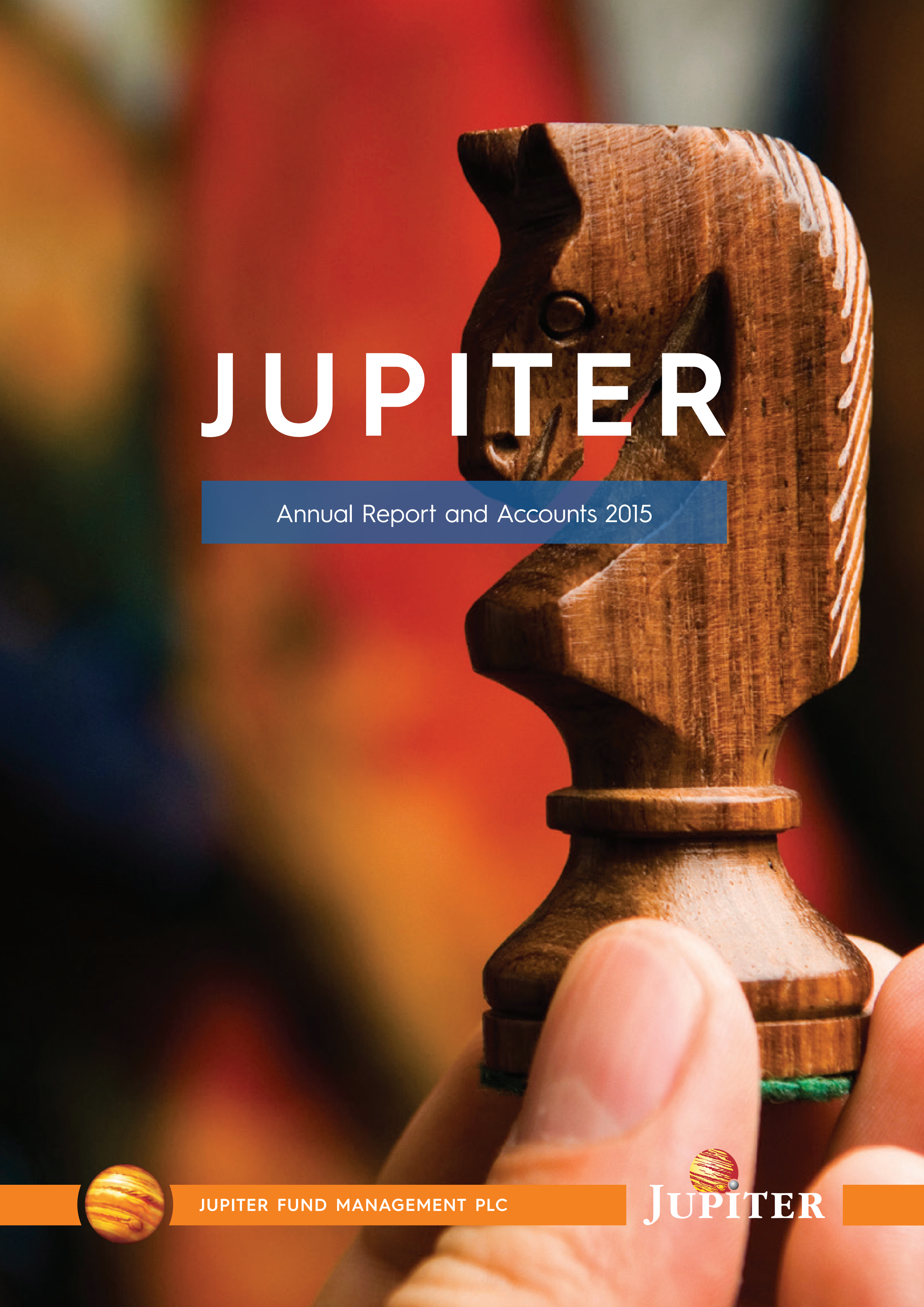
JUPITER FUND MANAGEMENT PLC Annual Report and Accounts 2015

JUPITER

Annual Report and Accounts 2015



JUPITER FUND MANAGEMENT PLC

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Highlights

Outperforming on behalf of all our stakeholders

How we performed

2015 was another strong year for Jupiter:

68%

Delivered outperformance to our clients, after fees

68 per cent. of our assets under management (AUM) performed above the median over three years (2014: 51 per cent.)

51%

Turned growth into profits, by maintaining our efficiency

Net revenues up 9%, EBITDA margin* maintained at 51 per cent. and 11% increase in underlying EPS to 29.2p

£2.1bn

Turned outperformance into inflows for our funds

£2.1bn of net inflows to our mutual funds (2014: £1.4bn), with AUM increasing 12% to £35.7bn

25.5p

Delivered capital returns for our shareholders

Total dividends per share* of 25.5p (2014: 24.7p) including a special dividend of 10.9p (2014: 11.5p)

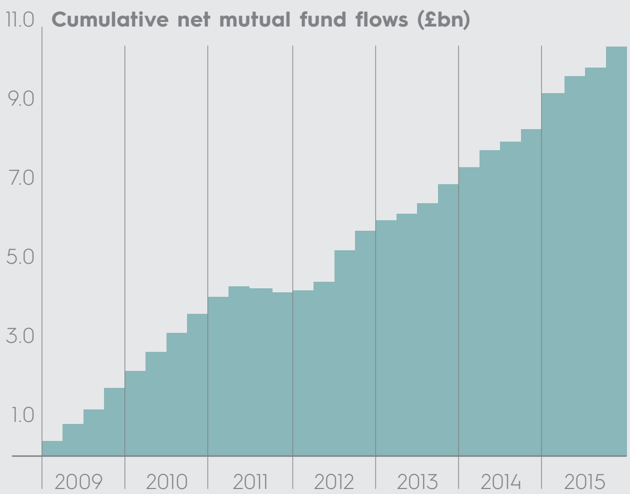
Consistent organic flow growth

We are a focused mutual fund provider, writing consistent net inflows across the cycle

- £10.4bn cumulative mutual fund inflows over the past seven years
- Strong record of organic flow growth

Growth opportunity

- Significant growing demand globally for mutual funds
- Continued diversification by product, client type and geography



*Non-GAAP measures

Strategic report
Governance
Financial statements
Other information

Liz Airey
Chairman

Maarten Slendebroek
Chief Executive Officer

2015 was another successful year for Jupiter, as we made continued progress with delivering our organic growth strategy. Our objective is to deliver investment outperformance after fees on behalf of our clients. Strong investment performance drives net inflows and allows us to capture the economies of growth via our scalable business model and share the rewards of growth with all our stakeholders.

As at the end of 2015, 68 per cent. of our mutual fund AUM had delivered above median performance over three years, the key period for assessing investment performance. This is an improvement from the position as at December 2014 and as a result we enter 2016 with a strong product line-up.

Our growth strategy is based primarily on organic growth through deliberate diversification by product, client type and geography. Over the past few years, Jupiter has been building out its international distribution by establishing a presence in countries where our key global clients are also represented. Successful penetration of these networks has allowed us to establish a distribution presence in Europe and Asia, resulting in net global mutual fund inflows of £2.1bn in the year and overall assets under management increasing by 12 per cent. to £35.7bn.

Our distribution build-out will continue in 2016, with planned office openings in Italy and Spain adding to the opportunities for our existing distribution network in the UK and internationally. We are also continuing our product diversification, through the targeted launch of new funds. In March we will launch an Asian Income Fund and later in the year we will launch an international version of our successful Absolute Return Fund. We also have plans to launch a diversified global environmental/ecology fund, building on Jupiter's long-established record in socially responsible investing.

Whilst we are continuing to expand our international footprint, the majority of our people remain based in London. This year, we have made key hires in our investment, distribution and support functions in London. Towards the end of 2015, we expanded the Executive Committee with colleagues from the areas of administration, operations and human resources. At the same time, we moved our London office from Hyde Park Corner to a new building on Victoria Street. The move went smoothly and we start 2016 with a highly motivated and strengthened team.

At Jupiter, we invest in our people through skills training, mentoring and coaching. Outside the world of sports there are not many jobs in which performance is published daily and performance league tables are continuously reviewed in the specialist media. This enormous attention on short-term performance is sometimes at odds with our focus on creating value over time, defined as investment outperformance after all fees over a minimum of three years. It takes mental strength and resilience to successfully bridge the gap between short-term expectations and long-term objectives. We understand this tension and actively manage and support our investment teams with meeting their long-term investment objectives.

Jupiter has an enormously supportive and loyal client base in the UK and increasingly in Europe and Asia. The Jupiter brand stands for investment outperformance after all fees. An investor in Jupiter funds does not expect an average outcome – our clients seek better than average returns. Beating the average means that we need to take investment risks within clear and pre-agreed parameters. We closely monitor risk and analyse its components, but do not shy away from risk when we see an investment opportunity. This high conviction style, sometimes labelled unconstrained, sets Jupiter apart from the average. From a financial perspective, 2015 saw strong performance allied with increased revenues, continued profit growth and further strengthening of our liquidity and capital position. Despite more challenging market conditions in the second half, underlying earnings per share increased by 11 per cent. and our resilient business model supported a 29 per cent. increase in like-for-like dividends.

In conclusion, 2015 was a year of delivery across all our key metrics. Strong investment outperformance and healthy inflows to our funds, combined with our continued cost discipline, enabled us to turn this growth into increased profits and attractive capital returns for our shareholders. We would like to take this opportunity to say thank you to our colleagues within Jupiter. The contribution they make is vital to our success.

In 2016, we will continue along the path of deliberate diversification via primarily organic growth. Although the markets did not get off to a good start in the New Year with a bout of volatility, our robust balance sheet and healthy operating margins mean we are well placed to continue investing in attractive growth opportunities, even in more volatile market conditions. Based on strong investment performance, new product launches and planned office openings, we are confident that we can deliver another year of progress, albeit against a backdrop of headwinds from the market and continued uncertainty on the regulatory front.

Liz Airey

Liz Airey
Chairman

Maarten Slendebroek
Chief Executive Officer

Above: Jupiter's new headquarters in Victoria Street, London.

Jupiter is a focused mutual fund provider with a strong record of organic growth

About Jupiter

We have a leading position in the UK mutual fund industry and an increasing presence in Europe and Asia. We also run segregated mandates and investment trusts.

Many of our clients are individuals, who make their own investment decisions or follow guidance from financial advisers or wealth managers. They mainly invest in our products through intermediated platforms, rather than directly with us. We also serve institutional investors, including pension funds.

Jupiter listed on the main market of the London Stock Exchange in 2010 and is a member of the FTSE 250.

Our people and culture are key

We believe that talented individuals who are free to pursue their own investment styles can make a positive difference for clients.

With no 'house view' to constrain them, our fund managers actively seek the best investment opportunities through fundamental stockpicking, with the aim of delivering outperformance after fees.

We organise our fund managers into 12 strategy teams, so they can share ideas and information, while remaining individually accountable for their fund's performance. As we grow, this approach gives us a more balanced business by asset allocation, geography and investment style.

Our values underpin our approach

As Jupiter grows, our values help our people understand how to drive change through their behaviour.

Our primary responsibility is to our clients, who entrust their savings to our management. We aim to protect and grow their assets and provide an excellent service. Our conduct seeks always to provide the best outcomes for our clients.

Every employee can make a difference to Jupiter. We value individual talent and independent thought and seek to give freedom to employees to deliver. We do this within a team framework where respect, high standards and innovation are key to our high-performance culture.

We aim to make a positive contribution to society, as managers of other people's money. We seek to do so by increasing the value of our clients' savings, in the way we run money and by behaving ethically.

We believe that if we live by our values, Jupiter will be a profitable and sustainable company which provides fair returns to clients, employees and shareholders.

Our aim is outperformance

We aim to create value for our stakeholders through long-term investment outperformance.

Adding value for our clients through active fund management that achieves above-market returns after fees is at the heart of our strategy and values. This focus helps us to grow our assets under management, by ensuring we keep existing clients and attract new ones. Growing the assets we manage leads to increased revenues and profits, so we can reward our employees and add value for shareholders through dividends and capital appreciation.

