shares ¹	Number of shares under option	Number of shares under option as at 31 December 2019	Earliest exercise date	Latest exercise date
Andrew Formica	2019	-	-	27 Sept 2019	£17,999	£2.75	6,545	6,545	1 December 2022	31 May 2023
Wayne Mepham	2019	-	-	27 Sept 2019	£17,999	£2.75	6,545	6,545	1 December 2022	31 May 2023

¹ Sharesave is an all employee share plan operated in line with applicable tax legislation. Average closing share price from three trading days prior to date of grant, discounted by 20% in line with the Sharesave rules applicable to all eligible employees.

Risk and reward at Jupiter

Discussion

The Committee gives careful consideration to the linkage between risk and reward to ensure the desired behaviours and culture are being rewarded. This includes ensuring the reward structures are consistent with and promote sound and effective risk management, and ensuring remuneration out-turns appropriately reflect the risk profile and behaviours of the Group and each individual. This is demonstrated through a variety of reward features and processes that ensure alignment to risk considerations throughout the organisation. For example:

- When assessing the overall variable compensation spend as described on page 88, the Committee considers a number of 'checkpoints', as described in the checkpoints chart on the right hand side of this page.
- For all employees there is consideration of conduct and performance against risk and compliance criteria, ensuring there is risk adjustment at an individual level.
- Assessment of individual performance includes consideration of financial and non-financial metrics. This ensures that the way in which performance has been achieved is taken into account, for example, in terms of risk and repeatability.
- All employees with bonuses of over £50,000 have a portion of bonus deferred into shares and/or fund units. In total approximately 22% of employees are subject to some kind of deferral, ensuring their interests are aligned with the long-term success of the Group and with the interest of clients.
- Shareholding requirements apply to Executive Directors and Executive Committee members, further enhancing the link to the Group's long-term success.
- For Executive Directors and Executive Committee members, all variable remuneration is subject to malus and clawback provisions, whereby incentive awards may be reduced, withheld or reclaimed in certain circumstances, including where there has been a material failure of risk management.

In addition to the Compliance Director and the Audit and Risk Committee feeding into the process, the Chief Risk Officer presents a report to the Committee, setting out thoughts and assurances around how the remuneration structures and processes support sound and effective risk management.

CHECKPOINTS

Capital base and liquidity

Can Jupiter afford the proposed variable compensation spend?

- Sufficient liquidity to make payments?
- Consider impact on Jupiter's capital base.

Request and consider input from the Chief Financial Officer.

Underlying financial performance

Does Jupiter's underlying financial performance support the proposed variable compensation spend?

- Consider performance against financial KPIs listed in the Annual Report.
- Is there any reason to believe the financial results are not a fair reflection of underlying performance?

Request and consider input from the Audit and Risk Committee.

Risk

Does Jupiter's risk profile and risk management support the variable compensation spend? Are any adjustments required?

- Consideration of the Enterprise Risk Management report.
- Are all risks being suitably monitored and managed? Have there been any material failures of risk management (or any 'near misses') in the year?
- Consider whether profit reflects current and future risks and timing and likelihood of future revenues.

Request and consider input from the Chief Risk Officer and the Audit and Risk Committee.

Compliance

Have there been any material compliance breaches in the year?

- Are any adjustments required?
- Consideration of any significant compliance breaches and/or 'near misses'.
- Consideration of any fines received in the year and any ongoing regulatory investigations.

Request and consider input from the Compliance Director.

Commercial

Are there any commercial drivers to support adjustments to the variable compensation spend?

- Consider the market for talent and whether the spend would likely result in any significant over/underpayment against the market.

Reputational

Are there any reputational drivers to support adjustments to the variable compensation spend?

- Has there been any reputational damage to the Group in the year?
- Will the proposed variable compensation pool quantum have any adverse reputational impact on the Group?

Variable compensation spend, total and variable compensation ratios approval.

Risk and reward at Jupiter continued**COMPLIANCE STATEMENT**

This Remuneration Report was prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. This report contains both audited and non-audited information. The information subject to audit is set out in the Annual Report on Remuneration and is identified accordingly.

During the year Jupiter has been subject to a number of regulations including CRD III and parts of the firm were also subject to AIFMD and UCITSV. The Committee fulfils all of its requirements under these regulations and ensures that the Remuneration Policy adheres to their principles. The Group has followed the requirements of the UK Corporate Governance Code.

Dilution

Our policy regarding dilution from employee share awards is to ensure that dilution will be no more than 10% in any rolling 10-year period and no more than 5% from employee share awards granted to Executive Directors of the Company in any rolling 10-year period.

As at 31 December 2019, share awards granted under the DBP, LTIP, CSOP and Sharesave in the nine and a half years since Jupiter's Listing were outstanding over 19.6m shares (including 0.8m granted to Executive Directors). This represented 4.3% (0.2% to Executive Directors) of the Company's issued share capital. Our current intention is to settle all share awards outstanding as at 31 December 2019 with market purchased shares and our ongoing practice is to purchase shares in the market to settle obligations. No new shares have been issued since Listing in 2010. Therefore, we are currently operating within the relevant dilution targets by a comfortable margin.

Notwithstanding the target outlined above, as a business exposed to both market shocks and critical people issues, we believe we should retain flexibility to act very quickly to take steps that could increase dilution up to a maximum of 15% on a temporary and short-term basis, if the Remuneration Committee and Board believe it is clearly in shareholders' interests to do so.

If dilution were to exceed 10% in any rolling 10-year period, this would be on an exceptional basis and for a short time period. The Remuneration report for the relevant year would also contain the necessary justifications for such an outcome. The Remuneration Committee and Board would ensure that dilution levels returned to within the 10% level in any rolling 10-year period as soon as practicable thereafter.

The chart below shows the Company's share price performance (based on total shareholder return, with dividends reinvested net of tax) in the period since Listing on 21 June 2010, compared with the movement of the FTSE 250 Index and the FTSE 350 General Financial Index. These two indices were chosen as the Company is in the FTSE 250 and the FTSE 350 General Financial Index includes UK listed financial stocks, including asset managers.

Pay vs performance

Total shareholder return (per-cent)

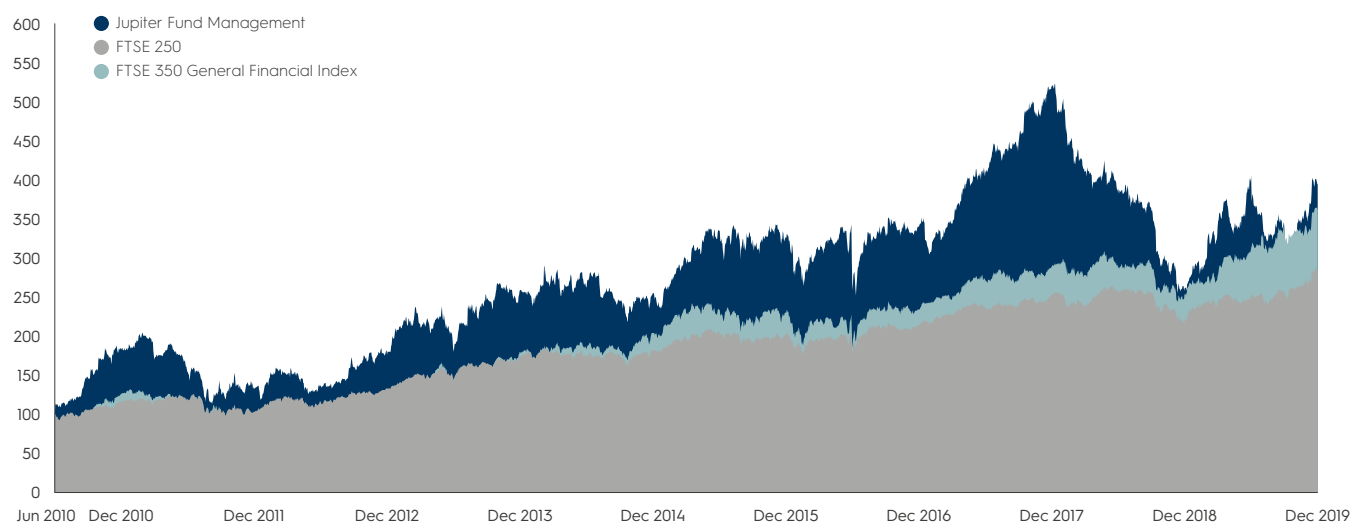


Table of historic levels of CEO pay

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
CEO single figure of total remuneration (£'000)	2,035	1,785	1,634	1,789	2,301 ¹	2,716	2,437	3,546	2,014	1,936 ²
CEO bonus as a percentage of maximum potential ³	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	55%	56% ²
Long-term incentive vesting rates against maximum opportunity ⁴	N/A	N/A	N/A	N/A	46%	71%	44% ⁵	74% ⁵	43%	32%

1 Calculated as Edward Bonham Carter's remuneration to 17 March 2014 and Maarten Slendebroek's from 17 March 2014 when he took on the role of CEO, plus the value of Edward Bonham Carter's LTIP award vesting based on performance to 31 December 2014.

2 Calculated as Maarten Slendebroek's remuneration to 28 February 2019 and Andrew Formica's from 1 March 2019 when he took on the role of CEO, plus the value of Maarten Slendebroek's pro-rated LTIP award vesting based on performance to 31 December 2019.

3 Jupiter's Remuneration Policy for the period from 2011 to 2017 did not include individual maximum bonuses, therefore a percentage is not provided for these years.

4 No LTIP awards vested 2010 to 2013 as the first LTIP awards granted to the CEO after Listing were in 2012.

5 Maarten Slendebroek has two separate LTIP awards included in the 2016 single figure, both of which had performance periods ending during that financial year. The 44% vesting is a weighted average of the vesting outcomes for both awards combined.

6 Maarten Slendebroek has two separate LTIP awards included in the 2017 single figure, both of which had performance periods ending during that financial year. The 74% vesting is a weighted average of the vesting outcomes for both awards combined.

Change in CEO pay vs employees

The percentage change in the CEO's pay (defined for these purposes as salary, taxable benefits, cash bonus and DBP awards in respect of the relevant year) between 2018 and 2019, and the same information, on an averaged basis, for all employees (excluding Executive Directors) is shown in the table below. It should be noted that the increase in base salary for the CEO in 2019 represents the higher salary which was set in relation to the appointment of Andrew Formica, reflective of his experience.

	CEO percentage change (2018 to 2019)	All employees (excluding Executive Directors) percentage change (2018 to 2019)
Base salary	4%	4%
Benefits ¹	33%	33%
Bonus (including DBP portion)	6% ²	(5)%

1 Benefits include taxable value of private medical insurance. The Company paid premium (on which an individual pays tax) increased by one third for all members of the private medical insurance plan with effect from 1 January 2019.

2 Calculated as Maarten Slendebroek's bonus for the period 1 January to 28 February 2019 and Andrew Formica's bonus for the period 1 March to 31 December 2019.

CEO pay ratio

The Company opted to make its first CEO pay ratio disclosure in last year's Annual Report & Accounts, therefore 2019 represents the second year of publication.

Year	Method	25th Percentile	Median	75th Percentile
2018	Option A	32:1	21:1	13:1
2019	Option A	30:1	19:1	12:1

The Company has chosen to use 'Option A' as the methodology for calculating the pay and benefits of all UK employees, as this is consistent with the approach that must be used for the CEO single figure. It therefore allows a like-for-like comparison to take place between the pay data of the CEO and employees at the lower, median and upper quartiles, as well as a more accurate analysis of the resulting ratios. For the purpose of this disclosure, the Company has chosen 31 December 2019 as the reference date on which the pay for all employees in employment as at 1 October 2019 was calculated, consistent with our approach taken in 2018.

Risk and reward at Jupiter continued

	25th Percentile	Median	75th Percentile
CEO Single Figure (£'000)		1,936 ¹	
Employee Single Figure (£'000)	65	100	163
Employee Single Figure Salary Component (£'000)	48	70	98

¹ Calculated as Maarten Slendebroek's remuneration to 28 February 2019 and Andrew Formica's from 1 March 2019 when he took on the role of CEO, plus the value of Maarten Slendebroek's pro-rated LTIP award vesting based on performance conditions tested to 31 December 2019.

Jupiter's 2019 CEO pay ratio has slightly declined at all quartile intervals relative to the prior year. This reduction is due to both a decline in the CEO single figure, as well as an increase in single figure values at each quartile for all other employees. The reduction in the CEO single figure can be attributed predominantly to the reduction in value of the LTIP award vesting (as shown in the single figure table for the previous CEO), which has performance conditions tested to 31 December 2019. The proportion of this award vesting (32.4%) is below the level achieved in the prior year (42.5%), and the number of shares over which the award is vesting for the previous CEO has been reduced on a time pro-rated basis. As the 2019 CEO single figure is an amalgamation of the outgoing and incoming CEOs' remuneration for the year, a degree of caution should be exercised when interpreting the movement relative to 2018.

Jupiter operates consistent reward policies across its UK workforce, with the exception of any variation required by regulation, legislation or corporate governance. Remuneration requirements that are considered more onerous are limited only to those individuals to whom the relevant rules apply. Notwithstanding this, the Committee recognises that the CEO pay ratio will fluctuate from year to year as it is dependent on a number of factors, some of which are outwith the Committee's control, for example movements in share price which affect the value of deferred share-based compensation with performance conditions. The Committee therefore does not target a specific pay ratio, but will consider any movement in the ratio year-on-year when assessing the balance of remuneration for all other employees relative to maintaining a competitive remuneration package for the CEO.

Relative importance of spend on pay

The following chart shows the Group's profit after tax, total employee remuneration and dividends declared on ordinary shares for 2019 and 2018.

Underlying profit after tax ¹ (£m)		Total employee remuneration ² (£m)		Dividend declared (£m)	
2019	131.8	2019	130.1	2019	78.3
2018	148.2	2018	130.3	2018	130.4

¹ Stated before exceptional items (see APMs on page 38).

² Being fixed staff costs before exceptional items plus variable staff costs before exceptional items (see page 38).

Total employee remuneration has remained flat year-on-year. Fixed staff costs were down 3%, whilst variable staff costs before exceptional items increased by the same percentage. This increase comprised a 10% drop in cash bonuses, offset by an increase of 18% in deferred bonuses before exceptional items. The higher charge in respect of deferred bonuses arose almost entirely from national insurance on share-based awards, linked to the higher share price in 2019 relative to the prior year.

Shareholder voting

The following table sets out the voting outcomes in respect of the most recent AGM votes on the Annual Report on Remuneration and the Directors' Remuneration Policy, held on 15 May 2019 and 16 May 2018 respectively.

	For	Percentage of total votes cast	Against	Percentage of total votes cast	Withheld
Annual Report on Remuneration at 2019 AGM	373,481,309	96.31	14,310,667	3.69	11,424,123
Directors' Remuneration Policy at 2018 AGM	283,433,482	81.16	65,778,651	18.84	19,438,633

Advisers

In September 2017 the Remuneration Committee conducted a review of the appointment of its independent advisers. The process included a series of interviews with the Chairman and members of the Committee. As a result of that review Deloitte LLP were confirmed as advisers to the Committee and a new team was appointed.

The Committee has formally reviewed the work undertaken by Deloitte and is satisfied that the advice they have received has been objective and independent. Deloitte are founder members of the Remuneration Consultants Group and abide by its code of conduct in relation to executive remuneration consulting in the UK. Fees paid to Deloitte for executive remuneration consulting were £77,900 in 2019, determined on a time-spent basis. Deloitte also provide advice to the Company relating to regulatory matters and provided due diligence support during the year. The Remuneration Committee does not consider that the other advice provided has any impact on Deloitte's independence as adviser to the Remuneration Committee.

On behalf of the Board

Bridget Macaskill, Chairman of the Remuneration Committee

27 February 2020

The Directors present their report and the Group's audited financial statements for the year ended 31 December 2019.

Principal activities and results

The Company's principal activity is to act as a holding company for a group of investment management companies. Our business model is based on investment performance, creating value and effective distribution and is explained in the Strategic report. The Group operates principally in the United Kingdom and has branches of subsidiaries operating in Europe, together with four overseas trading subsidiaries.

The Company is incorporated with Company Number 6150195 and is domiciled in England and Wales.

Other information, which forms part of this Directors' report, can be found in the following sections of the Annual Report and is deemed to form part of this report:

- Commentary on the development and performance in the year ended 31 December 2019, and likely future developments in the Group's business, is included in the Strategic report on pages 1 to 53.
- Descriptions of the Group's financial risk management objectives and policies, and its exposure to risks arising from its use of financial instruments, are set out in Note 5.2 to the Accounts on pages 132 to 136.
- Information concerning Directors' contractual arrangements and entitlements under share-based remuneration arrangements is given in the Remuneration report on pages 78 to 102.
- The Group's environmental performance data, including the absolute Scope 1 and 2 emissions for 2019, can be found in the Corporate Responsibility section of the Strategic report on page 48.
- Information concerning the involvement of employees in the business is also given in the Strategic report on pages 30 to 31 and in the Governance Report on pages 62 and 63.
- How we consider stakeholder interests including our s.172 statement can be found on pages 62 and 63 and our engagement practices on pages 52 and 53.

Disclosure required under the listing rules and the disclosure guidance and transparency rules DTR 4.1.5R, DTR 4.1.8R and DTR 4.1.11R

Information which is the required content of the Management report can be found in the Strategic report and in this Directors' report.

LR 9.8.4 R

The following table is disclosed pursuant to Listing Rule 9.8.4 R. The information required to be disclosed, where applicable to the Company, can be located in the Annual Report and Accounts at the references set out below:

Information	Location
Interest capitalised	Not applicable
Shareholder waiver of dividends	Note 4.3
Shareholder waiver of future dividends	Note 4.3
Agreements with controlling shareholders	Not applicable
Provision of services by a controlling shareholder	Not applicable
Details of long-term incentive schemes	Remuneration Report and Note 1.5
Waiver of emoluments by a Director	Not applicable
Waiver of future emoluments by a Director	Not applicable
Significant contracts	Page 105
Non-pre-emptive issues of equity for cash	Not applicable
Non-pre-emptive issues of equity for cash in relation to major subsidiary	Not applicable
Participation by parent of a placing by a listed subsidiary	Not applicable
Publication of unaudited financial information	Page 153

All the information cross-referenced above is incorporated by reference into this Directors' report.

Compliance statement – DTR 7.2

This statement has been provided by the Chairman in her introduction to the Governance section on page 54 and is deemed to form part of this Directors' report.