Our scalable platform turns growth into profit

Jupiter has a single, scalable infrastructure platform.

This allows us to grow our revenues faster than our fixed costs, creating comparative outperformance for our shareholders that reflects the outperformance we expect from our fund managers. Our platform gives our fund managers the essential tools to outperform, while managing key risks to support shareholder and client needs.

Our distribution reach is expanding

Our strong position in the UK provides a stable and profitable base from which we can grow internationally.

In recent years, we have increasingly complemented our UK business with overseas growth, as we 'follow our clients' by leveraging existing relationships with large fund distributors in new countries and by creating products that appeal to clients in multiple countries, thereby improving our diversification by product, client and geography.

We will continue to expand our geographic footprint where it is in our stakeholders' interests.

Our stakeholders share in the rewards of growth

We look to use available profit to benefit all our stakeholders. We believe that successfully implementing our growth and capital allocation strategies will deliver attractive capital and cash returns.

We target a robust and sustainable net cash position on our balance sheet, with sufficient capital and reserves to fund organic growth.

We are committed to distributing excess cash generated by earnings to shareholders each year, through a progressive ordinary dividend and a special dividend when earnings allow.

Where we operate

Our investment team and infrastructure platform are based in London.

We distribute our products in a number of key financial centres in Europe and Asia, either through our own teams or through agency relationships.

Distribution presence
Austria, France*, Germany, Spain*, Sweden, and Switzerland

Key investment and operational hub

Distribution presence
Hong Kong and Singapore

*Agency relationship

Our markets

Our markets have long-term growth dynamics

Jupiter
Well positioned to capitalise on growing demand

A number of powerful trends are driving demand for our mutual funds and will continue to do so for the long term.

Populations are growing and ageing
Populations around the world are both increasing and ageing. According to the United Nations:

- By 2030, the number of people aged 60 or over worldwide will have increased from 901m to more than 1.4bn, meaning that one person in six will be over 60, compared with one in eight now.
- Virtually all countries are expected to see substantial growth in their populations of older people. While this ageing process is already advanced in Europe and North America, the fastest growth in older populations will be in developing regions.
- By 2050, 44 per cent. of the world's population will live in countries where more than one fifth of people are over 60 and one in four will live in a country where more than 30 per cent. are over 60.

In the past, many individuals have relied on governments or employers to provide their pensions. However, both are stepping back from this, deterred by rising costs and the impact on their balance sheets. Individuals are increasingly having to take control of their financial futures and provide for their own retirements using defined contribution pension schemes. Governments still have an important role to play by ensuring the right mechanisms are in place to encourage people to save and to protect them through regulation.

Developing economies are getting richer
In addition to ageing populations, emerging economies are seeing rising wealth. The wealth of high net worth individuals in Asia has already overtaken that of Europe and is close to US levels. This is increasing the global demand for accesible savings products.

Clients are demanding different products
There are also shifts in the types of products people are demanding. In general, there is a move from traditional insurance products towards transparent products such as mutual funds. Within the mutual fund category, there have been sizeable outflows from traditional style box funds (ie long-only, single-geography equity and fixed income funds), and significant inflows into high-performance outcome-orientated active strategies of the type Jupiter increasingly offers. Exchange traded and index funds, which Jupiter does not provide, have also seen strong inflows.

United Kingdom	International
2013 – 2015 net sales	2013 – 2015 net sales
£72bn Outcome-orientated active strategies	**£343bn** Outcome-orientated active strategies
(£45bn) Traditional style box	**(£13bn)** Traditional style box
£27bn ETF/Index Funds	**(£118bn)** ETF/Index Funds

Source: Simfund

United Kingdom

An attractive mutual fund market

The UK mutual fund industry has £0.9 trillion of assets under management. As the chart below shows, flows into mutual funds tend to be robust across the market cycle, with a consistent demand for equity products.

Mutual funds in the UK are mainly distributed through fund platforms and intermediaries such as wealth managers, stockbrokers and independent financial advisers (IFAs), with only a very small level of direct sales. Fund platforms allow investors to buy from numerous providers in one place and now account for 64 per cent. of fund sales, up from 39 per cent. in 2010.

The UK is also a key location for global financial institutions. The high net worth market in which they operate is resilient and growing long term. We estimate that the pool of investible assets managed in the UK is in excess of £5.5 trillion, with a large proportion of these funds channelled through decision-making centres in London.

The UK government encourages individuals to invest by providing tax-efficient vehicles, in the form of pension funds and Individual Savings Accounts (ISAs). ISAs currently allow individuals to invest £15,240 a year in cash, funds, bonds or shares, with any resulting income or capital gains being tax free. Individuals can make tax-free contributions to their pension schemes within annual and lifetime limits. Recent reforms, which give individuals more freedom over how they use their pension pots, are creating demand for products that provide income, as an alternative to annuities. In the 2015 Budget, the UK government announced a consultation on tax reliefs, which could lead to a new framework combining ISA and pension saving.

The UK market had a slow start to the year due to market uncertainty, the effects of the government-sponsored pension funds and the general election. Despite this, net retail sales bounced back in the final three quarters of the year with investors favouring equity products, particularly European funds and those with an income focus. Across the full year, net retail sales were £18 billion and funds under management of authorised investment funds hit an all-time high of over £870bn.

International

Substantial opportunities for growth

Continental Europe is a sizeable market, with assets in European mutual funds (known as UCITS) currently totalling €8.2 trillion. Fixed income funds are more popular than in the UK and flows have a greater tendency to follow the market cycle.

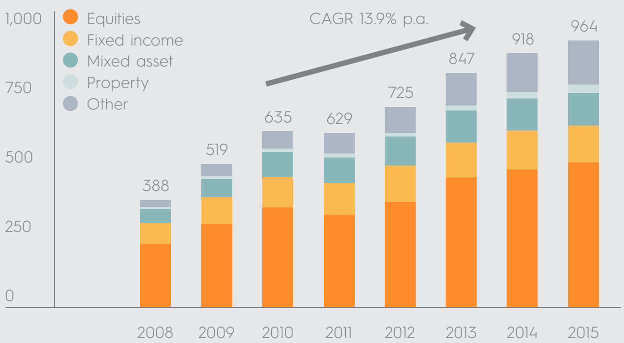
Foreign fund managers have effectively penetrated local markets, helped by the introduction of UCITS passporting. This allows fund management companies to run funds on a cross-border basis, without needing a presence in each country where funds are domiciled. Jupiter has a UCITS passport, allowing us to act as the management company for our Luxembourg-based SICAV range.

The main distribution channels in continental Europe are retail and private banks, followed by IFAs and insurance wrappers, platforms and direct selling. In France, Spain and Switzerland, open architecture has developed mainly via funds of funds, while in Italy and Germany, IFAs are taking a larger proportion of sales with guided architecture a growing trend. Net flows were positive across the full year at €600 billion, with inflows into all main asset classes with multi-asset, European equity and flexible total return bond funds proving particularly popular.

Asia is one of the world's fastest growing fund markets, with total mutual fund assets of nearly £2 trillion. Distribution in Hong Kong is retail-orientated through banks, while Singapore is dominated by private banks. Global financial institutions have a significant presence in the region, enabling mutual fund providers such as Jupiter to leverage relationships developed in other markets.

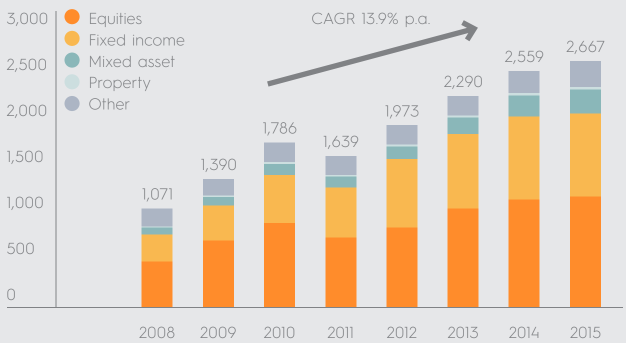
Although product preferences in Asia vary by country, Asian and emerging market equity funds tend to be popular, as are bond funds. Holding periods tend to be shorter than in the UK and Europe.

Domestic AUM (£bn)



Source: IMA. Figures exclude money market funds.

International AUM (£bn)



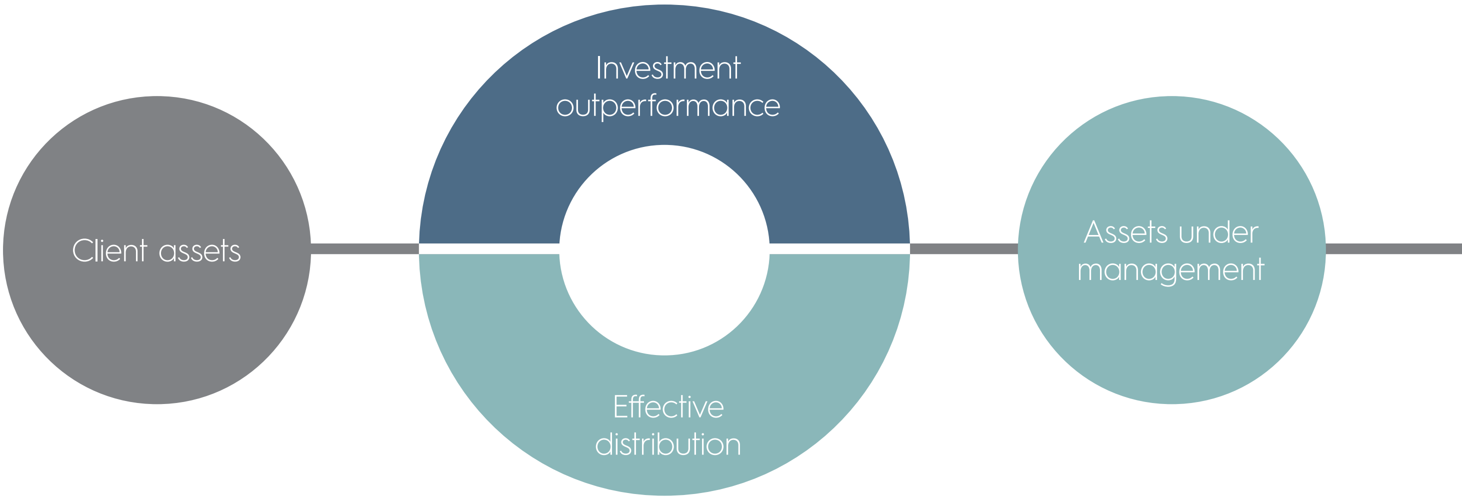
Source: IMA. Figures exclude money market funds.

Our business model

Creating value for all our stakeholders

1 Investment outperformance

2 Effective distribution



Our primary responsibility is to our clients

Client assets
We primarily manage mutual funds, for clients ranging from individuals to pension funds. We aim to build strong, long-lasting relationships by providing excellent customer service and by outperforming relevant market benchmarks after fees. Our performance has established us as one of the leading fund groups in the UK retail market.

Clients who entrust their savings to our management include not just individual investors, but also the distributors, intermediaries, platforms, consultants and discretionary advisors on whom they place reliance. Creating value for all these clients is core to our business model.

Our responsibility to our clients is enshrined in our corporate values, which are described in more detail in the Jupiter at a Glance section.

Growing value for clients

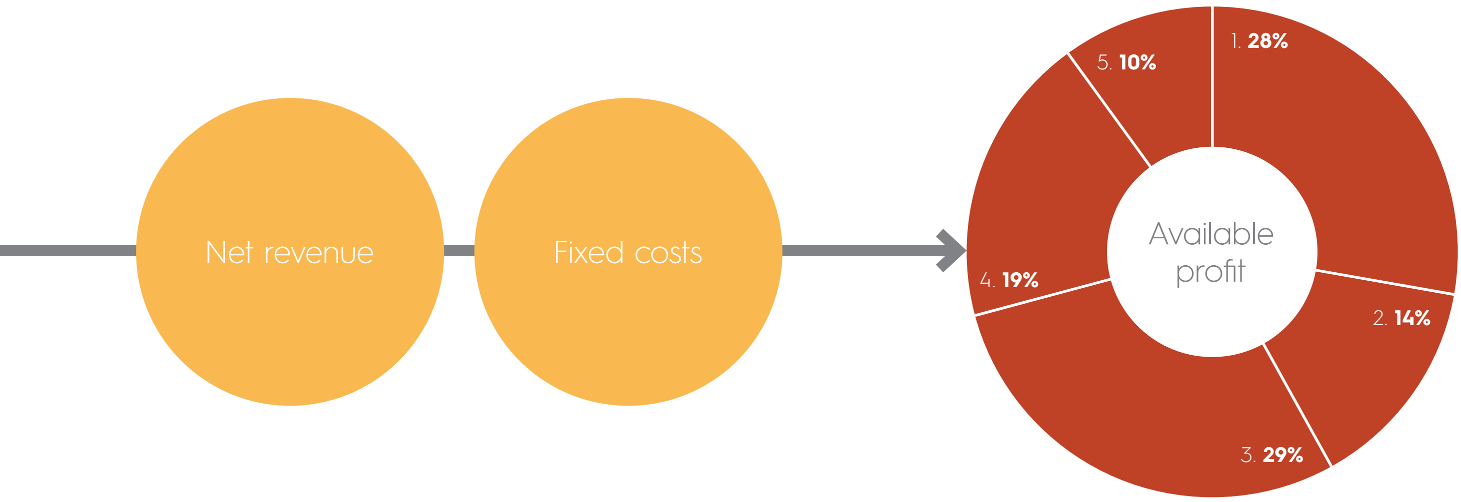
Investment performance
Our ability to deliver investment outperformance comes from our distinct culture. By organising our fund managers into strategy teams, we enable them to share ideas and information, while leaving our fund managers free to follow their convictions and invest where they see the best returns.

Effective distribution
We create products that can deliver superior returns to clients over the medium to long-term, avoiding those where we have no competitive advantage. The breadth of our product range means that clients can choose products that meet their needs and suit current market conditions. We invest in our brand, in marketing our products and in our sales and client relationship teams, so we can win new clients and leverage our relationships with existing clients in new markets.

Assets under management
By consistently providing value and strong service to our clients, we retain the assets entrusted to us and attract new assets, underpinning our revenue growth.

3 Efficient operations

4 Value creation



Growing value for shareholders

Net revenue
Net revenues are the fees we earn, less payments to our distributors for their services to clients. Fees are typically based on a percentage of assets, although we can earn initial charges and some funds earn performance fees for above-target returns. Attracting inflows across the cycle has allowed us to grow our revenues significantly ahead of the market.

Fixed costs
Fixed costs comprise salaries and the costs of running our operating platform and support infrastructure. These costs include IT systems, rent, administration and brand investment. Our scalable operating platform and focus on efficiency, including the use of outsourced providers, allow us to grow revenues faster than our fixed costs.

Available profit
Deducting fixed costs from net revenues leaves us with available profit for distributing to our stakeholders. Our high conversion rate of available profits to cash ensures we have the money to do so, while maintaining a strong and sustainable balance sheet.

Sharing the rewards of growth

We are committed to using available profit to benefit all our stakeholders, each and every year. Distribution or deployment of available profit is determined principally through the development of compensation strategies for staff and dividend policy. Although the Board retains the flexibility to make changes to how available profit is used, our current distribution policy splits rewards as follows:

1. Staff incentives
Variable compensation awards to reward and incentivise staff are generally made within the mid to high 20 per cent. range of available profit and include social security taxes payable by the Group. In a stable profit environment, we would expect this to settle at around 28 per cent. Paying incentives out of available profits aligns employees' interests with those of our shareholders.

2. Corporation tax
We use the actual UK tax rate, currently 20 per cent., to estimate the charge for tax on our profits, as this is not expected to be materially different to the Group's effective rate. As compensation costs are tax deductible, this leads to 14 per cent. of available profit being paid in tax.

3. Ordinary dividend payments to shareholders
Around half of available profit is paid to shareholders as ordinary and special dividends. Under our progressive dividend policy, we target an ordinary payout ratio of 50 per cent. of underlying EPS.

4. Special dividend payments to shareholders
We pay special dividends out of available profits not required for other purposes.

5. Retained for investment and growth
This is retained cash of up to 10 per cent. of available profit, which we use to fund the strategic initiatives we expect to drive our growth.

Strategic objectives

Our focus on delivering long-term value to clients and shareholders translates into our four strategic objectives

Our objectives	**1 Investment outperformance**	**2 Effective distribution**
What this means	Creating value for clients after fees, leading to further demand for our investment products	Providing the right products to the right clients, to generate asset inflows
Why this is important	Our business relies on the quality and reputation of our fund managers and their ability to deliver long-term outperformance after fees	Our revenue growth is a direct function of asset growth. Growing assets requires us to attract inflows from new and existing clients, to build on our UK market position and develop our international distribution
How we do it	We do this by: • attracting and retaining the best people, carefully managing talent and performance, and aligning rewards with clients' and shareholders' interests • organising our investment team into clear strategies, to enable the sharing of ideas and information • preserving our culture of investment freedom and individual accountability • developing our product range to give us a product for different market conditions • creating products that give us a competitive advantage and that cannot be replicated by passive strategies • carefully managing risk and compliance	We do this by: • investing in our brand to increase recognition by intermediaries and end clients and drive demand for our products • building our UK business through sales and marketing focused on IFAs and wealth managers • building our international business by adding to our sales and client service teams, enabling us to add distributors and to leverage our existing distributor relationships in new markets • making our products available in more markets, by creating new share classes that are appropriate for local requirements
How we measure it – our KPIs	KPIs Percentage of our AUM above median over three years	KPIs Mutual fund net inflows
Key risks	• Sustained underperformance • Failure to retain key staff	• Regulatory non-compliance • Distribution and product trends

Our objectives	**3 Efficient operations**	**4 Value creation**
What this means	Maintaining efficient operations through a scalable platform, to grow revenue faster than fixed costs	Creating value for shareholders through growing dividends and capital appreciation
Why this is important	Efficiency and scalability allow us to grow earnings and generate cash, which we use to reinvest and to provide returns to shareholders	To remain successful in the long term, we need to ensure we balance the needs of our clients, employees and shareholders
How we do it	We do this by: • operating a single infrastructure platform, designed to support a growing business and its governance requirements • making selective investments in developing our people, brand and operations, according to market conditions and our income levels at the time, so as to maintain EBITDA margins at around 50 per cent. across the cycle • implementing operational efficiencies, such as outsourcing or investing in improved technologies, at the right point in the business cycle	We do this by: • successfully implementing our first three strategic objectives, resulting in a growing pool of available profit for distribution • having a remuneration philosophy that aligns employees' rewards with our clients' and shareholders' interests • delivering revenue growth ahead of underlying markets • running a strong and sustainable balance sheet • sharing the rewards of growth with our investors through ordinary dividends, supplemented by special dividends, depending on the size of our residual earnings or any one-off receipts
How we measure it – our KPIs	KPIs EBITDA margin	KPIs Dividends per share
Key risks	• Operational error, business continuity incident or fraud • Failure of third-party supplier • Counterparty failure	• Adverse market conditions • Failure to deliver against our other three strategic objectives

The risks to our strategy
Managing risk while growing our business

The Board has ultimate responsibility for our risk strategy

The Board determines the Group's risk appetite and the tolerance levels we must operate within. In doing so, the Board shows its awareness of the risks that may materially affect the Group and, where appropriate, that it has taken steps to mitigate them.

At least once a year, the Board formally considers its risk appetite, taking into account our strategic plans, the wider business environment and the current and future condition of our business and operations. The Group's risk appetite is both informed and challenged by any materialised risk, either within Jupiter or the wider marketplace.

The Board considers its risk appetite in four core categories. These are based on our capacity to bear financial losses (and the related opportunity costs), our ability to provide liquidity, our need to maintain a positive regulatory culture and provide the best service for clients, and our view of counterparty or credit risk. We maintain a number of tolerances, which inform the Board about the Group's position in relation to its risk appetite and allow us to take action if this appetite appears likely to be exceeded.

Conduct risks are risks that could affect our clients. The framework ensures these risks receive a high degree of attention, reflecting their importance to the Board. Potential issues identified through our conduct risk framework are considered throughout the risk assessment process, to ensure they remain under regular and consistent review.

To enhance its risk oversight, the Board consolidated our risk functions at the end of 2014 and implemented an Enterprise-wide Risk Management (ERM) framework. This framework, which has been augmented throughout 2015, encompasses all areas of risk to which the Group or its funds may be exposed. It provides a methodology for clearly defining key information about the Group's risks and escalating them through our governance structure, to provide the Audit and Risk Committee and the Board with the required level of oversight.

A core objective of this work has been to give specific individuals accountability for particular risks. We have therefore ensured that risks have a clearly defined owner (or owners) at a senior level, supported by our committee and governance structure.

The Board reviewed the ERM framework in detail in December 2015. A core focus for 2016 will be to ensure that we continue to fully embed risk considerations throughout the Group, through ongoing communication and education for all staff.

1 Investment outperformance

Risk	**Sustained underperformance** There is a risk that our clients will not meet their investment objectives, due to weak financial markets or poor performance by our fund managers.	**Failure to retain key staff** We are a people business and our people are key to successfully executing our strategy.
Potential impact	Weak financial markets or poor performance by our fund managers may lead to our products being uncompetitive or otherwise unattractive to new or existing clients, resulting in both outflows (and the related decline in revenues) and a failure to attract new business in line with our strategy.	The departure of a high-profile fund manager or member of our management team could lead to a significant level of redemptions from our funds, failure to deliver our strategy or failure to run our business efficiently, resulting in a material impact on our revenues and/or corporate performance.
Mitigation/Controls	Jupiter maintains a diversified range of flexible investment products, designed to deliver value to our clients irrespective of market conditions. Our investment process seeks to meet investment targets within clearly stated risk parameters.	We believe that high levels of employee engagement and equity ownership drive business outperformance. Our corporate values encourage employees to take personal responsibility for their work and to strive to enhance our business. We also endeavour to provide an attractive working environment, which has been significantly enhanced with our move to new business premises in 2015.
	Our Investment Risk team works closely with portfolio managers to challenge fund risk profiles and to further develop our capabilities in this area. This challenge process is formally reported to and overseen by our Portfolio Review Committee, which meets quarterly.	We maintain a competitive remuneration structure and use deferred remuneration and share-based payments to align our employees' long-term interests with the Group. We also develop, monitor and maintain succession plans for all key roles. We believe this environment increases our ability to attract and retain talent.
2015 impact	As described in the our Strategic Performance section, 68 per cent. of our mutual fund AUM achieved above median returns over the key three-year investment performance period.	Our 2015 employee survey showed an engagement level above the financial services industry benchmark. We also undertook a number of initiatives throughout the year to ensure we maintain engagement and a healthy level of staff retention. These included launching a Mentoring Programme and Learning Curriculum, introducing a Corporate Fitness programme to support our employees in working in a better, faster and more agile way, and establishing an employee representative group to ensure strong communication between our leadership team and employees.