Internal control and risk management systems – DTR 7.2.5

A description of the Company's financial reporting, internal control and risk management processes can be found on pages 40 and 41.

Structure of capital and voting rights – DTR 7.2.6

As at 31 December 2019 and 28 February 2020, there were 457,699,916 fully paid ordinary shares of 2p, amounting to £9,153,998. Each share in issue is listed on the Official List maintained by the FCA in its capacity as the UK Listing Authority. There were no changes to the share capital during the year. The Company has one class of ordinary shares which carry the right to attend, speak and vote at general meetings of the Company. The holders of ordinary shares have the right to participate in dividends and other

distributions according to their respective rights and interests in the profits of the Company and a return of capital on a winding-up of the Company. Full details regarding the exercise of voting rights in respect of the resolutions to be considered at the AGM to be held on 21 May 2020 are set out in the Notice of Annual General Meeting. To be valid, the appointment of a proxy to vote at a general meeting must be received not less than 48 hours before the time appointed for holding the meeting. Full details on how to submit the proxy can be found in the AGM Notice.

None of the ordinary shares carries any special rights with regard to control of the Company.

Shares held in employee benefit trusts

Under the rules of the Jupiter Share Incentive Plan (the "SIP"), which was introduced in 2013, eligible employees are entitled to acquire ordinary shares in the Company. The SIP shares are held in trust for participants by Yorkshire Building Society (the "SIP Trustee"). Voting rights are exercised by the SIP Trustee on receipt of participants' instructions. If a participant does not submit an instruction to the SIP Trustee, no vote is registered. In addition, the SIP Trustees do not vote on any unallocated shares held in trust. As at 27 February 2020, the SIP Trustee held 0.2% of the Company's issued share capital.

RBC cees Trustee Limited, as trustee of the Jupiter Employee Benefit Trust (the "EBT Trustee"), holds ordinary shares in trust for the benefit of the Group's employees. Where the EBT Trustee has allocated shares held in the trust in respect of specific awards granted under the Jupiter Employee Share Plan, the holders of such awards may recommend to the EBT Trustee as to how it should exercise voting rights relating to such shares. To the extent that a participant does not make such recommendations, no vote is registered. In addition, the EBT Trustee does not vote on any unallocated shares held in the trust. As at 27 February 2020, the EBT Trustee held 3.1% of the Company's issued share capital.

CREST

The Company's ordinary shares are in CREST, the settlement system for stocks and shares traded on the London Stock Exchange.

Restrictions on transfer of shares

There are no restrictions on voting rights or the transfer of shares in the Company and the Company is not aware of any agreements between holders of shares that result in such restrictions.

Board of Directors

During the year, Maarten Slendebroek stepped down as Chief Executive Officer and was replaced by Andrew Formica in March 2019. Wayne Mephram joined the Board as Chief Financial Officer in September 2019 in replacement of Charlotte Jones. There have been no further Board changes up until the date of this report.

The Directors who served during the year are as follows:

- Liz Airey
- Edward Bonham Carter
- Jonathon Bond
- Andrew Formica (appointed 1 March 2019)
- Charlotte Jones (to 30 July 2019)
- Bridget Macaskill
- Wayne Mephram (appointed 3 September 2019)
- Maarten Slendebroek (to 1 March 2019)
- Karl Sternberg
- Polly Williams
- Roger Yates

In November the Company announced that Liz Airey would step down as Chairman and a Director of the Company with effect from 2 March 2020. Nichola Pease will join the Board as Chairman with effect from the same date. Bridget Macaskill has decided to step down from the Board following the conclusion of this year's AGM.

Substantial interests as at 31 December 2019

Name	Number of shares notified to the Company	Percentage interest (%)
Silchester International Investors LLP	77,972,141	17.04
Baillie Gifford	22,893,835	5.00

No notifications have been disclosed to the Company in accordance with DTR 5 during the period 1 January 2020 to 27 February 2020.

Directors' interests

The Directors' interests in the Company's shares are set out in the Remuneration report on page 94. No Director had a material interest in any significant contract (other than a service contract or contract for services) with the Company at any time during the year.

The Directors are advised of their statutory duty to avoid conflicts of interest with those of the Company. All actual and potential conflicts are brought to the attention of the Board. The operation of the Company's policy on conflicts of interest is described in the Governance section on page 60.

The rights and obligations attaching to the Company's ordinary shares, as well as the powers of the Company's Directors, are set out in detail in the Company's Articles of Association, which are made available for inspection by the Company's shareholders at the AGM and available on our website www.jupiteram.com.

Substantial share interests

As at 31 December 2019, the Company had been notified of the following voting interests in the ordinary share capital of the Company in accordance with DTR 5 of the FCA's Disclosure Guidance and Transparency Rules. Percentages are shown as notified, calculated with reference to the Company's disclosed share capital as at the date of the movement triggering the notification.

Supplier oversight and significant contracts

Jupiter has four significant oversight relationships: DST Financial Services (DST), JP Morgan (Luxembourg) (JPML), National Westminster Bank Plc (NatWest) and Northern Trust (Northern).

In support of the unit trust fund range, DST's services include dealing and registration processing, the distribution of income, record keeping and responding to client enquiries. NatWest directly provides trustee services and delegates custody services to Northern. During the year Northern were also appointed to provide Unit Trust Fund Accounting and Depository services.

JPML provides a range of services in support of the SICAVs, including depository, custody, company secretarial, fund accounting, dealing and registration processing, the distribution of income, record keeping and responding to client enquiries.

These organisations' activities are defined in service level agreements that are closely monitored to ensure that service delivery standards are met.

Jupiter's Supplier Management function oversees a suite of agreed activities, including: formal meeting governance; the review of key performance indicators; reviews by Jupiter's assurance functions (including Service Delivery, Business Continuity, IT security, Enterprise Risk, Compliance and Internal Audit where appropriate); site visits; and the review of key reports (including controls assurance reports and the financial report and accounts). Any risks or issues arising are progressed through to resolution and, where appropriate, escalated to Senior Management and reported to the Board.

Employees

The Group gives full and fair consideration to applications for employment from disabled persons, where a disabled person can adequately fulfil the job's requirements. Where existing employees become disabled, the Group's policy, wherever practicable, is to provide continuing employment under normal terms and conditions and make any required changes to their working environment. The Group provides training, career development and promotion to disabled employees.

Further details of the Company's employment procedures and practices are set out in the Strategic report on pages 30 to 31.

Dividends

Effective from 2015, the Board changed its approach to dividends to enable prompt payment alongside potential future special dividends, with the expectation that payment of dividends can be made in early April. Accordingly, the Directors have not recommended a final dividend but have approved a full year dividend in respect of 2019 of 9.2 pence per ordinary share (2018: 9.2 pence per ordinary share). Payment of this dividend is not subject to approval by shareholders at the AGM. The ordinary dividend will be paid on 9 April 2020, to shareholders on the register at the close of business on 13 March 2020.

Appointment and replacement of Directors

The Company's Articles of Association provide that Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director holds office only until the next AGM.

In accordance with the Company's Articles of Association and the Code's requirements, all serving Directors offer themselves for election or re-election at the AGM in 2020.

In addition to any powers under the Companies Act 2006 (the "Act") to remove Directors from office, the Company may, by passing an ordinary resolution, remove any Director from the Board before the expiration of his or her period in office. The Company may, subject to the Articles of Association, appoint by ordinary resolution another person who is willing to be a Director in his or her place. The Company's Articles of Association may be amended by special resolution of the shareholders.

Powers of the Directors

The Directors manage the Company under the powers set out in the Company's Articles of Association. These powers include the Directors' ability to issue or buy back shares. An ordinary resolution was passed at the AGM on 15 May 2019, authorising the Directors to allot new ordinary shares up to an aggregate nominal amount of £3,051,332, representing approximately one third of the Company's issued share capital. The Directors intend to seek shareholders'

approval for the renewal of this authority at the AGM, to allot and grant rights to subscribe for ordinary shares up to an aggregate nominal amount of £3,051,332, representing approximately one third of the Company's issued share capital as at 27 February 2020. If approved, this authority will expire on 30 June 2021 or, if earlier, at the conclusion of the AGM in 2021.

At the AGM in 2019, shareholders approved a resolution authorising the Company to make purchases of its own shares. As at 27 February 2020, the Directors have not used this authority. A special resolution will be proposed at the AGM to renew the Company's limited authority to purchase its own ordinary shares. The authority will be limited to a maximum of 45,769,950 ordinary shares (approximately 10% of the Company's issued share capital as at 27 February 2020) and will set out the minimum and maximum prices which the Company may pay for any such purchase. If approved, this authority will expire on 30 June 2021 or, if earlier, at the conclusion of the AGM in 2021.

Independent auditors and audit information

PwC were reappointed as external auditors following a tender conducted in 2014. In accordance with the FRC's recommendations as set out in the Code, the Audit will be retendered within 10 years of that appointment.

Important events affecting the Company since the end of the year

On 17 February 2020 the Company announced the proposed acquisition of Merian Global Investors Limited, which is subject to shareholder and regulatory approval. If all required approvals are received the acquisition is expected to close in mid-2020. Under the agreement Jupiter will acquire the entire issued share capital of Merian for a total value of £390m comprising an upfront equity value of £370m to be paid through the issue of 95,360,825 new shares in the Company to Merian shareholders, with an additional deferred earn-out of up to £20m for key management shareholders.

As part of this transaction the Company will strengthen its balance sheet through the issue of a c.£50m regulatory capital compliant debt instrument.

Directors' responsibility statements

The statement of Directors' responsibility for preparing the Annual Report and Accounts is set out on page 107 and is deemed to form part of the Directors' report. Within this, the Directors have included a statement that the Annual Report and Accounts present a fair, balanced and understandable assessment of the Group's position and prospects. To help the Board discharge its responsibilities in this area, the Board consulted the Audit and Risk Committee, which advised on the key considerations to comply with best practice and the Code's requirements.

Following the Committee's advice, the Board considered and concluded that:

- the business model and strategy were clearly described;
- the assessment of performance was balanced;
- KPIs were used consistently;
- the language used was concise, with good linkages to different parts of the document; and
- an appropriate forward-looking orientation had been adopted.

Going concern

The Strategic report discusses the Group's business activities, together with the factors likely to affect its future development, performance and position. In addition, it sets out the Group's financial position, cash flows, liquidity position and borrowing facilities. The financial risk management note to the Financial Statements sets out the Group's objectives, policies and processes for managing capital and its financial risk management objectives, together with details of financial instruments and exposure to credit and liquidity risk.

The Group has access to the financial resources required to run the business efficiently and has a strong gross cash position. The Group's forecasts and projections, which are subject to rigorous sensitivity analysis, show that the Group will be able to operate within its available resources. As a consequence, the Directors consider it appropriate to prepare the annual Financial Statements on a going concern basis of accounting.

Statement of viability

In accordance with Provision 31 of the Code, the Directors have assessed the prospects of the Group over a longer period than the 12 months as required by the Going Concern provision. Details of the assessment can be found in the Financial review on page 37.

Change of control

The Company does not have agreements with any Director or employee that would provide compensation for loss of office or employment resulting from a change of control following a takeover bid, except that provisions of the Company's share schemes may cause options and awards granted under such schemes to vest in those circumstances.

Directors' indemnities

The Company's Articles of Association permit the provision of indemnities to the Directors. In accordance with the Articles of Association, the Company has entered into a deed of indemnity in favour of each Director (which is a qualifying third-party indemnity provision under the Act) pursuant to which the Director has been granted the right to indemnification as permitted under the Act. These arrangements were in place throughout the year and up to the date of approval of this report and applied to the current and previous Directors. In addition, during the year the Company has maintained Director's and Officer's liability insurance cover for Directors.

Directors' service agreements

Each Executive Director, at the time of this report, has a written service agreement, which may be terminated by either party on not less than six months' notice in writing.

Non-executive Directors' letters of appointment

The letters of appointment of the Non-Executive Directors are issued for an initial period of three years, which may be renewed for further terms as appropriate. All appointments are subject to a review by the Nomination Committee upon the third anniversary and on extension a further review is undertaken at the sixth anniversary at which the Board's succession plans and the need to refresh the Board's skills and experiences are carefully considered.

The role and responsibilities of each Director are clearly set out and include the duties of a Director as provided in the Act. It is made clear that these duties do not include any management function but an indication that the Director is expected to support and challenge management and help in the development of the Group's strategy.

Three months' notice in writing is required to be served by either party to terminate the appointment.

The Non-Executive Directors' letters of appointment are available for inspection at the Company's registered office during normal business hours and at the AGM (for 15 minutes prior to, and during, the Meeting).

Compensation for loss of office

With reference to Schedule 7 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (paragraph 13(2)(k)), there are no agreements in place between the Company and any Director or employee for loss of office in the event of a takeover.

Political donations

The Group made no political donations or contributions during the year (2018: £nil).

Annual general meeting

The AGM will take place on 21 May 2020. All shareholders are invited to attend and will have the opportunity to put questions to the Board. The Notice of the AGM will be circulated to all shareholders at least 20 working days before the meeting and the details of the resolutions to be proposed will be set out in that Notice.

This document will be available on the Company's website at www.jupiteram.com.

By order of the Board

Lisa Daniels, Company Secretary
27 February 2020

Statements relating to the preparation of the financial statements

The Directors are responsible for preparing the Annual Report, the Remuneration Report and the Financial Statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group and Company Financial Statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU"), and related IFRS IC interpretations and with the provisions of the Companies Act 2006 (the "Act") applicable to companies reporting under IFRS.

The Directors' review of the financial statements

The Directors undertook a detailed review of the Financial Statements in January and February 2020. Following this examination, the Board was satisfied that the Financial Statements for 2019 give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. Before approving the Financial Statements, the Board satisfied itself that in preparing the statements:

- suitable accounting policies had been selected and consistently applied;
- the judgements and accounting estimates that have been made were reasonable, necessary and prudent; and
- where applicable IFRSs, as adopted by the EU, have been adopted, they have been followed and that there were no material departures.

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

The Directors' review of going concern

The Financial Statements have been prepared on the going concern basis, the Directors having determined that the Company is likely to continue in business for at least 12 months from the date of this report.

The Directors' review of current position, prospects and principal risks

Supported by the Audit and Risk Committee, the Directors have completed a robust review and assessment of the principal risks in the business making use of the Enterprise Risk Framework which operates in all areas of the Company. The framework ensures that the relevant risks are identified and managed and that information is shared at an appropriate level. Full details of these risks are provided in the Risks to our Strategy pages of the Strategic report. The Board subjected the Enterprise Risk Framework to a detailed review in December. The Directors found it was an effective mechanism through which the principal risks and the Company's risk appetite and tolerances could be tested and challenged.

The Directors' responsibility for accounting records

The Directors have examined the accounting records kept in the business and have determined that they are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements and the Directors' Remuneration report comply with the requirements of the Act and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors' responsibility for the safekeeping of assets

The Directors have examined the steps in place for ensuring the prevention and detection of fraud and other irregularities. The procedure is examined and tested on a regular basis. The Board is satisfied it is understood and is operated well, and accordingly that the assets of the Company are safeguarded and protected from fraud and other irregularities.

The Directors' responsibility for information

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Directors' responsibilities

Each of the Directors (whose names and functions are listed in the Directors' profiles on pages 56 and 57 confirms that, to the best of his or her knowledge:

- the Group Financial Statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Company Financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities and financial position and profit of the Company; and
- the Directors' report contained in the Annual Report and Accounts includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

In accordance with Section 418 of the Act, the Directors' report includes a statement, in the case of each Director in office at the date the Directors' report is approved, that:

- so far as the Director is aware, there is no relevant audit information (as defined in section 418(3) of the Act) of which the Company's auditors are unaware; and
- he/she has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board

Wayne Mepham, Chief Financial Officer
27 February 2020

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2019

	Notes	2019 £m	2018 £m
Revenue	1.1, 1.2	419.3	460.5
Fee and commission expenses	1.1	(40.2)	(47.8)
Net revenue	1.1	379.1	412.7
Administrative expenses	1.3	(228.5)	(225.1)
Other gains/(losses)	1.6	4.1	(6.5)
Amortisation of intangible assets	3.2	(1.8)	(1.8)
Operating profit		152.9	179.3
Finance income	1.7	0.1	0.1
Finance costs	1.8	(2.0)	(0.2)
Profit before taxation		151.0	179.2
Income tax expense	1.9	(28.2)	(36.2)
Profit for the year		122.8	143.0
Earnings per share			
Basic	1.10	27.5p	31.8p
Diluted	1.10	26.8p	31.1p

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2019

	Notes	2019 £m	2018 £m
Profit for the year		122.8	143.0
Items that may be reclassified subsequently to profit or loss			
Exchange movements on translation of subsidiary undertakings	4.2	(0.8)	0.3
Other comprehensive (loss)/income for the year net of tax		(0.8)	0.3
Total comprehensive income for the year net of tax		122.0	143.3

NOTES TO THE GROUP FINANCIAL STATEMENTS – INCOME STATEMENT

Introduction

The Group's financial statements have been split into sections to assist with their navigation and align with the Financial review.

Accounting policies are contained within relevant notes, with the basis of preparation and general policies collected in Section 5. An explanation of the use of alternative performance measures (APMs) is provided within the Chief Financial Officer's review on page 38.

1.1. Revenue

The Group's primary source of revenue is management fees. Management fees are charged for investment management or administrative services and are based on an agreed percentage of the assets under management (AUM). Initial charges and commissions are for additional administrative services at the beginning of a client relationship, as well as ongoing administrative costs, and until January 2018, included profits earned on dealing within the unit trust manager's box, known as box profits. Performance fees may be earned from some funds when agreed performance conditions are met. Net revenue is stated after fee and commission expenses to intermediaries for ongoing services under distribution agreements.

Revenue

Revenue comprises the fair value of the consideration received or receivable for the provision of investment management services. Revenue is shown net of any value added tax, rebates and discounts. Our revenue components are accounted for as follows:

- management fees are earned over a period of time, and revenue is recognised in the same period in which the service is performed. Management fees are calculated as a percentage of net fund assets managed in accordance with individual management agreements and are billed to the client each period shortly after the relevant asset data is available, with settlement terms commonly being 30 days or less;
- initial charges and commissions on sales of unit trusts are deferred and amortised over the anticipated period of the provision of investment management services. Revenue for initial charges and commissions are recognised over a period of time, but payment is taken up front resulting in the recognition of contract liabilities; 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.