2 Effective distribution

	Regulatory non-compliance	Distribution and product trends
Risk	A significant regulatory investigation or action against the Group could affect our reputation, our clients' trust in us and our ability to do business in our target markets.	These risks reflect potential changes in our fee structures, in the terms we can agree with third-party distributors, or in clients' appetite for our products.
Potential impact	Regulatory censure and the related negative publicity could damage our clients' confidence in us and affect our ability to generate new business.	Our ability to generate fund inflows may be jeopardised by fundamental changes in distribution patterns or by a sustained market appetite for products we do not offer.
Mitigation/Controls	We maintain a robust compliance culture and require all relevant employees to undertake training on regulatory matters. Our Compliance department's monitoring programme ensures we adhere to regulatory controls.	We continually analyse our markets, to ensure we maintain a diverse product suite that appeals to existing and potential clients.
	Our risk governance structure and whistleblowing policy are designed to escalate any regulatory issues to senior management in an open and timely way, ensuring the maximum appropriate regulatory protection for clients.	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.
2015 impact	2015 saw continued enhancements to our control framework, to support our management of conduct risk. We spent considerable time assessing the impact of changes to processes and controls from the pending introduction of the MiFID II, UCITS V and Solvency II Directives. We also took steps to reduce our regulatory risk by ceasing, where possible, to hold client money following the 2014 sale of our private client contracts.	Our strong position in the UK provides a stable and profitable base from which we can grow internationally. In recent years, we have increasingly complemented our UK business with overseas growth, as we exploit existing relationships with large fund distributors in new countries and create products that appeal to clients in multiple countries.

3 Efficient operations

Operational error, business continuity incident or fraud	**Failure of third-party supplier**	**Counterparty failure**
We could suffer from a material error in executing a key business process, a lack of availability of our key systems or business premises, or a successful fraud against us or our clients.	The failure of a provider we rely on for key business processing may lead to our failing to deliver the required service to our clients or shareholders or not fulfilling our regulatory obligations.	The failure of a trading or depositary counterparty with which we have a relationship could have an adverse effect on our business.
A significant error, successful fraud or breach of a client agreement may result in additional costs to redress the issue. The unavailability of our key systems or business premises could mean we are unable to act on behalf of our clients.	Our relationships with key stakeholders may be jeopardised if we provide inadequate service, resulting in the loss of clients or regulatory or financial censure.	A counterparty failure could mean that we lose or cannot access material amounts of Jupiter's or our clients' funds.
We have efficient and well-controlled processes and maintain a comprehensive Enterprise-wide Risk Management framework, as described in detail in the Governance review.	We subject all third parties who provide us with critical services to a high level of ongoing oversight, giving us assurance that they meet our required standard.	The security of our clients' assets is our primary consideration when we evaluate potential counterparties. We aim to diversify our exposures across different institutions and actively monitor their creditworthiness using key risk indicators, including market data and credit agency ratings.
We have continuity and business resumption planning in place, to support all of our key activities. We support remote working, including core system access for all our key 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 key business systems.	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.	We place deposits according to agreed limits, which we amend when necessary. We obtain diversification by using money market funds, which provide a high degree of liquidity as well as transparency of the credit quality of the underlying holdings in the funds.
In 2015, we worked to enhance management oversight by developing our suite of key risk indicators and reports, which inform the status of our key risks and controls. During 2015, no items individually or collectively breached the Board's risk appetite.	Our outsourced fund administrator experienced a significant systems failure on one day in March 2015. Jupiter anticipated the consequences of the failure, and in most cases took action that reduced the impact to clients. We continue to maintain oversight of our key third parties through our established Supplier Management framework, engaging with them to ensure a high degree of resilience.	Our Counterparty Review Group oversees the robustness of all counterparties to which we or our funds may be exposed. We receive, and where appropriate respond to, detailed updates regarding the stability of relevant institutions from the Group's credit analysts.

This was another year of consistent strategic delivery

We achieved strong investment performance, continued net inflows and increased profits.

We also continued to diversify our capabilities in terms of product, client type and geography. In doing so, we are building an increasingly resilient business, which will offer growth opportunities across a broader range of market conditions.

Our business model centres on organic growth on a scalable platform. While we invested further in our business, with key hires, marketing and brand building, enhancements to our operating platform and the fit-out of our new London office, our scalability enabled us to maintain EBITDA margins above 50 per cent.

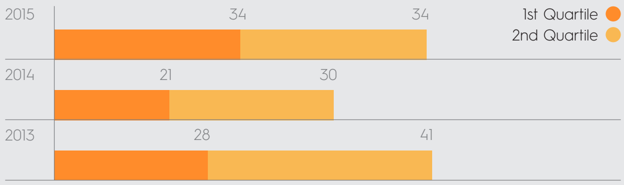
This in turn has created further value for shareholders. We again delivered a high rate of operating profit to cash conversion, giving us the funds to pay an ordinary dividend of 14.6p per share, up 11 per cent. in line with our progressive payout policy, and a further special dividend of 10.9p per share.

The pages that follow provide a detailed analysis of our performance against each of our strategic objectives, together with the KPIs against which we measure delivery.

1 Investment outperformance

KPIs 68 per cent. of our AUM performing above the median over three years

3 year performance –
percentage of our AUM above median (%)



Commentary

Our focus on delivering investment outperformance after all fees ensures we meet our primary responsibility to our clients, as set out in our corporate values. Clients typically see three years as the key period for measuring investment performance. At 31 December 2015, 27 of our mutual funds, representing 68 per cent. of our mutual fund AUM, had delivered above-median performance over three years (2014: 25 mutual funds, representing 51 per cent. of mutual fund AUM). This was driven by continued strong performance across our key strategies, notably European equities, UK equities and Fixed Income, and better outcomes from previously weaker areas. The one year numbers reflect this strong result, with 31 mutual funds, representing 84 per cent. of mutual fund AUM (2014: 20 mutual funds, representing 46 per cent. of mutual fund AUM) delivering above median performance.

The table below shows the three-year performance of our funds with AUM greater than £1bn, showing the benefit of a diversified product range.

Fund name	AUM	Quartile over a three year period	Three-year performance after all fees
Merlin Income	£3,904m	4	13%
Dynamic Bond	£3,748m	1	16%
European	£3,666m	1	60%
Strategic Bond	£2,636m	2	11%
Merlin Growth	£1,907m	1	32%
European Growth	£1,885m	1	74%
Income Trust	£1,880m	3	32%
UK Growth	£1,728m	1	53%
Merlin Balanced	£1,555m	2	26%
UK Special Sits	£1,293m	3	30%
European Special Sits	£1,101m	2	37%

We have grouped our fund managers around 12 key investment strategies. The head of each strategy defines its investment philosophy and process, providing a framework for repeatable performance. This gives us clarity about the people we need for successful execution, the products we can offer to our clients and the channels required to distribute those products. We made many of our recent key hires in response to the needs identified through defining these strategies. As well as enabling us to build out our investment strategies, attracting new talent brings in the fresh thinking and different perspectives that are a crucial part of our investment culture.

In February 2015, Stephen Mitchell joined as Head of Strategy, Global Equities, a new role that gives him responsibility for developing our global equity business for institutional and retail investors in the UK and international markets. Stephen has three decades of investment experience and an investment style and process that closely fits our approach. We also recruited Jason Pidcock, a highly-regarded fund manager, who joined in November 2015 to build an Asian income strategy for us. This income-based, larger capitalisation investment strategy will complement our existing emerging market strategies, which are more growth-orientated and multi-capitalisation.

Careful succession planning is important for continuity of performance. Steve Davies took sole responsibility for running our £1.7bn UK Growth Fund in May 2015, when co-manager Ian McVeigh moved to become our Head of Governance. Steve joined the team as an analyst in 2007, becoming deputy manager in 2009 and co-manager in early 2013. This illustrates our ability to develop fund managers from within our existing teams.

Stephen Pearson, who had been our Head of Investments, replaced John Chatfeild-Roberts as Chief Investment Officer in September 2015. John has chosen to focus his time on our award-winning Merlin multi-manager portfolios, which are the largest of our investment strategies with assets of over £8.3bn. He remains a Director of Jupiter Fund Management plc.

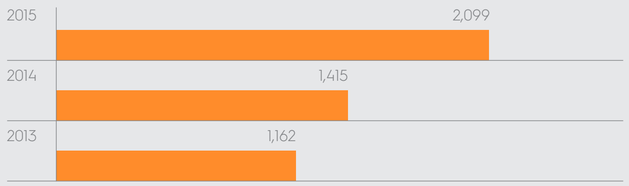
During the year, we continued to enhance our support for our fund managers, recruiting a number of deputy fund managers and analysts. We also added a product specialist for our Merlin team, to help our communication with clients and free up fund manager time.

2 Effective distribution

KPIs

£2.1bn
Mutual fund net inflows

Mutual fund net inflows (£m)



Performance

We have built our distribution strategy around our clients, not countries or products. As we expand our distribution, we use our existing relationships with large fund distributors to follow them into new geographical markets. This ensures we are in the right places to service our clients and can tailor our service model and product range to fit clearly identified groups. We then add local distribution and locally relevant products around these global networks. This approach is reflected in our corporate values, which set out our aim to build strong, long-lasting client relationships, develop creative solutions to meet their needs and provide clients with excellent service.

In 2015, we continued to build relationships with fund distributors in Europe, including savings banks, private banks, IFAs and fund of fund providers, supported by additional German-speaking marketing resource in our London office. We intend to establish a presence in Milan during 2016, opening up opportunities for us in the substantial Italian market. Our distribution in Asia has continued to benefit from our ability to leverage client relationships across the world, with more than one third of our clients in the region being global banks. In 2015, we added a further two people in Singapore and one in Hong Kong to support our growth.

Turning performance into fund inflows drives our long-term growth. In 2015, our core mutual fund franchise achieved net flows of £2.1bn. The build-out of our international network meant that overseas clients provided half of our mutual fund gross inflows and the majority of our net flow growth, with our top-performing flexible fixed income and European equity strategies proving particularly attractive to clients. These flows further increased our SICAV AUM to £6.9bn at 31 December 2015 (£4.3bn at 31 December 2014), representing 22 per cent. of our mutual fund AUM.

The table below breaks down our net flows by product type:

Net inflows/(outflows) by product (£m)	2015	2014
Mutual funds	2,099	1,415
Segregated mandates	(230)	(488)
Private clients	–	(5)
Investment trusts	74	(62)
	1,943	860

Market movements increased our AUM by £1.8bn during 2015. As a result of these changes, our AUM stood at £35.7bn at 31 December 2015 (31 December 2014: £31.9bn).

The table below analyses our AUM by product type:

Assets under management by product (£bn)	31 December 2015	31 December 2014
Mutual funds	31.2	27.5
Segregated mandates	3.5	3.6
Investment trusts	1.0	0.8
	35.7	31.9

During the year, we continued to enhance our investment offering in sectors with accessible scale, where we believe we can add value through investment outperformance. We launched the Global Emerging Markets Unconstrained SICAV in March and in September, we launched our Enhanced Distribution Fund, aimed at clients who want an alternative to a traditional annuity product. We intend to launch an Asian Income Fund in March 2016. These are important steps for us, as we transform our product range from one primarily designed around our UK clients to one that also offers attractive options to our increasingly international distribution partners.

In addition, we continued to make our existing products available in more countries, by creating share classes and currency hedged classes that meet the needs of local markets. This was particularly important in Asia in 2015, where we have considerably increased the number of funds available to clients since the start of the year.

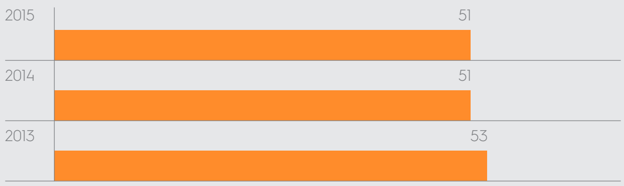
Building our brand is an important component of our distribution strategy. In the UK, we continued with press, outdoor and online advertising, and with sponsoring events. We invested in our digital strategy, enhancing our analytics capabilities so we can assess the effectiveness of our activities, and prepared to launch a new website in 2016. We also attended industry events and ran roadshows to promote our Merlin range and our UK Growth and Indian funds.

In Europe, we ran roadshows and visited clients across the region, supported by local language sales aids and brochures, and provided specific marketing support to some key distributors. In Asia, we ran a billboard advertising campaign in Hong Kong to raise awareness of Jupiter and to promote our Dynamic Bond and European Growth funds. We also sponsored the Fund Forum and organised press interviews for our fund managers.

3 Efficient operations

KPIs 51 per cent. EBITDA margin

EBITDA margin (%)



Performance

Managing our business efficiently and leveraging our scalable platform enables us to grow our profits faster than our revenues and AUM. In 2015, we benefited from reduced headcount following the sale of our private client business in 2014, offset by reinvestment of the savings in front office talent, improving our organisational scalability and increasing our international distribution. Overall, we maintained our record of delivering an EBITDA margin above 50 per cent.

A key focus of the year was enhancing our operating platform through further investment in our core systems. This platform enables us to take on new clients quickly and efficiently, to meet our clients' service and product development demands, and to support the development of our fund management capabilities.

We also made significant progress with supporting our growing fixed income franchise. We added new technology that enables fixed income and multi-asset managers to further stress test their portfolios, helping us to manage growth in these franchises, and recruited investment risk and performance resources. For the Distribution team, we are automating factsheet production and implemented a new customer relationship management system. In 2016, we expect to deliver a full solution that will help our sales teams to agree terms of business with clients and provide improved reconciliation, reporting and oversight. We have also created a central Client Operations team, bringing together our capabilities in client reporting, fund data distribution and portfolio implementation and change.

We have brought together all the management company activities for our unit trusts, investment trusts and SICAVS into one entity. This reduces complexity, duplication of effort and the delays that can arise from dealing with several third parties. Towards the end of the year, we also simplified the fee structure for our SICAV funds by introducing an aggregated operating expense fee. This replaced the previous arrangement where our SICAV investors were subject to variable operating expenses. As a result, Jupiter has taken on the associated costs that were previously borne by the funds. This change brings our SICAV fee structure into line with industry practice and gives clients a fixed basis point rate, standardised across similar funds and share classes within our SICAV range.

At the end of the first half of the year, we took possession of our new office space in The Zig Zag Building in Victoria, London, with our move taking place in December. This resulted in double occupancy and move costs of £4m in the second half of the year, which will settle down into a steady increase in costs of £5m per annum from 2016. The Zig Zag Building promises substantial improvements for our business. As well as providing a high-quality working environment, the Zig Zag is arranged over fewer floors than our previous building and includes breakout spaces and communal town hall areas, making it easier for our people to collaborate and exchange ideas – a key part of our investment culture. New workstations and upgraded IT infrastructure support our efficiency, including enhanced conferencing facilities and the ability for our people to work in multiple locations.

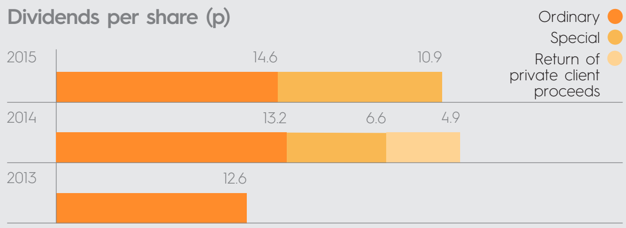
We are building on the impetus and energy generated by our new offices to introduce new ways of working. Our approach is principles-based and, together with our Corporate Values, it describes the behaviours we want from our people, such as taking responsibility, showing leadership and adopting a collegiate approach. The intention is to give our people a greater say in many aspects of their working day, so they can deliver effectively, make their own decisions and contribute to our high performance culture.

Our Corporate Fitness agenda also aims to help our people work in a better, faster and more agile way. This encourages our people to focus on the output and impact of their work. We have provided employees with a set of principles and specific guidance to help them manage their time and work/life balance and to delegate effectively.

Our Board has undertaken a full review of the Group's ERM framework in order to challenge and deepen their understanding of our key risks. We have continued to develop our supplier management framework in order to ensure that we maintain close oversight over our key providers, ensuring that our clients receive a high level of service.

4 Value creation

KPIs 25.5p
Dividends per share



Creating value for all our stakeholders is integral to the successful execution of our business model. This requires us to succeed in all our objectives – delivering investment outperformance after fees on behalf of our clients, selling this outperformance to new and existing clients via effective distribution, and capturing the rewards of this growth via efficient operations. Commentary on our performance against these has been covered earlier in this section.

Jupiter is a human capital business and sustainable execution of these objectives requires us to maximise the performance of the individuals within our organisation. If we are successful in this, we believe we can measure that success from a shareholder perspective via the delivery of a sustainable, growing dividend and capital appreciation over time.

At Jupiter we believe our culture is unique and a core aspect of our success. Our Corporate Values express this in a way that ensures we focus on the different groups involved in our business: clients, employees and society as a whole. The values underpin both the way in which we work with clients and how we work with each other across the business. In 2015, we documented these values for the first time and engaged with people across the business to ensure the values were consistently understood.

Our values

Our primary responsibility is to our clients who entrust their savings to our management. We aim to protect and grow their assets and provide an excellent service.

Every employee can make a difference to Jupiter. We value individual talent and independent thought and seek to give freedom to employees to deliver. We do this within a team framework where respect, high standards and innovation are key to our high performance culture.

We aim to make a positive contribution to society as managers of other people's money. We seek to do so by increasing the value of our clients' savings, in the way we run money and by behaving in an ethical manner.

We believe that if we live by our values Jupiter will be a profitable and sustainable company which provides fair returns to clients, employees and shareholders.

As a human capital business, we need to live by these values and ensure we maintain a high performance culture whilst consciously preserving qualities which have been intrinsic to our success to date. This requires us to:

- Have the right organisational culture and values
- Broaden and strengthen our leadership capability
- Acquire and retain talented individuals within the broader team

During 2015, we have taken a number of steps to embed these aspects more deeply within the organisation, facilitated by the move to our new London offices towards the end of the year which created an opportunity to enhance our working environment and embed more effective working practices. We have implemented an internal structure with a broader leadership team established in the year, comprising the Executive Committee, Management Committee, Investment Strategy Heads and Heads of Department. The creation of the Management Committee allows the Executive Committee to focus more on the future strategy of the business whilst the Management Committee focuses on the day to day running of the firm and execution of our organic growth strategy.

Potential for continued growth

Looking forward, we see significant opportunities for high-value active managers such as Jupiter, especially in the growing retail mutual fund markets around the world. These markets have attractive long-term growth dynamics and we intend to access these opportunities in the future in the same disciplined manner we have demonstrated in the five years since Listing. This means choosing to grow organically in those areas where we have a high degree of confidence of adding value to our clients, while ensuring we maintain the quality of our investment franchise and our people across the organisation.

Distribution to shareholders

Our business model shares the rewards of growth with our shareholders and we measure success through the delivery of a progressive ordinary and growing stream of special dividends. Our progressive ordinary dividend policy targets an ordinary payout ratio across the cycle of 50 per cent. For 2015, our ordinary dividend totalled 14.6p per share, an increase of 11 per cent. This compares with an increase of 11 per cent. in our underlying earnings per share and reflects a payout ratio of 87 per cent.

The Board intends to retain up to ten per cent. of pre-variable compensation earnings each year for investment in future growth. In 2015, we used some of the amounts retained from 2014's results to fund the fit-out of our new office in London as well as investing in acquiring Investment talent. The remaining balance is then available to return to shareholders through special dividends. The Board has therefore declared a special dividend of 10.9p per share (2014:11.5p), bringing total dividends for the year to 25.5p, an increase of 29 per cent. on 2014 when excluding the capital component associated with the return of the net proceeds received from the sale of the private client contracts.

2015 saw increased revenues, continued profit growth and further strengthening of our liquidity and capital position

Net revenue

Net revenue (£m)	2015	2014
Net management fees	300.8	285.0
Net initial charges	14.1	13.1
Performance fees	14.6	4.9
Total	**329.5**	**303.0**

Net revenues for the year were £329.5m (2014: £303.0m), 9 per cent. ahead of 2014. This was driven by a rise in net management fees to £300.8m (2014: £285.0m), as organic mutual fund flows and first-half market appreciation resulted in average assets increasing by 7 per cent. This was despite the loss of £7.6m of revenues following the sale of private client contracts in 2014. Performance fees also increased by £9.7m to £14.6m, primarily due to excellent performance in a single fund.

	2015	2014
Net management fees (£m)	300.8	285.0
Average AUM (£bn)	34.4	32.3
Net management fee margin (bps)	**88**	**88**

Net management fees remain the main component of net revenue, comprising 91 per cent. (2014: 94 per cent.). The Group's net management fee margin for the year was in line with last year at 88 basis points (2014: 88 basis points) at a headline level. This was distorted by the loss of lower margin assets, the closure of several sub-economic funds, and the sale of private client contracts and a segregated mandate loss in 2014. Excluding these factors, the underlying progression was in line with management expectations and within our stated guidance.

We continue to expect net management fee margins to decline slowly over time, due to the continued expansion of both our international presence and the fixed income component of our AUM, although the introduction of the aggregated operating expense fee on the SICAVs will reduce the impact of the former. Given the uncertainties inherent in these factors, the rate and angle of any such decline remains uncertain. Further information on the revenue and cost impact of introducing the SICAV aggregated operating expense fee is contained later in the section.

Net initial charges of £14.1m (2014: £13.1m) were ahead of the prior year, due to higher box profits resulting from increased crossing within unit trust share classes.

Performance fees increased to £14.6m (2014: £4.9m), nearly all earned by a single fund. The nature of performance fees and the modest amount of AUM with performance fee potential (2015: £1.5bn, 2014: £1.3bn) means it is unlikely that this level will be repeated in future periods unless there is again a period of outstanding performance on a single fund.

Administrative expenses

Costs by category (£m)	2015	2014
Fixed staff costs	43.5	46.3
Other expenses	52.6	49.1
Total fixed costs	**96.1**	**95.4**
Variable staff costs	66.4	53.1
Underlying administrative expenses	**162.5**	**148.5**
Charge for options over pre-Listing shares	0.5	0.7
Office closure costs	0.8	-
Administrative expenses	**163.8**	**149.2**

Underlying administrative expenses of £162.5m (2014: £148.5m) rose by 9 per cent. Within this, fixed staff costs of £43.5m (2014: £46.3m) decreased by 6 per cent. as increases in international headcount, key front office hires and investment in our platform and distribution capabilities were more than offset by savings in headcount following the private client contracts sale.

Other expenses rose to £52.6m (2014: £49.1m) due to costs associated with supporting our continued organic growth, and double occupancy and move costs relating to the new London office. The relocation to the Zig Zag Building will result in administrative expenses increasing by £5m per annum from 2016 versus the 2014 equivalents. Within 2015, £0.8m of costs were accrued relating to the remaining vacant period of our former London office. These have been separately identified above and excluded from both EBITDA and underlying earnings per share as they are not considered reflective of the ongoing trading performance of the business.

We continue to manage our fixed cost base according to prevailing market conditions at the time, mindful of our desire to grow the business whilst preserving our scalable operating model. We exercised careful cost moderation during the year and the additional fixed costs in 2015 were more than absorbed by the increase in net management fees.

Variable staff costs (£m)	**2015**	2014
Cash bonus	45.5	36.2
Deferred bonus	10.1	8.9
LTIP, SAYE and SIP	10.8	8.0
Total	**66.4**	**53.1**
Variable compensation ratio	**28%**	**26%**

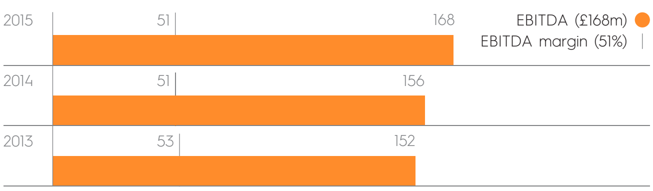
Variable staff costs of £66.4m (2014: £53.1m) increased by 25 per cent. as the cash bonus of £45.5m (2014: £36.2m) rose in line with the Group's higher profitability, including compensation directly linked to the performance fee. Both the deferred bonus and LTIP charges are now at full run rate and rose due to higher profits increasing grant sizes and due to the increase in the Jupiter share price in the year. As a result, variable compensation as a proportion of pre-variable compensation operating earnings rose to 28 per cent. (2014: 26 per cent.). This excludes a £0.5m (2014: £0.7m) charge in respect of options granted prior to the Listing over the remaining shares in the pool established for employees at the time of the MBO in June 2007. This charge has now ceased.