Management fees and performance fees are both 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 listed above.

All components of the Group's revenue are performance obligations satisfied over time, and are generally not subject to returns or refunds. The 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.

Fee and commission expenses

These are paid to third parties for ongoing services under distribution agreements and are charged to the income statement over the period in which the service is expected to be provided. The services provided include the provision of access to a basket of fund products, information on financial products, promotional materials, ongoing services to clients and transaction processing.

	2019 £m	2018 £m
Management fees	410.0	442.8
Initial charges and commissions	1.4	2.1
Performance fees	7.9	14.9
Revenue before box profits	419.3	459.8
Fee and commission expenses relating to management fees	(40.0)	(47.1)
Fee and commission expenses relating to initial charges and commissions	(0.2)	(0.7)
Net revenue before box profits	379.1	412.0
Box profits	–	0.7
Net revenue	379.1	412.7

1.1. Revenue continued

Disaggregation of revenue

The 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 Group's revenue and cash flows are affected by economic factors.

The 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 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.

Revenue by product type	2019 £m	2018 £m
Pooled funds	399.0	440.8
Segregated mandates	20.3	19.7
Revenue	419.3	460.5

1.2. Segmental reporting

The Group offers a range of products and services through different distribution channels. All financial, business and strategic decisions are made centrally by the Board of Directors (the Board), which determines the key performance indicators of the Group. Information is reported to the chief operating decision maker, the Board, on a single segment basis. While the Group has the ability to analyse its underlying information in different ways, for example by product type, this information is only used to allocate resources and assess performance for the Group as a whole. On this basis, the Group considers itself to be a single-segment investment management business.

Management monitors operating profit for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

Revenue by location of clients	2019 £m	2018 £m
UK	322.5	357.6
Continental Europe	65.2	77.2
Asia	19.4	16.8
Rest of the world	12.2	8.9
Revenue by location	419.3	460.5

The location of clients is based on management information received from distribution partners. Where management information is not available, the location of the distribution partner is used as a proxy for the location of the client.

Non-current assets for the Group (excluding financial instruments and deferred tax assets) are domiciled in the UK, continental Europe and Asia, as set out below:

Non-current assets for the Group	2019 £m	2018 £m
UK	395.4	354.0
Continental Europe	2.1	0.5
Asia	1.4	-
Non-current assets by location	398.9	354.5

1.3. Administrative expenses

The largest administrative expense is staff costs. The other administrative expenses category includes certain significant costs such as administration fees, expenditure relating to non-capitalisable investment in the business, marketing and IT costs.

Administrative expenses comprise:

	2019 £m	2018 £m
Staff costs (Note 1.4)	141.8	134.1
Depreciation of property, plant and equipment (Note 3.3) ¹	5.8	2.2
Auditors' remuneration (see below)	1.6	1.2
Operating lease rentals for land and buildings ¹	-	4.7
Other administrative expenses	79.3	82.9
Total administrative expenses	228.5	225.1

¹ The adoption of IFRS 16 (see Note 5.1) has resulted in operating lease rentals for land and buildings no longer being charged to the income statement on a straight-line basis over the life of the lease. The income statement charge is now made up of depreciation (see Note 3.3) and finance costs (see Note 1.8).

	2019 £m	2018 £m
Auditors' remuneration		
Fees payable to the Company's auditors and their associates for the audit of the parent company and consolidated financial statements	0.3	0.2
Fees payable to the Company's auditors and their associates for other services to the Group:		
Audit of the Company's subsidiaries pursuant to legislation	0.7	0.4
Audit-related assurance services	0.2	0.2
Other assurance services	0.2	0.3
Other non-audit services	0.2	0.1
Total auditors' remuneration	1.6	1.2

1.4. Staff costs

Staff costs include wages and salaries, share-based payments, pension costs and redundancy costs, along with associated social security costs, and are recognised on an accruals basis as services are provided to the Group.

	2019 £m	2018 £m
Wages and salaries	95.3	89.2
Share-based payments (Note 1.5)	24.5	26.6
Social security costs	17.6	11.0
Pension costs	5.0	5.1
Redundancy costs	2.4	2.2
Staff costs before gains arising from the economic hedging of fund awards	144.8	134.1
Net gains on instruments held to provide an economic hedge for fund awards	(3.0)	-
Staff costs	141.8	134.1

Pension costs

The Group contributes to a number of defined contribution pension schemes for the benefit of its employees. Contributions in respect of the UK employees (at the rate of 15% of gross salary) are made into the Jupiter Pension Scheme whose financial statements are available from the trustees at the registered office of the Company. No liability is included in the balance sheet as no obligations were outstanding at the balance sheet date.

Contributions made by the Group are charged to the consolidated income statement as they become payable in accordance with the rules of the schemes.

Fund units

As described in Note 1.5(i), deferred bonuses can be deferred into either options over the Company's shares or a cash equivalent to units in the Group's funds. The expense included within wages and salaries in the income statement in relation to fund units for the year ended 31 December 2019 was £24.9m (2018: £17.7m).

Where bonuses are deferred into fund units, the fair value of the award is spread over the vesting period and included within staff costs. The liability is revalued at each balance sheet date to the expected settlement amount, being the current market value of the underlying fund units. Any increase or decrease in value is recognised in the income statement within staff costs. The liability is included in the balance sheet as part of accrued expenses within trade and other payables (see Note 3.9).

The Group hedges its exposure to price fluctuations in the underlying fund units by purchasing the fund units at the date of grant. These are included within financial assets at fair value through profit or loss (FVTPL) in the balance sheet. Changes in the fair value of the units are recognised in the income statement within staff costs in order to match the gains and losses of both the hedging instrument and the hedged item within the same line item of the income statement. We have changed our accounting policy in 2019 in respect of such gains and losses (see Note 1.6).

Average number of employees

The monthly average number of persons employed by the Group during the year, including Executive Directors, by activity is:

	2019	2018
Fund management	83	79
Distribution and marketing	133	122
Infrastructure and operations	313	332
	529	533

Information regarding Directors' aggregate emoluments of £3.3m (2018: £2.8m) is set out in the Remuneration report.

1.5. Share-based payments

The Group engages 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. These have been accounted for as equity-settled share-based payments.

The fair value of the awards granted in the form of shares or share options is recognised as an expense over the appropriate performance and vesting period. The corresponding credit is recognised in retained earnings within total equity. The fair value of the awards is calculated using an option pricing model, the principal inputs being the market value on the date of award, discounted for any dividends foregone over the holding period of the award, and an adjustment for expected and actual levels of vesting which includes estimating the number of eligible employees leaving the Group and the number of employees satisfying the relevant performance conditions. Shares and options vest on the occurrence of a specified event under the rules of the relevant plan.

A summary of the charge taken to the income statement (excluding social security) for each share-based payment arrangement is shown below:

	2019 £m	2018 £m
Interests in options under pre-Listing Share Plan	-	(1.0)
Deferred Bonus Plan (DBP)	17.2	18.2
Long-term Incentive Plan (LTIP)	7.1	8.5
Sharesave Plan (SAYE)	(0.1)	0.5
Share Incentive Plan (SIP)	0.3	0.4
Total (Note 1.4)	24.5	26.6

The fair value of the services provided by employees has been calculated indirectly by reference to the fair value of the equity instruments granted. Fair value amounts for the options granted under the DBP, LTIP and SAYE schemes were determined using a Black-Scholes option-pricing method and the following assumptions:

	2019			2018		
	DBP 2018	LTIP 2019	SAYE 2019	DBP 2017	LTIP 2018	SAYE 2018
Weighted average share price (£)	3.40	3.41	3.59	4.58	4.55	4.05
Weighted average exercise price (£)	-	-	2.75	-	0.61	3.33
Weighted average expected volatility (%)	24.7	26.2	26.2	25.5	25.3	25.8
Weighted average option life (years)	2.7	4.2	4.1	3.6	3.9	3.9
Weighted average dividend yield (%)	-	-	4.8	0.4	-	4.5
Weighted average risk-free interest rate (%)	0.5	0.4	0.5	0.9	0.9	1.0

Expected volatility for options granted in 2019 and 2018 has been calculated using the historical volatility of the Group.

The numbers above in relation to the LTIP include Joiner Plans as both schemes have a similar structure.

The Group provides a sensitivity analysis to show the impact to the Group's profit before taxation in the event that forfeiture and performance condition assumptions exceed or are below the Group's estimations by the stated percentages:

	2019 £m	2018 £m
Impact on the income statement of a change in leaver assumptions		
+5%	(1.3)	(2.1)
-5%	1.1	1.8
Impact on the income statement of a change in performance condition vesting assumptions		
+25%	1.4	1.0
-25%	(1.4)	(1.0)

The use of estimation in the calculation of share-based payments

At the year end, the Group had approximately 20 million share-based awards in issue. Each year, existing awards vest and new awards are made. Around 9 million share-based awards were issued for 2019. Given the significance of share-based payments as a form of employee remuneration for the Group, share-based payments have been included as an area where the use of estimation is important in Note 5.1. The principal estimations made relate to:

- forfeitures (where awardees leave the Group as 'bad' leavers and therefore forfeit invested 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.

These 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 sensitivity analysis demonstrates that the risk of material adjustment as a result of changes to our estimations by 5% for leavers and 25% for performance condition assumptions is not considered to be significant or material.

(i) Deferred Bonus Plan (DBP)

All employees of the Group who are eligible for a bonus over a certain level, as determined by the Remuneration Committee, are required to participate in the DBP. The DBP provides for compulsory deferral of a proportion of bonus. Deferrals can be made into either options over the Company's shares or a cash amount equivalent to the value of units in the Group's funds (see Note 1.4 for information on the treatment of fund units). The awards in respect of DBP are granted after the year end to which they relate. The awards made in 2018 and 2019 in relation to 2017 and 2018 performance were granted in the form of nil cost options over the Company's shares, at a price calculated as the market price immediately prior to the date of the award. Awards will also be made in 2020 in relation to 2019 performance, thus a charge for these awards has been taken to the income statement in 2019.

The following table illustrates the number and weighted average exercise price (WAEP) of, and movement in, share options during the year:

Options outstanding	2019		2018	
	Number	WAEP £	Number	WAEP £
At 1 January	8,067,347	-	5,216,118	-
Granted	5,584,285	-	4,591,817	-
Exercised	(3,904,462)	-	(1,632,136)	-
Forfeited	(372,873)	-	(108,452)	-
At 31 December	9,374,297	-	8,067,347	-
Exercisable at 31 December	55,638	-	266,461	-

There were 3,904,462 options exercised under this plan in 2019 (2018: 1,632,136). The weighted average share price at the date of exercise of these options was £3.68 (2018: £4.66).

The weighted average fair value of options granted under this plan during the year was £3.41 (2018: £4.51).

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2019 was 1.6 years (31 December 2018: 1.4 years).

(ii) Long-term Incentive Plan (LTIP)

All employees are eligible to participate in the LTIP. Awards are made at the discretion of the Remuneration Committee and may be granted in the form of options (either at market value, nominal value or nil cost), restricted shares or conditional share awards over the Company's shares. The LTIP awards granted in 2019 and 2018 took the form of options over the Company's shares.

Options outstanding	2019		2018	
	Number	WAEP £	Number	WAEP £
At 1 January	10,651,940	0.13	12,426,737	0.02
Granted	2,478,818	-	2,332,225	0.52
Exercised	(2,795,262)	0.02	(3,200,496)	0.02
Forfeited	(1,631,646)	0.08	(906,526)	0.08
At 31 December	8,703,850	0.13	10,651,940	0.13
Exercisable at 31 December	1,270,511	0.02	563,619	0.02

There were 2,795,262 options exercised under this plan in 2019 (2018: 3,200,496). The weighted average share price at the date of exercise of these options was £3.50 (2018: £4.59).

The weighted average fair value of options granted under this plan during the year was £3.40 (2018: £2.08).

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2019 was 2.2 years (31 December 2018: 2.7 years).

(iii) Sharesave Plan

All eligible UK employees may participate in the Group's Sharesave Plan, which was introduced in 2010. Under the terms of this plan, employees may enter into contracts to save up to the maximum amount permitted under legislation and, at the expiry of a fixed three- or five-year term, have the option to use these savings to acquire shares in the Company at a discounted price, calculated under the rules of the plan (currently a 20% discount to the market price at the date of award). Participants in the plan have six months from the date of vesting to exercise their option.

Options outstanding	2019		2018	
	Number	WAEP £	Number	WAEP £
At 1 January	1,349,943	3.44	1,229,248	3.67
Granted	958,265	2.75	688,610	3.33
Exercised	(206,145)	3.28	(94,017)	3.05
Forfeited	(597,282)	3.47	(473,898)	3.95
At 31 December	1,504,781	3.01	1,349,943	3.44
Exercisable at 31 December	113,317	3.30	118,364	3.36

The weighted average share price at the date of exercise of these options was £3.76 (2018: £4.80) per ordinary share.

1.5. Share-based payments continued

The weighted average fair value of the options granted under this plan during the year was £0.73 (2018: £0.77).

The range of exercise prices of options granted under this plan is between £2.75 and £4.29.

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2019 was 3.1 years (31 December 2018: 2.6 years).

(iv) Share Incentive Plan (SIP)

All eligible UK employees may participate in the Group's Share Incentive Plan, which was introduced in 2013. Under the terms of this plan, employees may contribute from pre-tax salary up to the maximum amount permitted under legislation in any tax year, to be used to acquire shares in the Company at the market price on the relevant date. Matching shares are then awarded by the Company on a one matching share for each share purchased basis. The matching shares are subject to forfeiture where the employee leaves employment with the Group within three years of their award.

The number of matching shares purchased under this scheme during the year was 94,813 (2018: 80,037).

(v) International Share Award (ISA)

All non-UK employees may participate in the Group's International Share Award, which was introduced in 2017 to create a non-UK plan similar to the Sharesave Plan. Under the terms of this award, international employees are offered the opportunity to be granted a share option which is exercisable after three years and three months. The exercise price is set at the same level as for the Sharesave Plan. Participants in the plan have six months from the date of vesting to exercise their option.

The number of awards made during the year was 8,760 (2018: 9,020).

(vi) Interests in options under pre-Listing Share Plan

These options were granted to certain employees prior to listing in June 2010 and allowed them to acquire shares at nominal value, subject to satisfying certain vesting and performance conditions. The terms of the options allowed individuals to make a payment to the Company entitling them to take up rights to shares between one and five years after the grant date, depending on the individual award. Some awards were modified in 2015, extending the vesting date by between one and three years. The interests in options under the pre-Listing Share Plan were granted at the nominal price of £0.02, which gives them the characteristics of nil cost options and therefore the fair value of these awards is based on the market price at the date of the award.

	2019		2018	
	Number	WAEP £	Number	WAEP £
Options outstanding				
At 1 January	-	-	720,000	0.02
Exercised	-	-	(140,000)	0.02
Forfeited	-	-	(580,000)	0.02
At 31 December	-	-	-	-
Exercisable at 31 December	-	-	-	-

The weighted average share price at the date of exercise of these options in 2018 was £4.56 per ordinary share.

No options were granted under this plan in 2019 or 2018. For the options granted in 2010, the weighted average fair value per option granted was £1.48.

1.6. Other gains/(losses)

Other gains/(losses) in 2019 relate principally to net gains made on the Group's seed investment portfolio and derivative instruments held to provide economic hedges against that portfolio. The portfolio and derivatives are held at fair value through profit or loss (see Note 3.4). Gain and losses comprise both realised and unrealised amounts.

We have changed our accounting policy in respect of recording gains and losses on instruments held to provide economic hedges against fund awards: these were previously presented as part of Other gains/(losses), but are now presented separately within staff costs (see Note 1.4). This presentation better reflects the substance of these transactions, matching the gains/losses on the instruments with the gains/losses on the awards they are hedging. The relevant gains/losses relating to such items in 2018 was not material.

	2019 £m	2018 £m
Dividend income	1.0	0.5
Gains/(losses) on financial instruments designated at fair value through profit or loss upon initial recognition	8.2	(7.8)
(Losses)/gains on financial instruments at fair value through profit or loss	(5.1)	0.8
Other gains/(losses)	4.1	(6.5)
Net gains on instruments held to provide an economic hedge for fund awards (reported within Note 1.4)	3.0	-
	7.1	(6.5)

1.7. Finance income

The Group earns income as a result of holding cash in bank deposits.

Interest on cash and cash equivalents is recognised on an accruals basis using the effective interest method.

	2019 £m	2018 £m
Interest on bank deposits	0.1	0.1
	0.1	0.1

1.8. Finance costs

The implementation of IFRS 16 has resulted in a finance cost of £1.8m being recognised in the Group's income statement. See Note 5.1 for further details. Other finance costs are associated with the Revolving Credit Facility (RCF). See Note 3.8 for further details.

	2019 £m	2018 £m
Interest on lease liabilities	1.8	-
Finance costs on the RCF	0.2	0.2
	2.0	0.2

Interest payable is charged on an accruals basis using the effective interest method. Finance costs include ancillary charges for commitment fees and non-utilisation fees that are charged as incurred.

1.9. Income tax expense

The Group pays taxes according to the rates applicable in the countries in which it operates. The Group's headquarters are in the UK. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). Tax is charged to equity when the tax benefit exceeds the cumulative income statement expense on share plans.

The Group provides for current tax according to the tax laws of each jurisdiction in which it operates using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is recognised when it is considered recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted.

1.9. Income tax expense continued

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax that has arisen in respect of equity items such as share-based payments is recognised directly in equity and not in the income statement.

	2019 £m	2018 £m
Current tax		
Tax on profits for the year	31.9	39.1
Adjustments in respect of prior years	(0.6)	0.4
Total current tax	31.3	39.5
Deferred tax		
Origination and reversal of temporary differences	(2.9)	(3.1)
Adjustments in respect of prior years	(0.2)	(0.2)
Total deferred tax (Note 3.5)	(3.1)	(3.3)
Income tax expense	28.2	36.2

Total tax expense

The corporation tax rate for 2019 was 19% (2018: 19%). The tax charge in the year is lower (2018: higher) than the standard rate of corporation tax in the UK and the differences are explained below:

	2019 £m	2018 £m
Factors affecting tax expense for the year		
Profit before taxation	151.0	179.2
Taxation at the standard corporation tax rate (19%; 2018: 19%)	28.7	34.1
Non-taxable expenditure	0.2	0.7
Other permanent differences	(0.6)	1.0
Adjustments in respect of prior years	(0.8)	0.2
Effect of differences in overseas tax rates	0.7	0.2
Total tax expense	28.2	36.2

1.10. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year less the weighted average number of own shares held. Own shares are shares held in an Employee Benefit Trust (EBT) for the benefit of employees under the vesting, lock-in and other incentive arrangements in place.