We expect the variable compensation ratio to remain at a high 20 per cent. level over the medium term, as the incentive schemes put in place as part of our Listing have now reached maturity. However, the equity-settled nature of previously awarded deferred bonus and LTIP schemes means that their costs are fixed at the time of grant and subsequently do not change if future earnings rise or fall. Due to these factors and the unpredictability of performance fees, the ratio may differ from this level. In 2015, the variable compensation ratio rose towards the mid to higher end of our previously guided range due to slower earnings growth and the compensation linked to performance fees.

EBITDA

EBITDA was £168.1m (2014: £155.6m), an 8 per cent. increase on the previous year, as higher net management and performance fees were partly offset by an increase in underlying administrative expenses. The Group's EBITDA margin remained at an attractive 51 per cent. (2014: 51 per cent.) as our scalable operating model meant that we could continue our steady investment in our people, brand and platform while maintaining attractive profitability levels. A reconciliation of operating earnings to EBITDA can be found in the Historical Summary section.

EBITDA



SICAV management company and fee structure changes

During December 2015, a subsidiary of the Group replaced a third party as the management company for The Jupiter Global Fund and Jupiter Merlin Funds SICAVs. As a result, the Group is able to simplify its SICAV funds' fee structure by introducing an aggregated operating expense fee, standardised across similar funds and share classes within our SICAV range. This replaces the previous arrangement, where investors were subject to variable operating expenses. This change is in line with Luxembourg industry market practice and further streamlines our business, as well as providing greater transparency in our pricing structure for clients.

The financial impact of introducing this fee structure is that, from the combination of this and the continued but more subdued mix effect, we expect 2016 net management fee margins to be similar to 2015. After 2016, we expect the management fee margin to decline by 1 to 2 basis points per annum, although the rate and angle of any such decline remains uncertain. Certain variable operating fund expenses will also now be borne by Jupiter as a result and, if the SICAVs were to remain at the same size as at 31 December 2015, we would expect fixed costs to increase by approximately £7m per annum.

Other income statement movements

Amortisation of £3.2m (2014: £20.2m) was significantly lower this year as a result of the investment management contracts acquired as part of the MBO becoming fully amortised in June 2014. The Jupiter brand name continues to be amortised on a straight line basis through to June 2017.

The Group had net finance income of £0.4m (2014: £0.3m) due to higher amounts of cash on deposit during the year, following the repayment of the outstanding bank debt in February 2014.

In the prior year, other gains included £28.5m relating to the net proceeds from the sale of the private client contracts to Rathbone Investment Management Limited, and a £2.6m loss as the Group wrote down its available-for-sale ("AFS") investment in iO Adria Limited to nil.

Profit before tax ("PBT")

PBT for the year was £164.6m (2014: £160.0m). This increase of 3 per cent. was driven by a rise in operating earnings and lower amortisation of intangibles, which more than offset the decrease in other gains.

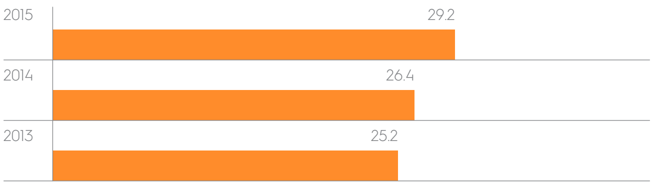
Tax expense

The effective tax rate for 2015 was 19.7 per cent. (2014: 21.4 per cent.), slightly lower than the standard rate of UK corporation tax.

Underlying PBT and underlying earnings per share ("EPS")

Underlying PBT and underlying EPS are non-GAAP measures which the Board believes provide a more useful representation of the Group's trading performance than the statutory presentation.

Underlying EPS (p)



Underlying EPS of 29.2p (2014: 26.4p) increased by 11 per cent., reflecting the Group's improved trading performance and the lower statutory tax rate.

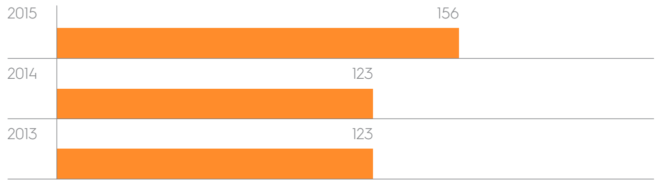
Underlying EPS (£m)	**2015**	2014
Profit before tax	164.6	160.0
Adjustments:		
Amortisation of acquired investment management contracts and trade name	1.9	19.2
Charges for options over pre-Listing shares	0.5	0.7
Office closure costs	0.8	–
Loss taken to the income statement on available-for-sale investments	–	2.6
Gain on sale of private client contracts	–	(28.5)
Underlying profit before tax	**167.8**	**154.0**
Tax at statutory rate of 20.25 per cent. (2014: 21.5 per cent.)	(34.0)	(33.1)
Underlying profit after tax	**133.8**	**120.9**
Issued share capital	457.7m	457.7m
Underlying EPS	**29.2p**	**26.4p**

The Group's basic and diluted EPS measures were 29.4p and 28.5p respectively in 2015, compared with 28.4p and 27.2p in 2014.

Cash flow

The Group has a high conversion rate of operating earnings to cash, generating positive operating cash flows after tax in 2015 of £156.3m (2014: £122.8m). This cash was used to fund the interim dividend and will primarily be used to fund the full year and special dividends to shareholders.

Operating cash flows (£m)



Assets and liabilities

The Group further strengthened its net cash position to £259.4m (31 December 2014: £251.0m), as cash generated through trading offset the funding of the 2014 final and special dividend payments, the 2015 interim dividend payment, the 2014 compensation round and the new office fit-out and moving expenses. In October 2015, the share repurchase programme increased from £1.2m a month to £2.2m a month as a result of higher variable staff costs and the significant increase in the Group's share price during the year. This programme will avoid dilution arising from operating the Group's share-based compensation schemes.

During the year, the Group had no debt (2014: £nil). The revolving credit facility of £50m extends to July 2016 and it is our intention to leave this facility intact but undrawn, in case of need. This supports our intention to run a sustainable balance sheet with net cash across the cycle, and to roll over or replace the revolving credit facility when it expires.

We deploy seed capital into funds to help us build a track record from launch or to give small but strongly performing funds sufficient scale to attract external money. As at 31 December 2015, we had a total investment of £47.3m in our own funds (2014: £43.4m) as we maintained seed capital at targeted levels. This excludes £8.1m (2014: £4.8m) of investments in our own funds made to hedge our obligation to settle amounts payable to employees in relation to Deferred Bonus Plan awards. These investments are shown on the Group's balance sheet under the appropriate heading for the relevant level of ownership in each fund. The Group only invests in liquid funds and chooses to hedge market and currency risk on the majority of its holdings of seed capital investments, with 83 per cent. of seed capital either hedged or invested in absolute return products. As a result, the value of these investments is stable and available to improve the Group's cash balances and liquidity if required.

Equity and capital management

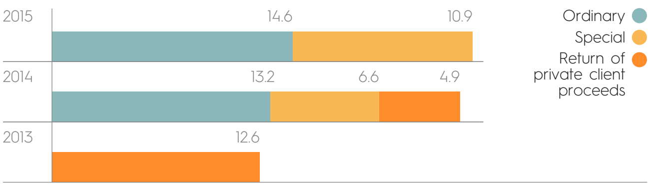
Dividends

The Board considers the dividend on a total basis, whilst looking to maintain an appropriate balance between interim and full year dividends. The Board's intention is to use profits and cash flow to pay shareholder dividends, to re-invest selectively for growth and to return excess cash to shareholders according to market conditions at the time.

During 2014, the Group completed its post-Listing deleverage process and during 2015 its net cash balance increased to £259.4m (2014: £251.0m). The Board considers that Jupiter has adequate buffers over its capital and liquidity requirements and has therefore clarified how it expects to return excess cash to shareholders. Jupiter has a progressive ordinary dividend policy, and our intention is for the ordinary dividend payout ratio to be around 50 per cent. across the cycle. The Board then expects to retain up to 10 per cent. of pre-variable compensation earnings for investment and growth. The remaining balance, after taking account of any specific events, will be returned to shareholders. In current market conditions, shareholders have indicated that their preferred method of capital return is a special dividend.

Reflecting this guidance, the Board has declared a total dividend of 25.5p (2014: 24.7p) per share, representing a 3 per cent. increase on last year. The 2014 special dividend included 4.9p per share from the net proceeds received from the sale of private client contracts. If this is excluded, then, on a like-for-like basis, the total dividend of 25.5p (2014: 19.8p) has increased by 29 per cent. We believe our growth prospects allied with the consequent yield potential make for an attractive model for shareholders.

Dividends (p)



The Board has declared an increased full year dividend for the year of 10.6p (2014: final dividend of 9.5p) per share. This results in a total ordinary dividend for the year of 14.6p (2014 13.2p), an increase in line with underlying EPS and maintaining the ordinary dividend payout ratio at 50 per cent. Due to the strong earnings in the year, and our robust and well capitalised balance sheet, the Board has decided to retain slightly less than 10 per cent. of pre-variable compensation earnings, declaring a special dividend of 10.9p (2014: 11.5p) per share.

The full year dividend payment will be paid alongside the special dividend on 8 April 2016 to shareholders on the register on 11 March 2016. During the year, the Board changed its approach to final dividend payments by not seeking approval for them at the AGM. This means that the 2015 and future full year dividends will be paid alongside potential future special dividend declarations, with the expectation that these can then both consistently be paid in early April.

Liquidity

The Group has a robust free cash position, supported by an undrawn RCF and hedged seed capital. The Group has maintained a consistent liquidity management model, with core cash (after earmarked needs) run at levels sufficient for the needs of the business.

Capital

Total shareholders' equity increased by £16.7m to £602.9m (2014: £586.2m) as a result of the Group's continued profitability. This was partially offset by the payment of the 2014 final and special dividends and the 2015 interim dividend, which totalled £112.1m.

The Group formally assesses its capital position and requirements annually through its Internal Capital Adequacy Assessment Process ('ICAAP'). 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 had a three-year investment firm consolidation waiver from the FCA which ran until June 2015, although during 2013 the Group had traded out of its need to rely on the waiver. At present, the Group has a comfortable surplus over regulatory requirements post expiry of the waiver, with an indicative surplus in excess of £100m, after allowing for the full year and special dividends.

Statement of viability

In accordance with provision C.2.2 of the 2014 revision of the 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, up to 31 December 2018. 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 forecasts, and the Group's principal risks and how these are managed, as detailed in the Strategic Report.

The three-year period is consistent with the Group's current strategic forecast and ICAAP. The forecast incorporates both the Group's strategy and principal risks. The forecast is approved by the Board at least annually. This formal approval is underpinned by regular Board and Executive Committee discussions of strategy and risks, in the normal course of business. The forecast is regularly updated as appropriate.

The three-year strategic forecast considers the Group's profitability, cash flows, dividend payments, share purchases, seed capital and other key variables. These metrics are subject to sensitivity analysis, which involves flexing a number of the main assumptions in the forecast, both individually and in unison. Scenario analysis is also performed as part of the Group's ICAAP, which is approved by the Board. Where appropriate, this analysis is carried out to evaluate the potential impact of the Group's principal risks actually occurring.

Being a responsible business is integral to the way we work

As we explain on the following pages, our priorities fall into the areas of our marketplace, workplace, the environment and community.

Marketplace – protecting our clients' interests

Our corporate values set out our aim to make a positive contribution to society, as managers of other people's money. As part of this, we look to exercise good stewardship on behalf of our clients, to support their investment ambitions and to behave ethically. In fact, we believe that our biggest sustainability impact comes from looking after our clients' needs and our engagement with the companies we invest in.

The regulatory environment reinforces our approach. As our business is mainly in the UK, our primary regulator is the Financial Conduct Authority (FCA). It oversees all aspects of our work, from how we run our fund management operations to our client communications. While we also come under the jurisdiction of other regulators overseas, the high standard of UK regulation means that the FCA sets the benchmark for what we do. When we face overseas regulations that are more onerous than in the UK, we comply with the higher standard.

Our clients

Jupiter can only succeed by offering products our clients want and that meet their investment needs; by selling and marketing these products responsibly; and by offering high levels of client service. Ensuring we meet the needs of our clients comes from a combination of our culture and our governance. These are closely linked. We have embedded policies, principles, codes of conduct and our corporate values into our culture. These align our interests with existing and potential clients and with our staff.

Our key policies in this area include:

- Treating customers fairly (TCF). TCF is a core FCA principle, which promotes fair treatment of clients from product inception through to marketing and post-sales support. Our TCF policy commits us to dealing with clients honestly, openly and competently, not just as part of regulatory compliance but as a fundamental guiding principle. Our TCF Committee, chaired by our chief executive Maarten Slendebroek, ensures that our services meet our TCF obligations and our policy.
- Conflicts of interest. This policy sets out potential material conflicts that we have identified, together with procedures and arrangements to prevent these from creating a material risk of damage to our clients' interests.

Implementing our policies

We have a number of methods for ensuring we successfully implement our policies. These include:

- training programmes, covering areas such as anti-bribery and corruption, money laundering and market abuse, which most employees received during the year;
- our employee handbook, which covers core contractual terms, expected conduct and our policies;
- our intranet, through which we make our key policies available to our people;
- audits, which ensure we comply with our legal and regulatory obligations, as well as our own rules;
- supervisory controls, including a TCF sponsor in every client-facing department; and

- our corporate governance structure (see the Governance review for more information).

Our Compliance department monitors our success with implementing our policies, principles and codes of conduct. We review the majority of our policies annually and circulate the updated versions to all staff.

Conduct risk

Conduct risk considers a firm's culture and values, how these influence its behaviour and the extent to which it prioritises client outcomes. The purpose is to ensure that firms do not put their own interests ahead of their clients' interests. Conduct risk therefore covers many aspects of the way firms operate, ranging from the ethos set by the Board, to designing products appropriate for clients, to the way that employees are remunerated and incentivised.

During 2015, we continued to develop our framework for identifying, managing and mitigating conduct risk. In particular, we identified all the significant conduct risks we face and allocated them to a risk owner, who is responsible for ensuring we effectively monitor and manage the risk. The next phase of our programme will be to communicate our approach further to our employees, to ensure everyone in Jupiter continues to be aware of the importance of conduct risk.

Our approach to stewardship

Effective stewardship is fundamental to achieving the best risk-adjusted returns for our clients. Our investment teams and specialist governance and sustainability analysts work together, to integrate stewardship into our investment approach. All our fund managers are actively involved in voting decisions and our governance dialogue with companies, in partnership with our Governance Research team and our sustainability specialists. We do not view governance themes in isolation but seek to understand how they affect long-term performance.

To further bolster our stewardship efforts, in April 2015 Ian McVeigh, the former Head of Jupiter's UK Growth Strategy, took up a new role as Head of Governance. His appointment reflects the interest and influence he has had in this field at Jupiter. It also underlines our approach to engagement, emphasising the close cooperation between our stewardship and investment activities.

The Stewardship Committee develops and delivers a co-ordinated approach to our engagement with companies. The Chief Investment Officer chairs the committee, which comprises fund managers, the Head of Governance and corporate governance and sustainability analysts. The committee looks at trends in our engagement with companies, the issues that are arising and how we can enhance our processes and information gathering. It also approves our submissions to consultations, for example on changes to the UK Corporate Governance Code.

The Chief Investment Officer also chairs our Sustainability Review Committee, which comprises both portfolio managers and sustainability and governance specialists. The committee oversees the approval of companies for investment in ethically screened, socially responsible or environmental solutions funds. It also reviews our engagement with companies on social and environmental issues and monitors these risks and opportunities across our funds. We have a process to link this analysis of major social and environmental issues to our key holdings. Our approach is that sustainability specialists and investment teams conduct sustainability research in collaboration.

One area where we continue to carry out collaborative research and engagement is the issue of stranded fossil fuel assets. Volatile commodity prices over the course of the year provided a pertinent backdrop to our continued work on the financial impact of changing fossil fuel supply and demand trends and the impact of renewable technology trends.

During the course of the year, the UN PRI has released its Pilot Assessment Report for 2015, in which it scored Jupiter's approach to responsible investment. Jupiter Asset Management was given a score of A+, the highest available, for its overarching approach to responsible investment.

Our stewardship performance

We monitor the companies we invest in by hosting or attending regular meetings with their executive management. These meetings allow us to question and challenge companies about the issues we think may affect their long-term value.

We also separately engage with company chairmen and non-executive directors. The subjects of these meetings vary but can include strategy, board effectiveness, remuneration, shareholder rights, culture, values, succession planning and sustainability. This engagement gives us a different perspective on a company's performance and prospects and is a real source of insight, helping us to drive long-term investment performance. Our approach means we build relationships and look to engage before problems arise, rather than holding companies to account after the event. During the year, we engaged with 214 companies to primarily discuss stewardship matters. These meetings were conducted in addition to the 1,000+ meetings held with company management around the financial calendar.

Voting at company general meetings is also an important part of exercising our stewardship responsibilities. In 2015, we voted at 1,287 meetings. Of these, 362 were in the UK and 925 were overseas. We voted against management or abstained on at least one resolution at 17 per cent. of UK meetings and 33 per cent. of overseas meetings.

As part of our approach to stewardship and responsible investment, we review key themes that could affect the long-term value of companies. In 2015, for example, we considered:

- Companies linked to greenhouse gas emissions, in light of the issues uncovered at Volkswagen. While we had no direct exposure to Volkswagen, this is an area our institutional clients want to understand in more detail.
- Financial companies and their suitability for socially responsible funds.
- Companies affected by demographic changes, including ageing populations.

In February 2015, we were recognised by ShareAction for our commitment to responsible investment. ShareAction is a charity that encourages companies to be responsible owners of investee companies. It assessed 33 of the UK's largest fund management groups on their transparency, engagement and corporate governance, placing Jupiter in the top three.

More information on stewardship

For a more detailed understanding of our stewardship activities, please visit www.jupiteram.com to view monthly records and download our latest Voting and Engagement Report.

Further information on our approach to corporate governance, corporate responsibility and voting can be found in our Corporate Governance and Voting Policy and The UK Stewardship Code: Jupiter's Approach, both of which are available on our website.

Workplace – attracting and retaining top talent

As a people business, we depend on the skills and experience of our people. Our collegiate culture is one of our key attractions as an employer, particularly of fund management talent. It allows our people to share and collaborate, while retaining their independence and accountability. We recognise the need to retain this culture as we grow. The CEO is the member of the Board with responsibility for Human Resources.

During 2015, our key people-related activities included understanding employee views through an engagement survey, continuing to develop our talent and promoting diversity.

Employee engagement

Employees are engaged when they are committed to an organisation's goals and values, are motivated to contribute to common successes and can achieve their own sense of wellbeing at work.

During the year, we completed a detailed survey to assess our employees' engagement with Jupiter and to find out where we could improve. This showed excellent levels of engagement, with 85 per cent. of participants saying they are actively engaged, well above the financial services average of 74 per cent. This is testament to Jupiter's attractiveness as an employer and to our work to create and maintain a positive, high-performance culture. We will repeat the survey on a regular basis.

The top responses confirm that our people are highly aligned with our aims and have the ability to play their part in achieving them. A number of the least positive responses are addressed by our move to The Zig Zag Building, with its modern space, upgraded IT equipment, breakout and communal areas that are designed to improve collaboration and internal communication, and the opportunity to introduce new ways of working. More information can be found in the Our Strategic Performance section, under Efficient Operations. We are developing plans to address all the key issues identified in the survey.

Our values

In 2015, we documented our corporate values for the first time. As we continue to grow, our values will help our people to understand how to deliver change through their behaviour. Our values make clear that our primary responsibility is to our clients, and set out how our employees and our approach to making a positive contribution to society ultimately help us to create value for shareholders. We have also embedded our values in our performance management system (see below).

More information on our values can be found under Jupiter at a glance and throughout the Our strategic performance section.

Developing talent

In 2015, we implemented our structured learning and development curriculum which caters for everyone across the organisation, from support staff to senior managers. It covers the key types of training necessary for each role and is built around Jupiter-specific content. The curriculum includes both technical and softer skills, such as leadership and presentation skills. 236 people attended courses on our curriculum during the year.

We also introduced a mentoring programme, which we have rolled out following positive feedback on a pilot programme. This makes mentoring available for everyone in the company.. We have placed a toolkit on our intranet to help people who want to take part.

In addition, we launched a career planning toolkit. This helps our people to look creatively at how they can progress their careers within Jupiter, which can include broadening the scope of their existing role or becoming involved in other projects.

Human rights

We recognise the importance of upholding human rights in our business operations, both in how we as an organisation treat individuals and how we encourage individuals within the Group to interact with each other. This is at the heart of our corporate values. We protect the rights of our employees through our employment policies and practices, which prohibit discrimination and encourage diversity. We protect the rights of our other stakeholders through our insistence on high standards of ethical behaviour. This is embedded in our culture through our policies, principles, codes of conduct and our corporate values.

Performance management

Performance management is a key part of our high-performance culture. All our employees take part in six-monthly appraisals, where we seek their feedback, assess their performance and review their training and development needs. Our performance management system covers:

Aim
The employee's objectives

Ability
The employee's skills, competency and development plan

Approach
How the employee has put our corporate values into practice

We have continued to ensure that we cascade objectives from the top of the organisation, so our people see a clear link between their objectives and our corporate goals. The employee survey showed that this process is working well, with 95 per cent. of participants understanding our objectives and 92 per cent. saying they know how their role helps to achieve them.

Diversity

To us, diversity and inclusion means having the right people, regardless of background, in the right role. Diversity is the mix; inclusion is getting the mix to work well together. The differences between individuals are valuable, as they promote different viewpoints and ways of thinking, helping us to innovate and make better decisions for our clients. We are committed to increasing diversity within Jupiter and to promoting mutual understanding between our employees. We back this up with a zero-tolerance policy to bullying or harassment, as respect and tolerance are important to our high-performance culture.

In 2015, we published our new diversity and inclusion statement, as part of which we set four goals:

Goal	Progress
We will implement unconscious bias training for our leadership team.	By the end of 2015, all members of the Executive Committee, Management Committee and Department Heads had attended this training.
We will conduct regular employee surveys to ensure we understand current diversity and inclusion issues and that they are consistently being addressed.	We included diversity and inclusion issues in our employee engagement survey. A number of initiatives are in place to take forward this area.
In order to build a healthy gender balance into our talent pipeline, we will aim for 40% female participation on our high-potential programme.	We are on track to achieve a 40 per cent. participation rate.
We will ensure that women are engaged in the company-wide mentoring programme, both as mentors and mentees.	We have female mentors and mentees engaged in our programme, comprising 37 per cent. of the total number of participants.

Our other initiatives this year included a 'maternity buddy' programme. This ensures that employees on maternity leave have a mentor who keeps them connected with our business, to make the transition to work easier when they return.

While our initial focus is on gender diversity, we recognise that this is only the first step in our broader diversity and inclusion agenda. Our unconscious bias training is an important part of promoting diversity and inclusion and we are also looking to embed diversity and inclusion in our processes, for example by ensuring we have appropriate gender representation on candidate long lists when we recruit.