Diluted EPS is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year for the purpose of basic EPS plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

For the purposes of calculating EPS, the share capital of the parent is calculated as the weighted average number of ordinary shares in issue. The weighted average number of ordinary shares used in the calculation of EPS is as follows:

	2019 Number m	2018 Number m
Weighted average number of shares		
Issued share capital	457.7	457.7
Less time apportioned own shares held	(11.1)	(8.7)
Weighted average number of ordinary shares for the purpose of basic EPS	446.6	449.0
Add back weighted average number of dilutive potential shares	10.9	10.2
Weighted average number of ordinary shares for the purpose of diluted EPS	457.5	459.2
	2019	2018
Earnings per share	p	p
Basic	27.5	31.8
Diluted	26.8	31.1

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2019

	Notes	2019 £m	2018 £m
Cash flows from operating activities			
Cash generated from operations	2.1	184.0	213.3
Income tax paid		(34.2)	(42.8)
Net cash inflows from operating activities		149.8	170.5
Cash flows from investing activities			
Purchase of property, plant and equipment	3.3	(1.9)	(1.7)
Purchase of intangible assets	3.2	(1.7)	(1.7)
Purchase of financial assets at FVTPL		(454.4)	(326.5)
Proceeds from disposals of financial assets at FVTPL		418.0	270.5
Cash movement from funds no longer consolidated		(3.0)	-
Dividend income received		1.0	1.5
Finance income received		0.1	0.1
Net cash outflows from investing activities		(41.9)	(57.8)
Cash flows from financing activities			
Dividends paid	4.3	(127.2)	(151.2)
Purchase of shares by EBT		(32.4)	(28.7)
Finance costs paid		(0.2)	(0.2)
Cash paid in respect of lease arrangements		(5.1)	-
Third-party subscriptions into consolidated funds		54.2	63.7
Third-party redemptions from consolidated funds		(16.7)	(26.8)
Distributions paid by consolidated funds		(2.8)	(2.0)
Net cash outflows from financing activities		(130.2)	(145.2)
Net decrease in cash and cash equivalents		(22.3)	(32.5)
Cash and cash equivalents at beginning of year		201.7	234.2
Cash and cash equivalents at end of year	3.7	179.4	201.7

NOTES TO THE GROUP FINANCIAL STATEMENTS – CONSOLIDATED STATEMENT OF CASH FLOWS

2.1. Cash flows from operating activities

	Notes	2019 £m	2018 £m
Operating profit		152.9	179.3
Adjustments for:			
Amortisation of intangible assets	3.2	1.8	1.8
Depreciation of property, plant and equipment	3.3	5.8	2.2
Other (gains)/losses		(4.9)	10.8
Fund unit hedges		(3.0)	-
Share-based payments		24.5	26.6
Cash inflows on exercise of share options		0.6	0.5
(Increase)/decrease in trade and other receivables		(12.1)	19.9
Increase/(decrease) in trade and other payables		18.4	(27.8)
Cash generated from operations		184.0	213.3

2.2. Changes in liabilities arising from financing activities

	Notes	2019 £m	2018 £m
Brought forward at 1 January	3.4	74.0	36.4
Changes from financing cash flows		37.5	36.9
Changes arising from obtaining or losing control of consolidated funds		(41.5)	0.2
Changes in fair values		4.9	0.5
Carried forward at 31 December	3.4	74.9	74.0

CONSOLIDATED BALANCE SHEET

at 31 December 2019

	Notes	2019 £m	2018 £m
Non-current assets			
Goodwill	3.1	341.2	341.2
Intangible assets	3.2	5.8	5.9
Property, plant and equipment	3.3	51.7	7.1
Deferred tax assets	3.5	16.7	12.7
Trade and other receivables	3.6	0.5	0.6
		415.9	367.5
Current assets			
Financial assets at fair value through profit or loss	3.4	224.3	212.0
Trade and other receivables	3.6	109.1	98.4
Cash and cash equivalents	3.7	179.4	201.7
		512.8	512.1
Total assets		928.7	879.6
Equity attributable to shareholders			
Share capital	4.1	9.2	9.2
Own share reserve	4.2	(0.3)	(0.2)
Other reserve	4.2	8.0	8.0
Foreign currency translation reserve	4.2	2.1	2.9
Retained earnings	4.2	592.7	604.5
Total equity		611.7	624.4
Non-current liabilities			
Trade and other payables	3.9	77.2	15.2
Deferred tax liabilities	3.5	-	0.4
		77.2	15.6
Current liabilities			
Financial liabilities at fair value through profit or loss	3.4	74.9	74.0
Trade and other payables	3.9	158.4	156.1
Current income tax liability		6.5	9.5
		239.8	239.6
Total liabilities		317.0	255.2
Total equity and liabilities		928.7	879.6

The financial statements on pages 108 to 139 were approved by the Board of Directors and authorised for issue on 27 February 2020. They were signed on its behalf by

Wayne Mepham, Chief Financial Officer

NOTES TO THE GROUP FINANCIAL STATEMENTS – ASSETS AND LIABILITIES

3.1. Goodwill

Goodwill arising on acquisitions, being the excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired, is capitalised in the consolidated balance sheet. Goodwill is carried at cost less provision for impairment. The carrying value of goodwill is not amortised but is tested annually for impairment or more frequently if any indicators of impairment arise. Goodwill is allocated to cash generating units (CGUs) for the purpose of impairment testing, with the allocation to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. Impairment losses on goodwill are not reversed.

Goodwill relates to the 2007 acquisition of Knightsbridge Asset Management Limited.

	2019 £m	2018 £m
Goodwill	341.2	341.2

No additional goodwill was recognised in the year (2018: £nil).

The Group has determined that it has a single CGU for the purpose of assessing the carrying value of goodwill. In performing the impairment test, management prepares a calculation of the recoverable amount of the goodwill, using the value in use approach, and compares this to the carrying value.

The recoverable amount for the acquired share capital was based on the net present value of the Group's future earnings. The net present value was calculated using a discounted cash flow model, with reference to the Group's projected cash flows over a period of 5 years, long-term growth rates of 6% (2018: 8%) based on dividend history and forecasts, and a cost of capital of 12% (2018: 12%), which is based on the Group's cost of equity as the Group has been debt free since 2014. A significant headroom was noted, and therefore no impairment was implied. Applying stressed scenarios, such as increasing the cost of capital to 20% and/or reducing growth projections to nil would not result in the recognition of impairment losses.

The use of estimation in calculating goodwill

This impairment test requires assumptions to be made, principally concerning the future levels of profitability, and is an area where the use of estimation is therefore important. Given the size of the asset and potential impact of impairment losses on the Group's financial position, this has been included as an area where the use of estimation is important in Note 5.1. However, given the headroom resulting from the impairment test, the risk of material adjustment is not deemed significant. The 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 been the case.

No impairment losses have been recognised in the current or preceding years.

3.2. Intangible assets

The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. In relation to the investment management contracts and the trade name, the useful lives were assessed as being finite and have been amortised over their useful economic lives. The useful economic lives of the trade name and individual management contracts acquired were assessed as a maximum of ten years and seven years, respectively. Both are now fully amortised. The amortisation expense on intangible assets with finite lives has been recognised in the consolidated income statement on a straight-line basis.

The other intangible assets recognised are computer software.

Following initial recognition, intangible assets are held at cost less any accumulated amortisation and any provision for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).

Intangible assets acquired separately are measured on initial recognition at cost.

Computer software licences acquired are capitalised at the cost incurred to bring the software into use and are amortised on a straight-line basis over their estimated useful lives, which are estimated as being five years. Costs associated with developing or maintaining computer software programs that do not meet the capitalisation criteria under IAS 38 are recognised as an expense as incurred.

Gains and losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying value of the asset. The difference is then recognised in the income statement.

An assessment is made at each reporting date as to whether there is any indication that an asset in use may be impaired. If any such indication exists and the carrying values exceed the estimated recoverable amount at that time, the assets are written down to their recoverable amount. The recoverable amount is measured as the greater of fair value less costs to sell and value in use. Non-financial assets that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The Directors have reviewed the intangible assets as at 31 December 2019 and have concluded there are no indicators of impairment (2018: same).

	2019 Computer software £m	2018 Computer software £m
Cost		
At 1 January	15.2	13.5
Additions	1.7	1.7
At 31 December	16.9	15.2
Accumulated amortisation		
At 1 January	(9.3)	(7.5)
Charge for the year	(1.8)	(1.8)
At 31 December	(11.1)	(9.3)
Net book value		
At 31 December	5.8	5.9

3.3. Property, plant and equipment

Property, plant and equipment is made up of leasehold improvements, office furniture and equipment and right-of-use lease assets. During the period, the Group adopted IFRS 16 Leases (see Note 5.1) thereby increasing the net book value of items recorded as property, plant and equipment by £47.3m.

Property, plant and equipment is stated at cost, less accumulated depreciation and any provision for impairment. Cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenditures are charged to the income statement during the financial period in which they are incurred. Depreciation is calculated on a straight-line basis to allocate the cost of each asset over its estimated useful life as follows:

Leasehold improvements	19 years (until the end of the lease)
Office furniture and equipment	5 years
Right-of-use assets	Shorter of the asset's useful life and the lease term on a straight-line basis

The assets' useful economic lives and residual values are reviewed at each financial period end and adjusted if appropriate. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on the disposal of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the item, is included in the income statement in the year the item is sold or retired.

	2019				2018			
	Right-of-use assets £m	Leasehold improvements £m	Office furniture and equipment £m	Total £m	Right-of-use assets £m	Leasehold improvements £m	Office furniture and equipment £m	Total £m
Cost								
At 1 January (restated, see note 3.3(i))	47.3	5.2	11.1	63.6	-	5.2	9.4	14.6
Additions	1.4	-	1.9	3.3	-	-	1.7	1.7
Disposals	(0.4)	-	(0.1)	(0.5)	-	-	-	-
At 31 December	48.3	5.2	12.9	66.4	-	5.2	11.1	16.3
Accumulated depreciation								
At 1 January	-	(1.2)	(8.0)	(9.2)	-	(0.9)	(6.1)	(7.0)
Charge for the year	(3.9)	(0.3)	(1.6)	(5.8)	-	(0.3)	(1.9)	(2.2)
Disposals	0.3	-	-	0.3	-	-	-	-
At 31 December	(3.6)	(1.5)	(9.6)	(14.7)	-	(1.2)	(8.0)	(9.2)
Net book value								
At 31 December	44.7	3.7	3.3	51.7	-	4.0	3.1	7.1

3.3. Property, plant and equipment continued

Leases

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	Notes	2019 £m	1 January 2019* £m
Right-of-use assets			
Property		44.1	46.7
Equipment		0.3	0.3
Motor vehicles		0.3	0.3
		44.7	47.3
Lease liabilities			
Current		4.0	3.7
Non-current		53.5	56.4
		57.5	60.1

* For adjustments recognised on adoption of IFRS 16 on 1 January 2019, please refer to note 5.1

Additions to the right-of-use assets during the 2019 financial year were £1.4m.

(ii) Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	Notes	2019 £m
Depreciation charge of right-of-use assets		
Buildings		3.6
Equipment		0.2
Vehicles		0.1
		3.9
Interest expense (included in finance cost)		1.8
Expense relating to short-term leases (included in administrative expenses)		-
Expense relating to low value assets that are not shown as short-term leases (included in administrative expenses)		-

The total cash outflow for leases in 2019 was £5.1m.

(iii) The Group's leasing activities and how these are accounted for

The Group leases various offices, equipment and cars. Rental contracts are typically made for fixed periods of 2 to 20 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property, plant and equipment 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 Group.

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
- 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, which is generally the case for leases in the Group, 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 Group:

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

The 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.

The use of estimation and judgement in determining lease assets and liabilities

Calculation of leased assets and liabilities requires the use of both estimation and judgement. The determination of the lease term for each lease involves the Group assessing any extension and termination options, the enforceability of such options, and judging whether it is reasonably certain that they will be exercised. Several of the Group's leases contain such clauses. For each lease, a conclusion was reached on the overall likelihood of the option being exercised.

In addition, the identification of an appropriate discount rate to use in the calculation of the lease liability involves both estimation and judgement. Where the lease's implicit rate is not readily determinable, an incremental borrowing rate must be calculated by the Group. The discount rate used has a direct effect on the size of the lease liability capitalised and although this has been included as an area where the use of estimation and judgement in Note 5.1 is important, it is unlikely to materially impact the Group.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

3.4. Financial instruments held at fair value

Financial instruments

Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of an instrument. They are initially measured at fair value adjusted for transaction costs, except for financial assets classified as at fair value through profit or loss where transaction costs are immediately recognised in the income statement. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or where they have been transferred and the Group has also transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability has been discharged, cancelled or has expired.

Financial assets

The Group's financial assets include cash and short-term deposits, trade and other receivables, seed investments and derivative financial instruments. Financial assets are classified as being at FVTPL or at amortised cost. The classification adopted by the Group depends on the Group's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets at fair value through profit or loss

Financial assets at FVTPL include investments in pooled funds which are managed and evaluated on a fair value basis, in accordance with the documented strategy. A financial asset is classified in this category if it has been acquired principally for the purpose of selling in the short term. Other financial assets at FVTPL comprise derivative instruments which are held to provide an economic hedge in respect of specific risk exposures (see Note 5.2). Financial assets at FVTPL are carried at fair value, with gains and losses recognised in the income statement in the period in which they arise either in other gains/losses or in administrative expenses for instruments held to provide an economic hedge against fund unit awards. Assets in this category are classified as current assets.

Financial liabilities

The Group's financial liabilities include trade and other payables, derivative financial instruments and the non-controlling interests in funds that have been consolidated as subsidiaries.

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL are carried at fair value, with gains and losses recognised in the income statement within other gains/losses in the period in which they arise. Financial liabilities at FVTPL comprise non-controlling interests in consolidated funds.

As at 31 December, the Group held the following financial instruments measured at fair value:

	2019 £m	2018 £m
Financial assets		
Financial assets at FVTPL	222.8	211.3
Other financial assets at FVTPL	1.5	0.7
	224.3	212.0
Financial liabilities		
Financial liabilities at FVTPL	(74.9)	(74.0)
	(74.9)	(74.0)

A further analysis of the Group's financial assets is provided below:

	2019 £m	2018 £m
Direct seed investment at fair value	128.7	138.4
Additional financial assets due to consolidation of funds	67.0	53.4
Derivatives and fund unit hedges	28.6	20.2
Total financial assets	224.3	212.0

3.5. Deferred tax

Analysis of the Group's deferred tax assets and liabilities is shown below:

	Deferred income/expense £m	Share-based payments £m	Other £m	Seed investments £m	Total £m
Assets	0.1	7.7	4.9	-	12.7
Liabilities	-	-	-	(0.4)	(0.4)
At 31 December 2018	0.1	7.7	4.9	(0.4)	12.3
Assets	-	10.3	6.4	-	16.7
Liabilities	-	-	-	-	-
At 31 December 2019	-	10.3	6.4	-	16.7

Movements in temporary differences between the balance sheet dates have been reflected in the income statement and the statement of changes in equity as follows:

	Deferred income/expense £m	Share-based payments £m	Other £m	Seed investments £m	Total £m
At 1 January 2018	0.2	14.7	1.7	(0.3)	16.3
(Charged)/credited to the income statement	(0.1)	0.3	3.2	(0.1)	3.3
Charged to equity	-	(7.3)	-	-	(7.3)
At 31 December 2018	0.1	7.7	4.9	(0.4)	12.3
(Charged)/credited to the income statement	(0.1)	1.5	1.3	0.4	3.1
Credited to equity	-	1.1	0.2	-	1.3
At 31 December 2019	-	10.3	6.4	-	16.7

The other deferred tax balances at 31 December 2018 and 2019 include short-term timing differences and temporary differences between depreciation and capital allowances.

Changes to UK corporation tax rates were substantively enacted as part of the Finance Bill 2016 (on 6 September 2016), including a reduction of the main rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date reflected in these financial statements have been measured using the relevant enacted tax rate for the year in which they are expected to be realised or settled.

3.6. Trade and other receivables

Trade and other receivables are recognised initially at fair value. The Group holds trade and other receivables to collect the contractual cashflows, which are solely payments of principal and interest, and are therefore subsequently measured at amortised cost using the effective interest method, less loss allowances.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses (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 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 becoming 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 Group's historical experience, and after consideration of current credit exposures, the Group does not expect to incur any credit losses and has not recognised any ECLs in the current year (2018: £nil) (see Basis of preparation, Note 5.1).

Trade and other receivables, including loans to employees, are included in current assets except where they have maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Accrued income relates to accrued interest and accrued management, performance and registration fees. It is based on the latest available information and therefore involves a degree of estimation relating to the valuation of underlying AUM.

	2019 £m	2018 £m
Current		
Trade receivables	77.4	67.9
Prepayments	7.7	7.0
Accrued income	23.8	23.2
Deferred acquisition and commission costs	0.2	0.3
	109.1	98.4
Non-current		
Deferred acquisition and commission costs	0.2	0.3
Rent deposits	0.3	0.3
	0.5	0.6

3.6. Trade and other receivables continued

Trade receivables are non-interest bearing and are generally collected within four working days. An analysis of the ageing profile of trade receivables is disclosed in Note 5.2. Within trade and other receivables, the amount receivable from contracts with customers is £92.9m (2018: £77.1m).

3.7. Cash and cash equivalents

	2019 £m	2018 £m
Cash at bank and in hand	166.7	177.9
Cash held by EBT and seed investment subsidiaries	12.7	23.8
	179.4	201.7

Cash and cash equivalents have an original maturity of three months or less.

Cash at bank earns interest at the current prevailing daily bank rates. Short-term deposits are made for varying periods of between one and 33 days, depending on the forecast cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Cash held by EBT and seed investment subsidiaries is not available for use by the Group.

3.8. Loans and borrowings

The Group renewed its revolving credit facility (RCF) of £50.0m (2018: £50.0m) in 2019. The facility expires in July 2022 and was undrawn at 31 December 2018 and 31 December 2019.

Interest on the RCF is payable at a rate per annum of LIBOR plus a margin of 0.6%. A non-utilisation fee is payable on the RCF at a rate of 0.21% per annum on the undrawn balance. A utilisation fee is also payable at a rate of 0.3% per annum when more than 66% of the facility is drawn, and 0.1% per annum when 33% to 66% of the facility is drawn.

3.9. Trade and other payables

Trade and other payables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

The most significant accruals at the year end relate to cash and fund award bonuses. At the end of each financial year, the Group recognises accrued expenses for bonuses accrued but not yet paid in respect of service attributable to that year.

Contract liabilities represent performance obligations that are unsatisfied or partially unsatisfied as of the end of the reporting period. The Group's contract liabilities relate to initial charges and commissions where payment has been received upfront but revenue is recognised over the expected lives of the contracts, which are estimated to be six years, on a straight-line basis.

	2019 £m	2018 £m
Current		
Trade payables	69.7	54.8
Accrued expenses	66.9	84.7
Lease liabilities	4.0	-
Contract liabilities	1.0	1.4
Social security and other taxes	11.6	12.6
Other payables	5.2	2.6
	158.4	156.1
Non-current		
Lease liabilities	53.5	-
Contract liabilities	1.2	2.2
Accrued expenses	16.5	9.9
Social security and other taxes	6.0	3.1
	77.2	15.2

Accrued expenses of £16.5m (2018: £9.9m) included within non-current trade and other payables and £16.1m (2018: £7.1m) included within current trade and other payables relate to deferred bonus awards whose settlement amounts will be based on the value of units in the Group's funds. See Note 1.4.

The amount of revenue recognised in the current reporting period that was included in the contract liability balance at the beginning of the period was £1.4m (2018: £2.0m). The Group expects to recognise revenue for the remaining performance obligations over the following durations:

	2019 £m	2018 £m
Contract liabilities		
< 1 year	1.0	1.4
1-5 years	1.2	2.2
	2.2	3.6

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2019

	Share capital £m	Own share reserve £m	Other reserve £m	Foreign currency translation reserve £m	Retained earnings £m	Total equity £m
At 1 January 2018	9.2	(0.2)	8.0	2.6	620.7	640.3
Profit for the year	-	-	-	-	143.0	143.0
Exchange movements on translation of subsidiary undertakings	-	-	-	0.3	-	0.3
Other comprehensive gain	-	-	-	0.3	-	0.3
Total comprehensive income	-	-	-	0.3	143.0	143.3
Vesting of ordinary shares and options	-	0.1	-	-	0.4	0.5
Dividends paid	-	-	-	-	(151.2)	(151.2)
Purchase of shares by EBT	-	(0.1)	-	-	(28.6)	(28.7)
Share-based payments	-	-	-	-	26.4	26.4
Current tax	-	-	-	-	1.1	1.1
Deferred tax	-	-	-	-	(7.3)	(7.3)
Total transactions with owners	-	-	-	-	(159.2)	(159.2)
At 31 December 2018	9.2	(0.2)	8.0	2.9	604.5	624.4
IFRS 16 reserves adjustment	-	-	-	-	(1.2)	(1.2)
Deferred tax on IFRS 16 adjustments	-	-	-	-	0.2	0.2
At 1 January 2019 (restated)	9.2	(0.2)	8.0	2.9	603.5	623.4
Profit for the year	-	-	-	-	122.8	122.8
Exchange movements on translation of subsidiary undertakings	-	-	-	(0.8)	-	(0.8)
Other comprehensive loss	-	-	-	(0.8)	-	(0.8)
Total comprehensive income	-	-	-	(0.8)	122.8	122.0
Vesting of ordinary shares and options	-	0.1	-	-	0.5	0.6
Dividends paid	-	-	-	-	(127.2)	(127.2)
Purchase of shares by EBT	-	(0.2)	-	-	(32.2)	(32.4)
Share-based payments	-	-	-	-	24.0	24.0
Current tax	-	-	-	-	0.2	0.2
Deferred tax	-	-	-	-	1.1	1.1
Total transactions with owners	-	(0.1)	-	-	(133.6)	(133.7)
At 31 December 2019	9.2	(0.3)	8.0	2.1	592.7	611.7
Notes	4.1	4.2	4.2	4.2	4.2	

NOTES TO THE GROUP FINANCIAL STATEMENTS – EQUITY

4.1. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

	2019 £m	2018 £m
Authorised, issued, allotted, called-up and fully paid		
457.7m ordinary shares of 2p each	9.2	9.2
	9.2	9.2

4.2. Reserves

(i) Own share reserve

The Group operates an EBT for the purpose of satisfying certain retention awards to employees. The holdings of this trust, which is funded by the Group, include shares that have not vested unconditionally to employees of the Group. These shares are recorded at cost and are classified as own shares. The shares are used to settle obligations that arise from the granting of share-based awards.

At 31 December 2019, 13.3m ordinary shares (2018: 11.0m), with a par value of £0.3m (2018: £0.2m), were held as own shares within the Group's EBT for the purpose of satisfying share option obligations to employees.

(ii) Other reserve

The other reserve of £8.0m (2018: £8.0m) relates to the conversion of Tier 2 preference shares in 2010.

(iii) Foreign currency translation reserve

The foreign currency translation reserve of £2.1m (2018: £2.9m) is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

(iv) Retained earnings

Retained earnings of £592.7m (2018: £604.5m) are the amount of earnings that are retained within the Group after dividend payments and other transactions with owners.

4.3. Dividends

Dividend distributions to the Company's shareholders are recognised in the accounting period in which the dividends are paid.

	2019 £m	2018 £m
Full-year dividend (9.2p per ordinary share) (2018: 10.3p per ordinary share)	41.0	46.1
Interim dividend (7.9p per ordinary share) (2018: 7.9p per ordinary share)	35.4	35.6
Special dividend (11.4p per ordinary share) (2018: 15.5p per ordinary share)	50.8	69.5
	127.2	151.2

Full-year and special dividends are paid out of profits recognised in the year prior to the year in which the dividends are declared and reported.

The EBT has waived its right to receive future dividends on shares held in the trust. Dividends waived on shares held in the EBT in 2019 were £3.3m (2018: £3.1m).

A full-year dividend for 2019 of 9.2p per share (2018: 9.2p) has been declared by the Directors. As a result of the proposed acquisition of Merian Global Investors announced on 17th February 2020, no special dividend (2018: 11.4p per share) has been declared in line with the Group's capital allocation framework. This dividend amounts to £42.1m (before adjusting for any dividends waived on shares in the EBT) and will be accounted for in 2020. Including the interim dividend for 2019 of 7.9p per share (2018: 7.9p), this gives a total dividend per share of 17.1p (2018: 28.5p).

NOTES TO THE GROUP FINANCIAL STATEMENTS – OTHER

5.1. Basis of preparation and other accounting policies

Basis of preparation

The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and IFRS Interpretations Committee (IC) (IFRS as adopted by the EU) and with the provisions of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on a going concern basis using the historical cost convention modified by the revaluation of certain financial assets and financial liabilities (including derivatives) that have been measured at fair value. After reviewing the Group's current plans and forecasts and financing arrangements, as well as the current trading activities of the Group, the Directors consider that the Group has adequate resources to continue operating for a period of at least 12 months from the date of signing.

IFRS 16 Leases

The 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 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 of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3.25%.

(i) Practical expedients applied

In applying IFRS 16 for the first time, the 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 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 Group relied on its assessment made applying IAS 17 and IFRIC 4 determining whether an arrangement contains a lease.

(ii) Measurement of lease liabilities

	2019 £m
Operating lease commitments disclosed as at 31 December 2018	76.6
Add: adjustments as a result of a different treatment of extension and termination options	1.1
(Less): discount using the lessee's incremental borrowing rate of 3.25% at the date of initial application	(16.0)
(Less): adjustments relating to timing difference	(1.6)
Lease liability recognised as at 1 January 2019	60.1
Of which:	
Current lease liabilities	3.7
Non-current lease liabilities	56.4
	60.1

(iii) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. 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.

5.1. Basis of preparation and other accounting policies continued

(iv) Adjustments recognised in the balance sheet on 1 January 2019

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- Right-of-use assets increased by £47.3m;
- Deferred tax assets increased by £0.2m;
- Prepayments decreased by £0.7m;
- Accruals for lease incentives decreased by £12.3m; and
- Lease liabilities increased by £60.1m

The net impact on retained earnings on 1 January 2019 was a decrease of £1.0m.

(v) Impact on earnings per share

Earnings per share decreased by 0.2p per share in the year as a result of the adoption of IFRS 16.

Basis of accounting

The consolidated financial statements for the year ended 31 December 2019 include the consolidated financial information of the Company and its subsidiaries. The accounting policies set out those policies that have been applied consistently in preparing the Group financial statements. The Group has applied IFRS 16 Leases from 1 January 2019. No other Standards or Interpretations have been issued that have had or are expected to have an impact on the Group's financial statements. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed later in this note within the section Critical accounting estimates, judgements and assumptions.

Basis of consolidation

Subsidiaries

Subsidiaries are those entities over which the Group has control. The Group controls an entity if the Group has all of the following:

- power over 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.

The Group's subsidiaries comprise operating and holding companies, and those funds where the Group acts as fund manager which are consolidated as a result of additional exposure to the variable returns of the funds through seed investment. Where we own 100% of an operating or holding company, our judgement is that the above elements of control are immediately satisfied and that the companies are therefore subsidiaries of the Group.

Seed investments are accounted for as subsidiaries, associates or other financial investments depending on the holdings of the Group and on the level of influence and control that the Group is judged to have.

Significant area of judgement

In determining the level of control for seed investments, additional judgement is required. The Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the purpose and design of an investee, relevant activities, substantive and protective rights, and voting rights and potential voting rights. Exposure to variable returns is usually determined by the earning of management fees, and the percentage investment in the funds' net assets. Where the value of the Group's holding exceeds 50% of the total value of the fund, the Group deems control to automatically exist. Where ownership is under 50%, the Group applies a rebuttable presumption that interests amounting to 30% or more are consolidated, subject to review of the facts and circumstances of each individual investment relevant to establishing whether the Group is acting as principal or agent to the fund. These include the potential for large performance fees to be earned, an assessment of kick-out rights and the existence of any other large investors in the fund. Kick-out rights rarely vary between the different types of funds that the Group manages; the percentage investment in a fund is therefore the primary means for determining whether control exists for the Group, and the determination of the threshold to be used as the rebuttable presumption is a key area of judgement for the Group. This judgement determines the extent to which the Group's balance sheet is grossed up to reflect additional financial instruments under the Group's control and, as the value of such instruments is material to the Group, this has been included as a significant area of judgement as set out below.

The Group has seed investments in both its unit trusts and its SICAV sub-funds. The Group's judgement is that control can exist in a sub-fund, even if it does not exist in the whole of the umbrella fund, as the sub-funds have no cross-liability risk to other sub-funds or to the SICAV umbrella fund and thus should be accounted for as separate entities.

The Group reassesses whether or not it controls an entity if facts or circumstances indicate that there are changes to one or more of the three elements of control.

A list of subsidiaries, split into operating and holding companies and consolidated funds, is provided in Note 6.3. Consistent accounting policies are applied across all Group companies. Intra-group transactions, balances, income and expenses are eliminated on consolidation. The transactions and balances of subsidiaries are consolidated in these financial statements from the date that control commences until the date that control ceases. Where external investors hold shares in funds controlled by the Group, the portion of profit or loss and net assets held by these non-controlling interests is included within other gains/losses in the consolidated income statement and as liabilities at fair value through profit or loss in the consolidated balance sheet respectively.

Foreign currency

(i) Functional and presentational currency

Items included in the financial information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in sterling, which is both the Company's functional and presentational currency as well as the currency in which the majority of the Group's revenue streams, assets and liabilities are denominated.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement within administrative expenses.

Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit or loss, are recognised in the consolidated income statement as part of other gains/losses.

(iii) Group companies

The assets and liabilities of Group entities that have a functional currency different from the presentational currency are translated at the closing rate at the balance sheet date, with income and expenses translated at average exchange rates. Resulting exchange differences are recognised as a separate component of other comprehensive income and are recycled to the income statement on disposal or liquidation of the relevant branch or subsidiary.

New standards and interpretations not applied

The International Accounting Standards Board and IFRS 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 Group.

Critical accounting estimates, judgements and assumptions

The preparation of the financial information requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. If such estimates and assumptions, which are based on management's best judgement at the date of preparation of the financial information, deviate from actual circumstances, the original estimates and assumptions are modified as appropriate in the period in which the circumstances change.

There are no instances in these financial statements where there is a reasonable level of risk that the use of estimates could lead to a material change within the next financial year. However, there are areas of the financial statements where the use of estimation is important, but where the risk of material adjustment is not significant, being:

- 1.5 Share-based payments;
- 3.1 Impairment of goodwill; and
- 3.3 Calculation of lease assets and liabilities.

The areas where judgements are significant to the Group financial statements are discussed in the following notes:

- 3.3 Calculation of lease assets and liabilities; and
- 5.1 Consolidation of seed investments.

5.2. Financial risk management

Financial instruments by category

The carrying value of the financial instruments of the Group at 31 December is shown below:

2019	Financial assets at FVTPL £m	Financial assets held at amortised cost £m	Financial liabilities at FVTPL £m	Other financial liabilities £m	Total financial instruments £m	Non-financial instruments £m	Total £m
Goodwill	-	-	-	-	-	341.2	341.2
Intangible assets	-	-	-	-	-	5.8	5.8
Property, plant and equipment	-	-	-	-	-	51.7	51.7
Deferred tax assets	-	-	-	-	-	16.7	16.7
Non-current trade and other receivables ¹	-	0.3	-	-	0.3	0.2	0.5
Financial assets at FVTPL	224.3	-	-	-	224.3	-	224.3
Current trade and other receivables ¹	-	101.2	-	-	101.2	7.9	109.1
Cash and cash equivalents	-	179.4	-	-	179.4	-	179.4
Non-current trade and other payables ¹	-	-	-	(70.0)	(70.0)	(7.2)	(77.2)
Current trade and other payables ¹	-	-	-	(145.8)	(145.8)	(12.6)	(158.4)
Current income tax liability	-	-	-	-	-	(6.5)	(6.5)
Financial liabilities at FVTPL	-	-	(74.9)	-	(74.9)	-	(74.9)
Total	224.3	280.9	(74.9)	(215.8)	214.5	397.2	611.7

2018	Financial assets at FVTPL £m	Financial assets held at amortised cost £m	Financial liabilities at FVTPL £m	Other financial liabilities £m	Total financial instruments £m	Non-financial instruments £m	Total £m
Goodwill	-	-	-	-	-	341.2	341.2
Intangible assets	-	-	-	-	-	5.9	5.9
Property, plant and equipment	-	-	-	-	-	7.1	7.1
Deferred tax assets	-	-	-	-	-	12.7	12.7
Non-current trade and other receivables ¹	-	0.3	-	-	0.3	0.3	0.6
Financial assets at FVTPL	212.0	-	-	-	212.0	-	212.0
Current trade and other receivables ¹	-	91.1	-	-	91.1	7.3	98.4
Cash and cash equivalents	-	201.7	-	-	201.7	-	201.7
Non-current trade and other payables ¹	-	-	-	(9.9)	(9.9)	(5.3)	(15.2)
Deferred tax liabilities	-	-	-	-	-	(0.4)	(0.4)
Current trade and other payables ¹	-	-	-	(142.1)	(142.1)	(14.0)	(156.1)
Current income tax liability	-	-	-	-	-	(9.5)	(9.5)
Financial liabilities at FVTPL	-	-	(74.0)	-	(74.0)	-	(74.0)
Total	212.0	293.1	(74.0)	(152.0)	279.1	345.3	624.4

¹ Prepayments, contract liabilities, deferred acquisition and commission costs and social security and other taxes do not meet the definition of financial instruments.

For financial instruments held at 31 December 2019 and 31 December 2018, there were no material differences between the carrying value and fair value.

Gains and losses recognised in the income statement during the year ended 31 December 2019 by category are shown below:

	2019				2018			
	Financial assets at FVTPL ² £m	Financial liabilities at FVTPL £m	Other income and expense £m	Total £m	Financial assets at FVTPL ² £m	Financial liabilities at FVTPL £m	Other income and expense £m	Total £m
Revenue	-	-	419.3	419.3	-	-	460.5	460.5
Fee and commission expenses	-	-	(40.2)	(40.2)	-	-	(47.8)	(47.8)
Administrative expenses	3.0	-	(231.5)	(228.5)	-	-	(225.1)	(225.1)
Other gains/(losses)	4.1	-	-	4.1	(6.5)	-	-	(6.5)
Amortisation of intangible assets	-	-	(1.8)	(1.8)	-	-	(1.8)	(1.8)
Finance income	-	-	0.1	0.1	-	-	0.1	0.1
Finance costs	-	-	(2.0)	(2.0)	-	-	(0.2)	(0.2)
Income tax expense	-	-	(28.2)	(28.2)	-	-	(36.2)	(36.2)
	7.1	-	115.7	122.8	(6.5)	-	149.5	143.0

² See Notes 1.4 and 1.6 for further details.

The Group used the following hierarchy for determining and disclosing the fair value of financial instruments:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** other techniques, for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- **Level 3:** techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data (unobservable inputs).

As at 31 December 2019, the Group held the following financial instruments measured at fair value:

2019	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets at FVTPL – funds	145.9	76.9	–	222.8
Financial assets at FVTPL – derivatives	–	1.5	–	1.5
Financial liabilities at FVTPL	(74.9)	–	–	(74.9)
	71.0	78.4	–	149.4

As at 31 December 2018, the Group held the following financial instruments measured at fair value:

2018	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets at FVTPL – funds	86.5	124.8	–	211.3
Financial assets at FVTPL – derivatives	–	0.7	–	0.7
Financial liabilities at FVTPL	(74.0)	–	–	(74.0)
	12.5	125.5	–	138.0

Where funds are consolidated, we look through to the underlying instruments and assign a level in accordance with the definitions above. Where funds are not consolidated, we do not apply a look through and these funds are classified as level 1 as the prices of these funds are quoted in active markets.

Level 1 financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market prices at the balance sheet date.

Financial assets at FVTPL

These relate to non-consolidated seed investments and hedges of awards in fund units in mutual funds. They also include the underlying holdings in consolidated funds that meet the definition of level 1 financial instruments. Details are included in Note 5.3.

Financial liabilities at FVTPL

These relate to non-controlling interests in funds that have been consolidated as subsidiaries.

Level 2 financial instruments

The fair value of financial instruments are valued based on observable market data from readily-available external sources.

Financial assets at FVTPL

These relate to underlying holdings in consolidated funds that meet the definition of level 2 financial instruments.

Derivative financial instruments

Derivatives are held to hedge specific exposures and have maturities designed to match the exposures they are hedging. The derivatives are held at fair value which represents the price to exit the instruments at the balance sheet date. Movements in the fair value are included in the income statement.

The Group enters into swap arrangements and foreign exchange forward contracts to provide an economic hedge of certain of its seed investments. Gains and losses arising from fair value movements in the swap and forward contracts are recognised in the consolidated income statement within other gains/losses and are settled periodically, in accordance with the terms of the contract. Any cash settlements due from or to the counterparty in relation to the swap arrangements, which are required to be settled at the end of each month, are recorded within current assets or current liabilities as trade receivables or other payables, as appropriate. The fair value of the foreign exchange contracts, which are required to be settled at periods other than month end, are recorded within financial assets or liabilities at FVTPL, as appropriate.

At 31 December 2019, the notional value of the swaps was £65.7m (2018: £47.4m) and the foreign exchange forward contracts was £106.6m (2018: £91.3m). The settlement amount of the swaps at 31 December 2019 was a payable of £0.6m (2018: receivable of £3.3m) which is included within trade and other payables. The fair value of the foreign exchange forward contracts is included within financial assets at FVTPL (£1.5m (2018: £0.7m)) and financial liabilities at FVTPL (£nil (2018: £nil)).

5.2. Financial risk management continued

Financial risk management objectives and policies

The Group is subject to a number of financial risks throughout its business, the principal risks being market risk (including price, foreign exchange and interest rate risk), credit risk and liquidity risk. The Board is accountable for risk and is responsible for oversight of the risk management process. The Board has ultimate responsibility for the risk strategy of the Group, and for determining an appropriate risk appetite and tolerance levels within which the Group must operate. By defining these, the Board demonstrates that it is aware of and, where appropriate, has taken steps to mitigate the impact of risks that may have a material impact on the Group.

The Executive Committee reviews the key corporate risks facing the Group. The Chief Executive Officer has ultimate responsibility for the governance of the risk management of the firm, but delegates the risk and control framework to the Chief Risk Officer, who has responsibility for the monitoring and reporting of risk and controls, and through the Risk and Finance Committee manages the ongoing development of the Group's risk and control framework. Jupiter embeds risk management within the business, with independent oversight and challenge being provided by the risk function.

Price risk

Price risk is the risk that a decline in the value of assets will adversely impact the profitability of the Group. Management has identified price risk as the exposure to unfavourable movements in the value of financial assets held by the Group which would result in a loss recognised in the consolidated income statement. In addition, due to the nature of the business, the Group's exposure extends to the impacts on revenue that are determined on the basis of a percentage of AUM, and therefore impacted by the financial instrument risk exposure of our clients – the secondary exposure. This price risk analysis deals only with our primary exposure of the risks from the Group's direct holdings. The Group is not exposed to commodity price risk.

The Group holds listed equity investments in its seed investments portfolio which are exposed to the risk of changes in equity markets. At 31 December 2019, the fair value, and therefore maximum exposure to listed securities, was £128.7m (2018: £138.4m).

The Group's policy is to hedge the equity market and currency exposure of its seed investments depending on the fund mandate and whether available transactions are cost effective. As at 31 December 2019 and 31 December 2018, the Group held swap instruments to act as hedges against risk exposures arising from certain holdings in seed fund investments.

Price risk sensitivity analysis on financial assets

The Directors believe that 10% gives a reasonable measure of the Group's sensitivity to price risk. An increase or decrease of 10% in equity markets would have the impact shown below on the Group's profit before taxation. This reflects estimated gains and losses on the Group's listed investments at the balance sheet date and not any likely impact on the Group's revenue or costs. There is no further impact on the Group's equity.

	2019 £m	2018 £m
Impact on the income statement of change in equity markets		
+10%	6.3	9.1
-10%	(6.3)	(9.1)

The analysis takes account of the relevant derivative transactions the Group has entered into to hedge against such movements.

Foreign exchange risk

Foreign exchange risk is the risk that the Group will sustain losses through adverse movements in currency exchange rates. The Group predominantly operates in the UK, with some transactions from overseas third parties in foreign currencies, which create exposure to non-sterling income and expenses. The Group's policy is to hold the minimum amount of foreign currency required to cover operational needs and to convert foreign currency on receipt. Direct exposures are limited to operational cash held in overseas subsidiaries, short-term outstanding foreign currency fee debtors and investments in seed denominated in a foreign currency. The Group does not normally hedge these exposures, other than in the case of certain seed investments, which are hedged using foreign exchange forward contracts. These contracts are measured at fair value at the balance sheet date. Foreign currency risk is monitored closely and managed by the finance function.

Foreign exchange rate sensitivity analysis

The Directors believe that 10% gives a reasonable measure of the Group's sensitivity to foreign exchange risk. The following table demonstrates the sensitivity to a possible change in foreign exchange rates, with all other variables held constant, on the Group's profit before tax. This reflects estimated gains and losses on retranslating the Group's foreign currency assets and liabilities at the balance sheet date and not any likely impact on the Group's revenue or costs. The exposure to foreign exchange risk arises principally through operational cash balances held in foreign currencies and seed investments held in non-sterling share classes. There is no further impact on the Group's equity.

	2019		2018	
	+10% £m	-10% £m	+10% £m	-10% £m
Impact on the income statement of change in exchange rates				
Sterling against Euro	(0.9)	1.1	(1.1)	1.3
Sterling against US Dollar	(0.2)	0.2	(0.3)	0.4
Sterling against SG Dollar	(0.1)	0.2	-	-
Sterling against Swiss Franc	(0.1)	0.1	-	-
Sterling against HK Dollar	-	-	(0.3)	0.4

The sensitivity analysis takes account of the relevant derivative transactions the Group has entered into to hedge against such exposures.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk relates primarily to the Group's cash balances (Note 3.7). The Group manages interest rate risk via the finance function monitoring of the interest rate cash flow risks and returns. The Group puts cash on deposit at fixed rates of interest for periods of up to three months.

Interest rate sensitivity analysis

The Directors believe that a movement in interest rates of 50bps gives a reasonable measure of the Group's sensitivity to interest rate risk. The following table demonstrates the sensitivity to a possible change in interest rates, with all other variables held constant and using a floor of 0bps, on the Group's profit before tax (mainly through the impact on floating rate cash deposits). There is no further impact on the Group's equity.

Impact on the income statement of change in interest rates	2019 £m	2018 £m
+50 bps	0.9	0.9
-50 bps	(0.2)	(0.1)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss in the Group's operating activities.

The Group is exposed to credit risk primarily from its treasury activities, including deposits with banks and financial institutions, but also from its trade receivables and, in certain circumstances, financial assets at fair value through profit or loss. Trade receivables are monitored regularly. Historically, default levels have been insignificant. Financial assets at fair value through profit or loss expose the Group to credit risk where seed investments in funds are consolidated and those funds hold investments in debt instruments or derivative positions with a positive fair value. The Group's maximum exposure to credit risk is £321.8m (2018: £370.4m), represented by the carrying value of its non-equity financial assets at FVTPL (£65.0m (2018: £100.8m)), trade receivables (£77.4m (2018: £67.9m)) and cash and cash equivalents (£179.4m (2018: £201.7m)).

The fair values of the Group's financial liabilities at FVTPL are not affected by changes in the Group's credit risk. There is no difference between the carrying amount of financial liabilities at FVTPL and the amount the Group would be contractually required to pay at maturity.

With regard to credit risk related to financial instruments, the Group's policy is to place deposits only with financial institutions which satisfy minimum ratings and other criteria set by the Counterparty Review Group (CRG). Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and thereby mitigate the possibility of financial loss through counterparty failure. The CRG monitors the Group's counterparty exposures.

The table below contains an ageing analysis of current and overdue trade receivables:

	2019 £m	2018 £m
Neither past due nor impaired	73.4	61.9
Days past due		
< 30	1.8	3.5
30-60	0.3	0.1
61-90	-	-
> 90	1.9	2.4
	77.4	67.9

None of the receivables past due were considered to be impaired (2018: £nil).

The table below contains an analysis of financial assets held by the Group for which credit ratings are available:

	2019				2018			
	Financial assets at FVTPL £m	Trade receivables £m	Cash and cash equivalents £m	Total £m	Financial assets at FVTPL £m	Trade receivables £m	Cash and cash equivalents £m	Total £m
AAA	5.1	-	-	5.1	8.9	-	-	8.9
AA	0.7	-	48.8	49.5	2.7	-	100.9	103.6
A	0.9	1.9	130.6	133.4	9.6	8.9	100.8	119.3
BBB	7.6	-	-	7.6	26.2	-	-	26.2
BB	22.7	-	-	22.7	25.1	-	-	25.1
B	20.1	-	-	20.1	24.2	-	-	24.2
CCC	7.4	-	-	7.4	4.1	-	-	4.1
CC	0.5	-	-	0.5	-	-	-	-
Not rated	159.3	75.5	-	234.8	111.2	59.0	-	170.2
Total	224.3	77.4	179.4	481.1	212.0	67.9	201.7	481.6

5.2. Financial risk management continued

Financial assets at fair value through profit or loss which are not rated comprise equity investments.

Investments in associates comprise equity investments which are not rated.

Trade and other receivables which are not rated comprise cancellations of units in unit trusts and sales of units in unit trusts, title to which is not transferred until settlement is received.

Liquidity risk

Liquidity risk is the risk that the Group may be unable to meet its payment obligations as they fall due or only at a significantly higher cost. The Group produces cash flow forecasts to assist in the efficient management of the collection and payment of liquid assets and liabilities.

The Group's objectives in respect of liquidity are:

- to ensure that both the Group as a whole and individual entities within the Group have access to sufficient liquid funds to trade solvently and meet trading liabilities as they fall due;
- to allow the Group to maintain a flexible dividend policy, taking reference to prior year and prospective profitability, capital requirements and cash flow; and
- to provide the Group with appropriate flexibility over the transferability of its capital and cash balances.

Surplus cash held by the operating entities over and above the balances required for working capital management is held in interest-bearing deposits of up to three months. Regulated companies ensure that sufficient capital is maintained to meet regulatory requirements.

The Group has access to a revolving credit facility (RCF) of £50.0m which was unutilised at 31 December 2019 (2018: same). The facility expires in 2022.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2019 and 31 December 2018 based on contractual undiscounted payments:

	2019				2018			
	Within 1 year or repayable on demand £m	1-5 years £m	> 5 years £m	Total £m	Within 1 year or repayable on demand £m	1-5 years £m	> 5 years £m	Total £m
Financial liabilities								
Lease liabilities	4.0	17.7	35.8	57.5	-	-	-	-
Trade and other payables	141.8	16.5	-	158.3	142.1	9.9	-	152.0
Financial liabilities at FVTPL	74.9	-	-	74.9	74.0	-	-	74.0
Total	220.7	34.2	35.8	290.7	216.1	9.9	-	226.0

Capital management

The Group's objectives when managing its capital and funding structure are to safeguard the Group's ability to continue as a going concern, maintain appropriate financial resources, maximise shareholder value, maintain an optimal capital structure to reduce the cost of capital and to meet working capital requirements.

	2019 £m	2018 £m
Cash and short-term deposits	179.4	201.7
Total cash and cash equivalents	179.4	201.7
Equity ¹	16.9	17.0
Retained earnings and foreign currency translation reserve	594.8	607.4
Equity attributable to shareholders	611.7	624.4

¹ Share capital, own share reserve and other reserve.

Regulatory capital requirements

The Group considers its share capital and reserves to constitute its total capital. The subsidiaries within the Group which are regulated are required to maintain capital resources to comply with the regulatory capital requirements of the FCA and certain overseas financial regulators. Headroom over regulatory capital is discussed by the Risk and Finance Committee. Further information on the Risk and Finance Committee can be found in the Management Committees overview within the Governance section.

In addition to the capital held to meet regulatory capital requirements, the Group maintains sufficient cash resources to meet its liabilities as and when they fall due, based on regularly produced cash forecasts, modelling both normal and stressed conditions. Liquidity risk is mitigated by the availability of the RCF and the high level of cash in the business.

5.3. Interests in structured entities

IFRS 12 requires certain disclosures in respect of interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities.

A structured entity is defined 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 administrative tasks only, or when the relevant activities are directed by means of contractual arrangements. The Group has assessed whether the funds it manages are structured entities and concluded that mutual funds and investment trusts managed by the Group are structured entities unless substantive removal or liquidation rights exist.

The Group has interests in these funds through the receipt of management and other fees and, in certain funds, through ownership of fund units. The Group's investments in these funds are subject to the terms and conditions of the respective fund's offering documentation and are susceptible to market price risk. The investments are included in financial assets at fair value through profit or loss in the balance sheet.

Where the Group has no equity holding in a fund it manages, the investment risk is borne by the external investors and therefore the Group's maximum exposure to loss relates to future management fees and any uncollected fees at the balance sheet date. Where the Group does have an equity holding, the maximum exposure to loss constitutes the future and uncollected management fees plus the fair value of the Group's investment in that fund.

The Group does not sponsor any of the structured entities and there are no guarantees or commitments.

Direct holdings in unconsolidated structured entities

Direct investments in unconsolidated structured entities comprise seed investments and hedges of awards in fund units in mutual funds and investment trusts, details of which are given below:

	Number of funds	Net AUM of funds £bn	Financial assets at FVTPL £m	Investment management/performance fees in the year £m	Management/performance fees receivable £m
As at 31 December 2019	46	33.2	222.8	325.4	16.4
As at 31 December 2018	46	31.3	211.3	339.0	15.8

Subsidiaries and associates

Information about seed investments judged to be subsidiaries and associates at 31 December 2019 is given below:

Name	Category	Country of incorporation	Principal activities	Financial assets at FVTPL £m	Percentage of total AUM held	Share class held by the Group	Date of the end of the fund's reporting period
Jupiter Enhanced Distribution Fund	Subsidiary	England & Wales	Unit trust	10.4	37%	I Class Acc	31 March
Jupiter Global Fund SICAV: Eurozone Equity	Subsidiary	Luxembourg	SICAV sub-fund	4.8	100%	I EUR Acc and I GBP Acc	30 September
Jupiter Global Fund SICAV: Flexible Income	Subsidiary	Luxembourg	SICAV sub-fund	95.9	52%	I & L EUR Acc I EUR Q Inc L USD M Inc HSC N, A & C USD Acc HSC L AUD M Inc IRD HSC L SGD M Inc IRD HSC L USD M Inc IRD HSC D USD Q Inc IRD HSC and D & L USD Acc HSC	30 September
Jupiter Global Fund SICAV: Flexible Macro	Subsidiary	Luxembourg	SICAV sub-fund	8.1	100%	D EUR Q Inc Dist F, L, I, & D EUR Acc and D USD Acc HSC	30 September
Jupiter Global Fund SICAV: Global High Yield Short Duration Bond	Subsidiary	Luxembourg	SICAV sub-fund	12.9	100%	F, L, I & D EUR Acc D EUR Q Inc Dist and D USD Acc HSC	30 September
Jupiter Global Sustainable Equities	Subsidiary	England & Wales	Unit trust	24.4	52%	P Acc and P Inc	30 April
Jupiter Merlin Real Return	Subsidiary	England & Wales	Unit trust	13.1	40%	I Class Acc	31 May

5.3. Interests in structured entities continued

Related undertakings other than subsidiaries and associates

Entities in which the Group holds more than 20% of the shares in any single share class, but over which the Group neither has control nor significant influence, are summarised below:

Name	Share class held by the Group	Country of incorporation	Principal activities	Financial assets at FVTPL £m	Percentage of share class held by the Group	Percentage of total shares held	Date of the end of the fund's reporting period
Jupiter Global Fund SICAV: Global Absolute Return	A USD Acc HSC	Luxembourg	SICAV sub-fund	-	100%	0%	30 September
Jupiter Global Fund SICAV: Global Absolute Return	N USD Acc HSC	Luxembourg	SICAV sub-fund	-	100%	0%	30 September
Jupiter Global Fund SICAV: Global Absolute Return	C USD Acc HSC	Luxembourg	SICAV sub-fund	-	100%	0%	30 September
Jupiter Global Fund SICAV: Asia Pacific Income	L SGD Q Inc Dist HSC	Luxembourg	SICAV sub-fund	0.6	96%	9%	30 September
Jupiter Global Fund SICAV: Asia Pacific Income	L EUR Q Inc Dist	Luxembourg	SICAV sub-fund	0.2	52%	9%	30 September
Jupiter Global Fund SICAV: Asia Pacific Income	C USD Acc	Luxembourg	SICAV sub-fund	0.1	100%	9%	30 September
Jupiter Global Fund SICAV: Asia Pacific Income	A USD Acc	Luxembourg	SICAV sub-fund	-	100%	9%	30 September
Jupiter Global Fund SICAV: Asia Pacific Income	N USD Acc	Luxembourg	SICAV sub-fund	-	100%	9%	30 September
Jupiter Global Fund SICAV: Global Convertibles	A USD Acc HSC	Luxembourg	SICAV sub-fund	-	100%	0%	30 September
Jupiter Global Fund SICAV: Global Convertibles	N USD Acc HSC	Luxembourg	SICAV sub-fund	-	100%	0%	30 September
Jupiter Global Fund SICAV: Global Convertibles	C USD Acc HSC	Luxembourg	SICAV sub-fund	0.1	100%	0%	30 September
Jupiter Global Fund SICAV: Dynamic Bond	C USD Acc HSC	Luxembourg	SICAV sub-fund	0.1	100%	0%	30 September
Jupiter Global Fund SICAV: Dynamic Bond	C USD Q Inc HSC	Luxembourg	SICAV sub-fund	0.1	100%	0%	30 September
Jupiter Global Fund SICAV: Dynamic Bond	L SGD M Inc IRD HSC	Luxembourg	SICAV sub-fund	-	100%	0%	30 September
Jupiter Global Fund SICAV: Global Emerging Markets Corporate Bond	A USD Acc	Luxembourg	SICAV sub-fund	-	100%	0%	30 September
Jupiter Global Fund SICAV: Global Emerging Markets Corporate Bond	L USD Acc	Luxembourg	SICAV sub-fund	-	100%	0%	30 September
Jupiter Global Fund SICAV: Global Emerging Markets Corporate Bond	C USD Acc	Luxembourg	SICAV sub-fund	-	100%	0%	30 September
Jupiter Global Fund SICAV: Global Emerging Markets Short Duration Bond	I USD Acc	Luxembourg	SICAV sub-fund	14.1	29%	11%	30 September
Jupiter Global Fund SICAV: Global Emerging Markets Short Duration Bond	C USD Acc	Luxembourg	SICAV sub-fund	-	100%	11%	30 September
Jupiter Global Fund SICAV: Global Emerging Markets Short Duration Bond	L USD Acc	Luxembourg	SICAV sub-fund	-	100%	11%	30 September
Jupiter Global Fund SICAV: Global Emerging Markets Short Duration Bond	L EUR Acc HSC	Luxembourg	SICAV sub-fund	-	100%	11%	30 September
Jupiter Global Fund SICAV: Europa	L GBP B Acc HSC	Luxembourg	SICAV sub-fund	10.4	89%	14%	30 September
Jupiter Global Fund SICAV: European Growth	L HKD Acc HSC	Luxembourg	SICAV sub-fund	0.1	100%	0%	30 September
Jupiter Global Fund SICAV: European Growth	C USD Acc HSC	Luxembourg	SICAV sub-fund	-	100%	0%	30 September
Jupiter Global Fund SICAV: European Growth	N USD Acc HSC	Luxembourg	SICAV sub-fund	-	100%	0%	30 September
Jupiter Global Fund SICAV: European Growth	L SGD Acc HSC	Luxembourg	SICAV sub-fund	-	100%	0%	30 September

The registered offices of the Group's subsidiaries, associates, and unconsolidated structured entities are detailed in Note 6.3.

5.4. Related parties

The Group manages a number of investment trusts, unit trusts and SICAVs and receives management and, in some instances, performance fees for providing this service. The precise fee arrangements are disclosed within the financial statements of each investment management subsidiary of the Group or within other publicly available information. By virtue of the investment management agreements in place between the Group and the collective investment vehicles it manages, such funds may be considered to be related parties. Investment management and performance fees are disclosed in Note 1.1.

The Group acts as manager for 39 (2018: 40) authorised unit trusts. Each unit trust is jointly administered with the trustees, Northern Trust Global Services SE (the trustees changed from National Westminster Bank plc in June 2019). The aggregate total value of transactions for the year was £2,132m (2018: £3,091m) for unit trust creations and £5,355m (2018: £4,127m) for unit trust redemptions. The actual aggregate amount due from the trustees at the end of the accounting year in respect of transactions awaiting settlement was £19.5m (2018: £3.9m). The Group also acts as the management company for the Jupiter Global Fund and Jupiter Merlin Fund SICAVs, made up of 23 sub-funds (2018: 25) and four sub-funds (2018: four) respectively.

The amounts received in respect of gross management, registration and performance fee charges were £317.1m (2018: £346.4m) for unit trusts, £109.8m (2018: £126.1m) for SICAVs, £17.3m (2018: £22.6m) for investment trusts and £20.3m (2018: £19.7m) for segregated mandates. At the end of the year, there was £20.6m (2018: £19.1m) accrued for annual management fees, £3.3m (2018: £3.3m) in respect of registration fees and £nil (2018: £0.8m) in respect of performance fees.

Included within the financial instruments note are seed investments and hedges of awards in fund units in mutual funds managed by the Group. At 31 December 2019, the Group had a total net investment in such funds of £147.9m (2018: £137.3m) and received distributions of £1.0m (2018: £0.5m). During 2019, it invested £70.6m (2018: £110.8m) in these funds and made disposals of £57.4m (2018: £52.3m).

Key management compensation

Transactions with key management personnel also constitute related party transactions. Key management personnel are defined as the Directors, together with other members of the Executive Committee. The aggregate compensation paid or payable to key management for employee services is shown below:

	2019 £m	2018 £m
Short-term employee benefits	4.1	4.4
Share-based payments	4.0	5.0
Post-employment benefits	0.3	0.3
	8.4	9.7

5.5. Events after the reporting period

On 17 February 2020, the Group announced the proposed acquisition of 100% of the issued share capital of Merian Global Investors Limited, an independent active asset management firm, for initial consideration of £370 million, payable through the issue of 95,360,825 new Jupiter shares. An additional contingent deferred earn-out of up to £20 million is subject to retaining and growing revenues. Completion is subject to the satisfaction (or, where permitted, waiver) of certain conditions, including relevant regulatory approvals and the approval of the acquisition by Jupiter shareholders at the General Meeting.

COMPANY BALANCE SHEET

at 31 December 2019

	Notes	2019 £m	2018 £m
Non-current assets			
Investment in subsidiary undertakings	6.2	260.0	235.8
		260.0	235.8
Current assets			
Trade and other receivables	6.4	18.2	213.2
Cash and cash equivalents	6.5	9.1	6.8
		27.3	220.0
Total assets		287.3	455.8
Equity capital and reserves			
Share capital	4.1	9.2	9.2
Own share reserve	4.2	(0.3)	(0.2)
Other reserve	4.2	8.0	8.0
Retained earnings at 1 January		257.0	213.1
Profit for the year		145.9	196.9
Other movements		(134.9)	(153.0)
Retained earnings		268.0	257.0
Total equity		284.9	274.0
Current liabilities			
Trade and other payables	6.7	2.4	181.8
Total liabilities		2.4	181.8
Total equity and liabilities		287.3	455.8

The financial statements of Jupiter Fund Management plc (registered number 6150195) on pages 140 to 145 were approved by the Board of Directors and authorised for issue on 27 February 2020. They were signed on its behalf by

Wayne Mepham, Chief Financial Officer

COMPANY STATEMENT OF CASH FLOWS

for the year ended 31 December 2019

	Notes	2019 £m	2018 £m
Cash flows from operating activities			
Cash generated from operations	6.6	162.1	178.8
Net cash inflows from operating activities		162.1	178.8
Cash flows from financing activities			
Purchase of shares by EBT		(32.4)	(28.7)
Finance costs paid		(0.2)	(0.2)
Dividends paid	4.3	(127.2)	(151.2)
Net cash outflows from financing activities		(159.8)	(180.1)
Net increase/(decrease) in cash and cash equivalents		2.3	(1.3)
Cash and cash equivalents at beginning of year		6.8	8.1
Cash and cash equivalents at end of year	6.5	9.1	6.8

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2019

	Share capital £m	Own share reserve £m	Other reserve £m	Retained earnings £m	Total £m
At 1 January 2018	9.2	(0.2)	8.0	213.1	230.1
Profit for the year	-	-	-	196.9	196.9
Total comprehensive income	-	-	-	196.9	196.9
Vesting of ordinary shares and options	-	0.1	-	0.4	0.5
Dividends paid	-	-	-	(151.2)	(151.2)
Share-based payments	-	-	-	26.4	26.4
Purchase of shares by EBT	-	(0.1)	-	(28.6)	(28.7)
Total transactions with owners	-	-	-	(153.0)	(153.0)
At 31 December 2018	9.2	(0.2)	8.0	257.0	274.0
Profit for the year	-	-	-	145.9	145.9
Total comprehensive income	-	-	-	145.9	145.9
Vesting of ordinary shares and options	-	0.1	-	0.5	0.6
Dividends paid	-	-	-	(127.2)	(127.2)
Share-based payments	-	-	-	24.0	24.0
Purchase of shares by EBT	-	(0.2)	-	(32.2)	(32.4)
Total transactions with owners	-	(0.1)	-	(134.9)	(135.0)
At 31 December 2019	9.2	(0.3)	8.0	268.0	284.9
Notes	4.1	4.2	4.2		

NOTES TO THE COMPANY FINANCIAL STATEMENTS

6.1. Accounting policies

Basis of preparation

The separate financial statements of the Company have been prepared in accordance with IFRS as adopted by the European Union and IFRS IC interpretations (IFRS adopted by the EU) and with the provisions of the Companies Act 2006 applicable to companies reporting under IFRS. The principal accounting policies adopted are the same as those set out in Sections 1 – 5 of the Group's financial statements.

The financial statements have been prepared on the historical cost basis. The Company has taken advantage of the exemption in section 408 of the Act not to present its own income statement. The Company's profit for the year was £145.9m (2018: £196.9m).

Investments in subsidiary undertakings

Investments in subsidiary undertakings are held at cost less provision for impairment.

Share-based payments

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to the investment in subsidiary undertakings, with a corresponding credit to equity in the Company financial statements.

6.2. Investment in subsidiary undertakings

	2019 £m	2018 £m
At 1 January	235.8	209.0
Share-based payments	24.2	26.8
At 31 December	260.0	235.8

During 2019 and 2018, a number of subsidiary companies granted options to their employees over the shares of Jupiter Fund Management plc. For accounting purposes, these grants are recorded as investments by the Company in its subsidiary undertakings.

6.3. Related undertakings

The following information relates to the Company's operating subsidiaries. At 31 December 2019 and 2018 (unless otherwise indicated), with the exception of Jupiter Fund Management Group Limited, these were all indirectly held, although the Company has some direct investments in operating subsidiaries for accounting purposes as a result of share-based payment awards (see Note 6.2). All subsidiaries have the same reporting dates and period of reporting as the parent Company. The parent held directly or indirectly all of the issued ordinary shares and controlled all of the voting rights in all of the subsidiaries. All subsidiaries have been consolidated in the Group financial statements and operate and are incorporated in the countries in which they are registered.

Name	Registered office	Principal activities
Jupiter Asset Management (Asia) Private Limited	50 Raffles Place, No. 27-01, Singapore	Investment management
Jupiter Asset Management (Canada) Limited	45 O'Connor Street, Ottawa, Canada	Dormant
Jupiter Asset Management Group Limited	70 Victoria Street, London, UK	Investment holding company
Jupiter Asset Management (Hong Kong) Limited	17th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong	Investment management
Jupiter Asset Management International S.A	5 Rue Heienhaff, Senningerberg, L-1736, Luxembourg	SICAV management
Jupiter Asset Management Limited	70 Victoria Street, London, UK	Investment management
Jupiter Asset Management (N America) Inc	1209 Orange Street, Wilmington, USA	Dormant
Jupiter Asset Management (Switzerland) AG	Bahnhofstrasse 98-100, 8001 Zurich, Switzerland	Investment management
Jupiter Fund Management Group Limited	70 Victoria Street, London, UK	Investment holding company
Jupiter Investment Management Group Limited	70 Victoria Street, London, UK	Investment holding company
Jupiter Investment Trust Limited	70 Victoria Street, London, UK	Dormant
Jupiter Unit Trust Managers Limited	70 Victoria Street, London, UK	Unit trust management
Knightsbridge Asset Management Limited	70 Victoria Street, London, UK	Investment holding company
Tyndall Holdings Limited	70 Victoria Street, London, UK	Investment holding company

6.3. Related undertakings continued

The following information relates to seed investments which are judged to be subsidiaries of the Group at 31 December 2019:

Name	Registered office	Principal activities	Percentage of AUM indirectly held by the Company
Jupiter Enhanced Distribution Fund	70 Victoria Street, London	Unit trust	37%
Jupiter Global Fund SICAV: Eurozone Equity	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund	100%
Jupiter Global Fund SICAV: Flexible Income	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund	52%
Jupiter Global Fund SICAV: Flexible Macro	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund	100%
Jupiter Global Fund SICAV: Global High Yield Short Duration Bond	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund	100%
Jupiter Global Sustainable Equities	70 Victoria Street, London	Unit trust	52%
Jupiter Merlin Real Return	70 Victoria Street, London	Unit trust	40%

The following information relates to seed investments in funds where the Group holds more than 20% of the shares in any single share class, but over which the Group has neither control nor significant influence:

Name	Registered office	Principal activity
Jupiter Global Fund SICAV: Global Absolute Return	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund
Jupiter Global Fund SICAV: Asia Pacific Income	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund
Jupiter Global Fund SICAV: Global Convertibles	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund
Jupiter Global Fund SICAV: Dynamic Bond	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund
Jupiter Global Fund SICAV: Global Emerging Markets Corporate Bond	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund
Jupiter Global Fund SICAV: Europa	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund
Jupiter Global Fund SICAV: European Growth	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund

6.4. Trade and other receivables

	2019 £m	2018 £m
Amounts owed from subsidiaries	17.1	212.4
Trade receivables	1.0	0.8
Prepayments and accrued income	0.1	-
	18.2	213.2

6.5. Cash and cash equivalents

	2019 £m	2018 £m
Cash at bank and in hand	1.8	1.2
Cash held by EBT	7.3	5.6
	9.1	6.8

6.6. Cash flows from operating activities

	2019 £m	2018 £m
Operating profit	145.9	196.7
Adjustments for:		
Decrease/(increase) in trade and other receivables	195.0	(198.7)
(Decrease)/increase in trade and other payables	(179.4)	180.3
Cash inflows on exercise of share options	0.6	0.5
Cash generated from operations	162.1	178.8

6.7. Trade and other payables

	2019 £m	2018 £m
Amounts owed to subsidiaries	-	181.4
Accruals	0.4	0.4
Other payables	2.0	-
	2.4	181.8

6.8. Financial instruments

Financial instruments by category

The carrying value of the financial instruments of the Company at 31 December is shown below:

	Financial assets held at amortised cost £m	Other financial liabilities £m	Total financial instruments £m	Non-financial instruments £m	Total £m
2019					
Investment in subsidiary undertakings	-	-	-	260.0	260.0
Current trade and other receivables	18.2	-	18.2	-	18.2
Cash and cash equivalents	9.1	-	9.1	-	9.1
Current trade and other payables	-	(2.4)	(2.4)	-	(2.4)
Total	27.3	(2.4)	24.9	260.0	284.9
2018					
Investment in subsidiary undertakings	-	-	-	235.8	235.8
Current trade and other receivables	213.2	-	213.2	-	213.2
Cash and cash equivalents	6.8	-	6.8	-	6.8
Current trade and other payables	-	(181.8)	(181.8)	-	(181.8)
Total	220.0	(181.8)	38.2	235.8	274.0

At 31 December 2019 and 2018, the Company did not hold any financial instruments measured at fair value. The Company's exposure to price, foreign exchange, interest rate, credit and liquidity risk is not considered to be material and, therefore, no further information is provided.

6.9. Related parties

Investment in subsidiary undertakings are disclosed in Note 6.2 and the amounts due from and to subsidiaries in Notes 6.4 and 6.7.

Key management compensation

The Company also considers transactions with its key management personnel as related party transactions. Key management personnel is defined as the Directors, together with other members of the Executive Committee. The aggregate compensation paid or payable to key management for employee services is shown below:

	2019 £m	2018 £m
Short-term employee benefits	1.1	1.2
Share-based payments	0.6	0.7
	1.7	1.9

With the exception of Non-Executive Directors, key management personnel compensation is paid for by a Group subsidiary and no recharge is made to the Company.

6.10. Events after the reporting period

Note 5.5 provides details of the proposed acquisition of Merian Global Investors and the related issue of shares in the Company.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JUPITER FUND MANAGEMENT PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Jupiter Fund Management plc's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2019 and of the Group's profit and the Group's and the Company's cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Company's financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

We have audited the financial statements, included within the Annual Report and Accounts 2019 (the "Annual Report"), which comprise: the Consolidated and Company balance sheets as at 31 December 2019; the Consolidated income statement and Consolidated statement of comprehensive income; the Consolidated and Company statements of cash flows; the

Consolidated and Company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Company.

Other than those disclosed in note 1.3 to the financial statements, we have provided no non-audit services to the Group or the Company in the period from 1 January 2019 to 31 December 2019.

Our audit approach

Context

Jupiter Fund Management plc is a FTSE 250 active fund manager, listed in 2010. Jupiter has a significant presence in the UK, covering both retail and institutional clients, and increasing distribution activities overseas, particularly in European and Asian markets. Jupiter offers a range of products such as Unit Trusts, SICAVs, Investment Trusts and Segregated Mandates.

Overview



- Overall Group materiality: £7.6 million (2018: £9.0 million), based on 5% of profit before tax.
- Overall Company materiality: £2.8 million (2018: £4.7 million), based on 1% of total assets.
- We conducted an audit of the complete financial information of Jupiter Asset Management Limited and Jupiter Unit Trust Managers Limited which are significant components of the Group.
- We performed testing on Jupiter Asset Management International S.A., as a new component, due to a significant increase in activity in the year.
- As the adjustments made for the consolidation, including those for the seeded funds, are material for a number of financial statement line items (FSLIs), we scoped in these adjustments as a component and performed audit testing.
- We also audited the Company's financial statements.
- Taken together, our audit work accounted for more than 95% of Group revenue and profit before tax.
- Revenue recognition.
- Share-based payments expense and fund unit award employee benefits.
- Impairment of goodwill.
- Current and deferred taxes.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority (see page 45 of the Annual Report), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue or expenses, and management bias in accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work.

Audit procedures performed by the Group engagement team and/or component auditors included:

- Review of the financial statement disclosures to underlying supporting documentation;
- Reading correspondence with the Financial Conduct Authority in relation to compliance with laws and regulations;
- Enquiries of management, including legal, compliance, risk and internal audit, including consideration of known or suspected instances of non-compliance with laws and regulations including fraud;
- Reviewing the Group/Company's litigation log in so far as it related to non-compliance with laws and regulations and fraud;
- Identifying and testing journal entries, in particular any journal entries posted on non-working days or by senior management;
- Review of relevant meeting minutes, including those of the Audit and Risk Committee and Board;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to share-based payments expense and fund unit award employee benefits (see related key audit matter below);
- Discussions with the Whistleblowing Champion; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p><i>Refer to Note 1.1. Revenue and Note 5.1. Basis of preparation and other accounting policies.</i></p> <p>Revenue is the most significant balance in the Consolidated income statement. Revenue is made of a number of streams including management fees and performance fees which result from the business activities of the Group.</p> <p>We focused on management and performance fees as follows:</p> <p>Management fees</p> <ul style="list-style-type: none"> • Management fees consist of gross management fees from Unit Trusts, SICAVs, Segregated Mandates and Investment Trusts, less rebates; • The calculation of Unit Trust and SICAV gross management fees, which make up the majority of the revenue balance, is calculated as a percentage of the assets under management ('AUM') of the funds managed by the Group; • The revenue from Segregated Mandates and Investment Trusts is manually calculated as a percentage, per Investment Management Agreements ('IMAs'), of the segregated mandates or investment trust holdings; and • Rebates are calculated by a combination of in-house systems and external parties with the outputs of both processes being monitored and stored on spreadsheets which increases the risk of error. <p>Performance fees</p> <ul style="list-style-type: none"> • Performance fees are often one-off or infrequent and involve manual and complex calculations and this increases the risk of error. 	<p>We understood and evaluated the design and implementation of key controls in place around revenue. This included outsourced activities at HSBC Securities Services UK Limited (HSBC), J.P Morgan Bank Luxembourg S.A (JP Morgan), J.P Morgan Chase Bank N.A (JP Morgan), Northern Trust Global Service SE (NT) and DST Financial Services International Limited (DST).</p> <p>To obtain audit evidence over the key controls at the outsourced providers, we assessed the control environment in place to the extent that it was relevant to our audit. This involved obtaining and reading the reports issued by the independent service auditor of the third party providers in accordance with generally accepted assurance standards for such work. We found that the key controls on which we placed reliance for the purposes of our audit were designed, implemented and operating effectively.</p> <p>In addition to identifying those key controls on which we placed reliance, the specific audit evidence over each revenue stream is summarised below:</p> <p>Unit Trust and SICAV gross management fees</p> <ul style="list-style-type: none"> • We recalculated management fees using information from HSBC, NT and JP Morgan and then reconciled to amounts included in the Group financial statements; • We reconciled a sample of management fee rates to supporting documentation on the Jupiter website; and • We checked that the data received from the outsourced provider included all Jupiter funds. <p>Segregated Mandates and Investment Trusts management fees</p> <ul style="list-style-type: none"> • We recalculated the management fees for a sample of invoices, agreeing a sample of the key inputs back to IMAs and information from HSBC, NT and JP Morgan, and compared to amounts included in the Group financial statements; and • We tested the population for completeness by comparing the full list of management fees audited in the prior year working papers to the population testing in the current year. <p>Rebates</p> <ul style="list-style-type: none"> • We used data auditing techniques on the underlying data to recalculate rebates or agreed the rebates to invoices. We agreed a sample of rates to discount forms and reconciled the amounts back to the Group financial statements; and • To gain comfort over completeness we have obtained a listing from JPMorgan of all unitholders with positive holdings and reviewed this alongside Data Assurance's rebate testing to compile a list of unitholders that have not received a rebate. We then requested FCS to confirm if any of the unitholders in our sample have agreed rebate terms with them. <p>Performance fees</p> <ul style="list-style-type: none"> • For a sample of performance fees we assessed whether the fee had crystallised and hence had been recognised in the appropriate period; • We recalculated the performance fees, for a sample, to check that it had been calculated in accordance with the signed IMAs; and • For a sample of investment trusts, segregated mandates and funds, we reviewed supporting IMAs to ensure all products eligible to receive a performance fee were included in the population to assess completeness. <p>No material issues were identified.</p>

Key audit matter

Share-based payments expense and fund unit award employee benefits

Refer to the Audit and Risk Committee report, Note 1.4 Staff costs, Note 1.5. Share-based payment and Note 5.1. Basis of preparation and other accounting policies.

The recognition of share-based payments and fund unit award employee benefits are judgemental in nature, including management determining the valuation of awards and appropriate recognition of the expense, which involves estimating performance and service conditions. We focus on this due to complex terms in the scheme agreements, the number of schemes in operation, and the manual nature of the calculations.

Impairment of goodwill

Refer to the Audit and Risk Committee report, Note 3.1. Goodwill and Note 5.1. Basis of preparation and other accounting policies.

Goodwill is the most significant balance in the Consolidated balance sheet.

Management is required by IAS 36 'Impairment of assets' to perform an annual impairment review and consider if there are any impairment indicators in respect of the carrying value of goodwill.

The carrying value of the cash generating unit containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Management has assumed that the Group is made of one operating segment, investment management. As such the Group is one cash generating unit.

Management has modelled the fair value less costs to sell approach under IAS 36 by using a discounted cash flow model. As they have not identified any impairment they have not considered value in use.

The impairment review involves a number of estimates to be made by management such as forecasts and discount rates.

How our audit addressed the key audit matter

Fund unit award employee benefits

In testing the employee benefit expense in relation to fund awards granted, we performed the following testing:

- Obtained the Deeds of Grant for a sample of new awards in the year. For the sample of awards selected, we tested that they were appropriately authorised, consistent with scheme plans and that fair value for each had been calculated correctly;
- For a sample of new schemes granted in the year, we tested key inputs used to source documentation and independently recalculated the value of the award and spreading it over the appropriate vesting period;
- Tested a sample of current charges based on the year-end price of underlying funds and verified re-measurement of the liability;
- Assessed the reasonableness of the key assumptions, lever rate and performance conditions, by examining historical data and performing sensitivity analyses;
- Tested forfeitures and lapses by agreeing samples back to source documentation and ensuring the expense recognised had been trued up appropriately, particularly in relation to good leavers and the acceleration of the expense; and
- Tested a sample of options exercised during the year to check they were exercised in accordance with the terms of the grant.

Share-based payments expense

In addition to the above, we performed the following testing over the share-based payments expense:

- Tested the classification of awards as equity or cash settled;
- For cash settled parts of the awards, including national insurance, we tested a sample of current year charges based on year-end share price information; and
- Read and assessed the share-based payment disclosures made in the financial statements.

No material issues were identified.

We obtained management's impairment review and performed the following, we:

- Evaluated management's models checking the relevant inputs to supporting documentation, this included challenging management on key assumptions within the calculations;
- Evaluated the sensitivity analysis performed by management and discussed with them the likelihood and impacts of such changes;
- Performed backtesting to assess the accuracy of management's historic forecasts against actual financial results to assess the reasonableness of estimates used in the forecast;
- Determined that there was reasonable headroom in management's fair value less costs to sell calculations; and
- Read and assessed the goodwill disclosures made in the financial statements.

No material issues were identified.

INDEPENDENT AUDITORS' REPORT

Key audit matter	How our audit addressed the key audit matter
<p>Current and deferred taxes</p> <p>Refer to Note 1.9. Income tax expense, Note 3.5. Deferred tax and Note 5.1. Basis of preparation and other accounting policies.</p> <p>The calculation of the current and deferred tax is produced manually and is based on a number of supporting complex calculations including share-based payments and deferred bonuses.</p> <p>The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable items. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Management establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.</p> <p>Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.</p>	<p>In assessing the current and deferred taxes, we:</p> <ul style="list-style-type: none"> Assessed whether management had reflected appropriately the changes in UK corporation tax in their current and deferred tax calculations; Obtained and read tax working papers for the Group and significant components and obtained supporting evidence; Obtained the deferred tax calculations and verified the inputs used within the calculations. We also performed recalculation to ensure accuracy. We evaluated whether the temporary difference will reverse in the future; and Read and assessed the tax disclosures included within the financial statements. <p>We also evaluated whether the Group had met its tax compliance obligations where material to the Group, and as such we assessed the conclusions reached by management in relation to the current transfer pricing arrangements, changes to the Group structure and controlled foreign companies' position.</p> <p>No material issues were identified.</p>

We determined that there were no key audit matters applicable to the Company to communicate in our report.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Overall materiality	£7.6 million (2018: £9.0 million).	£2.8 million (2018: £4.7 million).
How we determined it	5% of profit before tax.	1% of total assets.
Rationale for benchmark applied	We believe that profit before tax is the primary measure used by the shareholders in assessing the performance of the Group, and is a generally accepted auditing benchmark.	As the Company is a holding company and does not earn any revenue, total assets is the most appropriate method to determine materiality, and is a generally accepted auditing benchmark.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £2.1 million and £7.2 million. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £379,000 (Group audit) (2018: £448,000) and £138,000 (Company audit) (2018: £236,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Going concern

In accordance with ISAs (UK) we report as follows:

Reporting obligation	Outcome
We are required to report if we have anything material to add or draw attention to in respect of the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the Group's and the Company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.	We have nothing material to add or to draw attention to. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and Company's ability to continue as a going concern. For example, the terms of the United Kingdom's withdrawal from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Group's trade, customers, suppliers and the wider economy.
We are required to report if the directors' statement relating to Going Concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.	We have nothing to report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 (CA06), ISAs (UK) and the Listing Rules of the Financial Conduct Authority (FCA) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. (CA06)

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report. (CA06)

The directors' assessment of the prospects of the group and of the principal risks that would threaten the solvency or liquidity of the group

We have nothing material to add or draw attention to regarding:

- The directors' confirmation on page 107 of the Annual Report that they have carried out a robust assessment of the principal risks facing the group, including those that would threaten its business model, future performance, solvency or liquidity.
- The disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.
- The directors' explanation on page 37 of the Annual Report as to how they have assessed the prospects of the group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We have nothing to report having performed a review of the directors' statement that they have carried out a robust assessment of the principal risks facing the group and statement in relation to the longer-term viability of the group. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the "Code"); and considering whether the statements are consistent with the knowledge and understanding of the group and company and their environment obtained in the course of the audit. (Listing Rules)

Other Code Provisions

We have nothing to report in respect of our responsibility to report when:

- The statement given by the directors, on page 107, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position and performance, business model and strategy is materially inconsistent with our knowledge of the group and company obtained in the course of performing our audit.
- The section of the Annual Report on page 71-75 describing the work of the Audit and Risk Committee does not appropriately address matters communicated by us to the Audit and Risk Committee.
- The directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules, for review by the auditors.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006. (CA06)

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 107, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

We were appointed by the Directors to audit the financial statements for the year ended 31 December 2007 and subsequent financial periods. Following a competitive tender process in 2014, we were reappointed as auditor of the Company by recommendation of the Audit and Risk Committee for the period ending 31 December 2015 and subsequent financial periods. The period of total uninterrupted engagement is 13 years, covering the years ended 31 December 2007 to 31 December 2019.

Jeremy Jensen (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

27 February 2020

HISTORICAL SUMMARY (UNAUDITED)

for the year ended 31 December 2019

	2019 £m	2018 £m	2017 £m	2016 £m	2015 £m
Net revenue	379.1	412.7	409.5	351.4	329.5
Administrative expenses	(228.5)	(225.1)	(214.8)	(182.1)	(163.8)
Other gains/(losses)	4.1	(6.5)	0.6	5.1	1.7
Amortisation of intangible assets	(1.8)	(1.8)	(2.3)	(3.3)	(3.2)
Operating profit	152.9	179.3	193.0	171.1	164.2
Finance income	0.1	0.1	0.1	0.5	0.6
Finance costs	(2.0)	(0.2)	(0.2)	(0.2)	(0.2)
Profit before taxation	151.0	179.2	192.9	171.4	164.6
Income tax expense	(28.2)	(36.2)	(38.1)	(35.1)	(32.5)
Profit for the year	122.8	143.0	154.8	136.3	132.1
Earnings per share					
Basic (p/share)	27.5	31.8	34.5	30.3	29.4
Diluted (p/share)	26.8	31.1	33.7	29.6	28.5
Dividends per share					
Interim (p/share)	7.9	7.9	6.8	4.5	4.0
Final (p/share)	9.2	9.2	10.3	10.2	10.6
Special (p/share)	-	11.4	15.5	12.5	10.9
Total dividends paid out of current year profit	17.1	28.5	32.6	27.2	25.5
AUM at year end (£bn)	42.8	42.7	50.2	40.5	35.7
Average headcount (number)	529	533	504	463	436
Cash and cash equivalents (£m)	179.4	201.7	234.2	258.9	259.4
Net cash inflows from operating activities (£m)	149.8	170.5	194.6	147.3	156.3
Underlying earnings per share (p/share)	28.8	32.4	34.2	29.4	29.2

Underlying earnings per share in 2018 have been restated.

SHAREHOLDER INFORMATION

Shareholder enquiries

All enquiries relating to holdings of shares in Jupiter Fund Management plc, including notification of change of address, queries regarding dividend/interest payments or the loss of a share certificate, should be addressed to the Company's Registrars:

Link Asset Services

The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Tel: 0871 664 0300 (Calls cost 12p per minute plus access charge)

Overseas tel: +44 (0) 371 664 0300

Calls outside the UK will be charged at the applicable international rate.

Lines are open (UK only) 9.00am-5.30pm Monday to Friday.

Email: shareholderenquiries@linkgroup.co.uk

Other shareholder queries should be addressed to the Company Secretary.

Share dealing service

There is a share dealing service offered by the Registrars. It is a simple way to buy and sell shares via the internet or telephone with quick settlement. For information visit: www.linksharedeal.com

For telephone purchases:

Tel: 0371 664 0445. Lines are open 8.00am to 4.30pm, Monday to Friday. UK calls are charged at the standard geographic rate. Calls outside the UK will be charged at the applicable international rate.

Financial calendar

Event	Date
Ex-dividend date for full-year dividend	12 March 2020
Record date for full-year dividend	13 March 2020
Full-year dividend payment date	9 April 2020
Trading update	21 April 2020
Annual General Meeting	21 May 2020
Interim results announcement	29 July 2020
Trading update	16 October 2020

Company details and principal office

Jupiter Fund Management plc

The Zig Zag Building
70 Victoria Street
London SW1E 6SQ

Registered number: 6150195

Company Secretary

Lisa Daniels

Tel: 020 3817 1000

Website

The Company has a corporate website, which holds, amongst other information, copies of its latest annual report and copies of all press announcements released. This site can be found at www.jupiteram.com

Share information

The Company's ordinary shares are traded on the London Stock Exchange:

ISIN GB00B53P2009

SEDOL B53P200

TICKER JUP.LN

Electronic communications

We encourage shareholders to receive shareholder documentation electronically to help reduce the environmental impact caused by printing and distributing hard copies. You can register your communication preference at www.signalshares.com

Electronic proxy voting

This year we have not produced hard copies of the proxy form and are requesting all shareholders vote electronically by logging onto www.signalshares.com and selecting Jupiter Fund Management plc. Alternatively you can request a hard copy proxy form by calling our Registrars, Link Asset Services, on the number above. Further information can be found in the 2020 Notice of Annual General Meeting.

GLOSSARY OF TERMS

<p>A</p> <p>Act Companies Act 2006 (as amended, supplemented or replaced from time to time)</p> <p>AGM Annual General Meeting</p> <p>APM Alternative Performance Measures as defined on page 38</p> <p>AUM Assets under management</p> <p>Available profit Net revenue less operating expenses</p> <hr/> <p>B</p> <p>Board The Board of Directors of the Company</p> <p>Box profits Profit on dealings in mutual funds by the Group representing the difference between the cost of purchasing redeemed units at cancellation prices and reselling those units at higher creation prices on the same day (rather than cancelling those units), in each case after brokerage fees</p> <p>BPS One one-hundredth of a percentage point (0.01%)</p> <p>Brexit The withdrawal of the United Kingdom from membership in the European Union</p> <hr/> <p>C</p> <p>CASS The FCA's Client Asset Sourcebook rules</p> <p>CGU Cash-generating unit</p> <p>Code UK Corporate Governance Code adopted by the Financial Reporting Council in 2016</p> <p>Company Jupiter Fund Management plc</p> <p>CREST The system for paperless settlement of trades in listed securities, of which Euroclear UK & Ireland Limited is the operator</p>	<p>D</p> <p>DBP Deferred Bonus Plan</p> <hr/> <p>E</p> <p>EBT The Jupiter employee benefit trust established pursuant to a trust deed dated 22 April 2004</p> <p>EPS Earnings per share</p> <p>EU The European Union</p> <hr/> <p>F</p> <p>FCA Financial Conduct Authority of the United Kingdom</p> <p>FCA Remuneration Code The code whereby firms regulated by the FCA are required to establish, implement and maintain remuneration policies consistent with effective risk management</p> <p>FRC Financial Reporting Council</p> <p>FVTPL Fair value through profit or loss</p> <hr/> <p>G</p> <p>GAAP Generally Accepted Accounting Principles</p> <p>GDPR General Data Provision Regulation. An EU regulation for strengthening and unifying data protection</p> <p>GHG Greenhouse gas</p> <p>GRI Global Reporting Initiative</p> <p>Group The Company and all of its subsidiaries</p>	<p>I</p> <p>IA Investment Association</p> <p>IAS International Accounting Standard(s)</p> <p>ICAAP Internal Capital Adequacy Assessment Process</p> <p>IFA Independent financial adviser</p> <p>IFRS International Financial Reporting Standard(s)</p> <p>IFRS IC IFRS Interpretations Committee</p> <p>ISA Individual savings account</p> <hr/> <p>J</p> <p>Jupiter The Company and all of its subsidiaries</p> <hr/> <p>K</p> <p>KPI Key performance indicator</p> <hr/> <p>L</p> <p>LIBOR London Interbank Offered Rate</p> <p>Listing The Company's Listing on the London Stock Exchange on 21 June 2010</p> <p>Listing Rules Regulations subject to the oversight of the FCA applicable to the Company following Listing</p> <p>LTIP Long-term Incentive Plan for retention</p>
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M**MBO**

The purchase by management and other parties in 2007 of the Group (as at that date)

MiFID II

The second version of the Markets in Financial Instruments Directive as defined by EC Council Directive 2014/65/EU

Mutual funds

Collective investments where a group of investors pool their money (buying units or a portion of the mutual fund)

O**Ordinary dividends per share**

Interim and full-year dividends (does not include any special dividends)

P**PBT**

Profit before tax

Platforms

Service providers that enable investors to buy and hold in a single place a range of investments from multiple providers with different tax wrappers

R**RCF**

Revolving credit facility

Registrar

Link Asset Services

S**SAYE**

Save As You Earn

SEDOL

Stock Exchange Daily Official List

Segregated mandates

An investment strategy run exclusively for certain institutional clients

SICAV

Société d'Investissement à Capital Variable; an open-ended collective investment scheme offered in Europe

SIP

Share Incentive Plan

SM&CR

Senior Managers and Certification Regime; an FCA regime governing the regulation of senior employees of entities operating in the financial services industry in the UK

T**TCF**

Treating customers fairly

U**UCITS**

Undertaking for Collective Investment in Transferable Securities as defined by EC Council Directive 85/611/EEC, as amended

Underlying profit before tax

Profit before tax excluding amortisation arising from acquisitions and non-recurring items

W**WAEP**

Weighted average exercise price



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Pureprint Ltd is FSC certified and ISO 14001 certified showing that it is committed to all round excellence and improving environmental performance is an important part of this strategy.

Pureprint Ltd aims to reduce at source the effect its operations have on the environment and is committed to continual improvement, prevention of pollution and compliance with any legislation or industry standards.

Pureprint Ltd is a Carbon / Neutral® Printing Company.

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