The table below analyses our employees by gender:

At 31 December	2015		2014	
	Female	Male	Female	Male
Board	4 (40%)	6 (60%)	2 (22%)	7 (78%)
Senior managers	10 (15%)	57 (85%)	10 (16%)	52 (84%)
Other employees	149 (43%)	196 (57%)	148 (48%)	163 (52%)
Total	163 (39%)	259 (61%)	160 (42%)	222 (58%)

Opportunities for young people

We continue to take part in Investment 2020, a scheme run by a number of investment management companies in the UK. We offer school leavers and recent graduates the opportunity to gain paid work experience in our firm. Although there is no guarantee of a job when they complete the year-long placement, we are delighted that 75 per cent. of our most recent intake have found permanent roles within Jupiter.

In addition, we enhanced our internship programme in 2015, which saw eight young people join us for six weeks of work experience. The programme was extremely successful and we will be running it again in 2016.

Health and safety

The Board is responsible for ensuring that we take all reasonable precautions to provide safe and healthy working conditions, which comply with statutory requirements and legally binding codes of practice. The CEO is the member of the Board responsible for Health and safety.

Our Health and Safety policy aims to prevent accidents and to maintain our employees' health while at work. The prime responsibility for a safe and healthy place to work rests with us but each employee has a personal responsibility for looking after their own welfare.

Health and safety and fire safety audits were conducted during the year with no significant issues arising from the audits. No significant incidents occurred during the year.

Environment – reducing our impact

We look to reduce our environmental impact and to use resources as efficiently as possible. Our environmental policy guides our approach. The key components of this policy are:

Area	Our aim
Energy	Minimise our energy consumption
Materials	Minimise our raw materials consumption
Waste	Achieve the best environmental option for waste disposal
Suppliers	Assess suppliers' environmental performance, as part of our purchasing policy
Compliance	Meet or exceed all the environmental legislation relating to the Group

Environmental risks and opportunities

Our operations mainly affect the environment through the waste we dispose of, the water we consume and the greenhouse gases (GHG) we either directly or indirectly emit.

Climate change is one of the world's greatest challenges and has been a particular focus for Jupiter for several years. We conducted our most recent analysis of our climate change risks and opportunities as part of our 2015 CDP Investor disclosure. To give context to our GHG disclosure, the table below contains a sample of this information:

Regulatory risks	The potential implications for our investments stemming from, for example, air pollution limits, fuel or energy taxes and regulations, "stranded assets" in the oil and gas sector, and any associated uncertainty surrounding these.
Physical risks	The potential implications for our investments stemming, for example, from sea level rise, changes in precipitation extremes and droughts, a rise in extreme weather patterns and more intense storm events, surface flooding of properties, an increase in tropical cyclones, and any associated uncertainty surrounding these.
Regulatory opportunities	Regulation may affect consumer demand for products and services and hence corporate revenues. It could also create opportunities for companies linked to resource efficiency. Our ability to identify these opportunities will affect the performance of our environmental funds. Mandatory GHG reporting for large UK companies has improved our understanding of opportunity and risk in our investment decisions.

We have managed environmental funds for more than 20 years. During this time, we have developed a leading knowledge of environmental investing. This gives us a potential competitive advantage, derived from regulatory or technological changes that bring about positive action by companies on issues such as climate change.

Measuring our environmental impact

In 2011, we began working with Carbon Credentials to measure our carbon footprint. Since then, we have gathered data on a variety of emissions sources. The table below presents the operational boundary for our reported GHG emissions in 2015:

Direct emissions (scope 1)	Building gas combustion	Fugitive emissions from refrigeration and air conditioning equipment	Owned vehicles
Indirect emissions (scope 2)	Building electricity consumption		
Other relevant indirect emissions (scope 3)	Business travel	Waste disposal	Water consumption

Our environmental performance

The table below breaks down our GHG emissions by scope, as well as providing data on our other environmental impacts:

Key performance indicator	**2015**	2014	Change (%)	Assumptions or estimations
Direct emissions (scope 1)	182.4 tCO_2e	211.0 tCO_2e	(14)	Natural gas consumption has been estimated due to issues with data availability
Indirect emissions (scope 2)	228.7 tCO_2e	288.9 tCO_2e	(21)	
Other relevant indirect emissions (scope 3)	277.3 tCO_2e	8.0 tCO_2e	3,360	
Total water consumption*	1,110.5 m^3	967.2 m^3	15	
Total weight of waste by disposal method**				
Recycling	25.8 tonnes	26.5 tonnes	(2)	
Energy recovery	15.0 tonnes	19.1 tonnes	(21)	
Landfill	0 tonnes	0 tonnes	–	

* All water is supplied through our local utility
** All waste disposed is non-hazardous commercial waste or paper/cardboard

The fall in scope 1 emissions is largely due to an estimated decline of 12 per cent. in natural gas consumption. The reduction in scope 2 emissions, which relate to electricity consumption, is partly due to our server virtualisation project, which concluded in 2014. Recorded scope 3 emissions rose in 2015, due to the inclusion for the first time of air travel data. Flights represent 96 per cent. of scope 3 emissions for 2015.

Each year, we target a reduction in our GHG emissions intensity, which we measure as tCO_2e per employee full time equivalent (FTE). In 2015, our emissions intensity fell by 16 per cent., to 0.91 tCO_2e per employee FTE (2014: 1.09 tCO_2e per employee FTE).

Water consumption increased in 2015 because of work on cooling tanks on the roof of our old building. We reduced the total volume of waste we produced, largely because we did not replace office furniture or other large items in the final year before our office move. We continued to recycle all our waste or send it for energy recovery, with none going to landfill.

Community – supporting charitable giving

The difference we make in the community is primarily through charitable giving, which we believe is best directed by our employees.

At the start of 2015, our charity committee selected the Alzheimer's Society to be our partner charity. The committee believes, given the ongoing challenge to meet the financial burden of care and the broad demographic impact of the disease, that this is a good fit for Jupiter. During the year, the Group donated a total of £19,545 to various charities, including a £10k donation to the Disaster Emergency Committee's Nepal earthquake appeal. Our intention going forward is to look for opportunities to support the Alzheimer's Society through volunteering, as well as through fundraising.

Movember is a charity which raises funds to promote men's health issues and is a cause close to staff at Jupiter, following the death of a colleague from prostate cancer in 2013. During November this year, staff raised £5,325 for the charity.

We also run a Give As You Earn scheme, which is administered for us by the Charities Aid Foundation (CAF). Employees donate directly from payroll, before deduction of income tax and National Insurance. We then contribute double the amount each employee donates, up to a limit of £800. This money sits in a bank account set up by CAF but controlled by the employee, allowing the employee to donate to charities of their choice. Employee participation increased from 30 per cent. to 34 per cent. during the year. In total, Jupiter contributed £83,118 to match employees' donations.

Jupiter remains proud to sponsor the Orchestra of the Age of Enlightenment, which we have supported for more than 15 years. We have established a successful relationship with the orchestra, based on shared strengths of quality and innovation.

About our corporate responsibility disclosures

Reporting period

The corporate responsibility section of our annual report covers the 2015 financial year and is our third disclosure in accordance with GRI guidelines. Disclosing our corporate responsibility performance in this way helps us to meet regulatory and best practice developments, and provides greater insight into our responsibilities.

To apply GRI's 'Guidance on Defining Report Content' and associated Principles, we conducted a sustainability SWOT analysis in 2013, as described on page 21 of our 2013 annual report. This allowed us to select material aspects and priority indicators for our disclosures, which we have continued to apply in 2015. Our GRI Index for 2015 will be made available on our website.

Reporting boundary

The boundary of our corporate responsibility disclosure is the same as the "operational control" approach to consolidating GHG emissions. Our chosen GHG methodology (Defra's Environmental Reporting Guidelines) defines this as operations where we, or one of our subsidiaries, have full authority to introduce and implement our operating policies. We consider that this approach incorporates all of our entities with sustainability impacts that are actually or potentially material.

Limitations

At the end of 2015, Jupiter had physical operations in seven countries. However, we have estimated that the actual or potential sustainability impacts of our non-UK offices are immaterial. We have therefore applied a materiality threshold of five per cent. for the purposes of reporting sustainability data, in line with practice among similar sized firms in our sector.

We have no joint ventures over which we have operational control. We have accounted for leased assets using the same consolidation approach used to define our reporting boundary.

There have been no restatements of information provided in earlier disclosures, or any significant changes from previous reporting periods in the scope, boundary or measurement methods we have applied.

More information

For more information about our corporate responsibility disclosures, please contact shareholderservices@jupiteram.com

Stakeholder engagement

We engage our stakeholders to understand the sustainability issues that are important to them. Our key stakeholders include our clients, the companies in which we invest, shareholders, employees, NGOs, policymakers and regulators.

The best way to achieve open communication is to offer stakeholders, including shareholders and employees, several ways to communicate with the Board, including by phone, email or in writing. Board responsibility for these matters sits with our Vice Chairman, Edward Bonham Carter.

Our engagement with the companies we invest in is described in the Marketplace section. The Governance review explains our relations with Jupiter's shareholders. We regularly engage with our employees through surveys and staff briefings on our performance and business strategy. The Workplace section gives more information on our interactions with employees.

GOVERNANCE

Chairman's introduction

Dear shareholder,

At Jupiter, we put considerable emphasis on the importance of good governance, so I am pleased to report on the governance of your Company in 2015.

The role of the Board and our corporate values

The Board's role is to set the Company's strategy, ensure it has the right leadership and culture, monitor the performance of the business and oversee its risk management structure. The Board's effectiveness in carrying out this role is supported by its focus on culture, setting the tone from the top and paying close attention to good governance throughout the Company. As Chairman, my role is to lead the Board, set its agenda and ensure it operates effectively.

Our corporate values are longstanding and central to our business success. You will see them set out in the Strategic report. They articulate clearly our client-centric culture, focused on integrity and excellence of client outcomes.

The Board

The Board is responsible for the Company's long-term success. This success is promoted by having Board members with a diverse range of relevant skills and experiences and is supported by a succession plan which balances continuity and refreshment of Board membership.

Following the significant changes in 2014, with the appointment of both a new Chief Executive Officer and a new Chairman, we sought to limit changes to the Board in 2015. Polly Williams joined us on 1 March as a non-executive Director and was appointed Chairman of the Audit Committee (since renamed the Audit and Risk Committee). This enabled me to step down from this role, which I had held at the time of my appointment as Chairman of the Board in September 2014. With her experience in financial services from her roles in the banking industry, Polly has brought a fresh and invaluable new perspective to the Board.

As noted in our last Annual report, Matteo Perruccio retired from the Board at our 2015 AGM. Shortly afterwards on 1 May, Bridget Macaskill joined as a non-executive Director and member of the Remuneration Committee. Bridget's depth of understanding of our industry has meant that she has made a significant and immediate contribution to our Board discussions.

Compliance Statement

The Company fully supports the principles of corporate governance as set out in the UK Corporate Governance Code (the Code) issued by the Financial Reporting Council. The principles in the September 2014 edition of the Code were applied throughout the year. A copy of the Code 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 period ended 31 December 2015, the Company complied with those provisions except in relation to the chairmanship of the Audit and Risk Committee between 1 January and 1 March 2015. Following Liz Airey's appointment as Chairman in September 2014 (in place of the previous Chairman who retired as a result of ill health), she continued as Chairman of the Audit and Risk Committee until Polly Williams' appointment as a non-executive Director and Chairman of that Committee from 1 March 2015. Liz Airey then stepped down from the Audit and Risk Committee. Details of how the Company has applied the provisions of the Code are described later in this Governance section.

The Executive Director team, led by Maarten Slendebroek as Chief Executive Officer, remained constant in 2015, though with some individual role changes. John Chatfeild-Roberts handed on the role of Chief Investment Officer to Stephen Pearson, his deputy since 2012, to enable him to focus on running the Jupiter Merlin multi-manager portfolios. In November, following changes to our Executive Committee, we announced that our Chief Financial Officer, Philip Johnson, will be leaving Jupiter in May 2016. We are very grateful to Philip for his significant contribution over the past six years, during which Jupiter has grown very successfully following the IPO in 2010. We wish him every success for the future. We have appointed Russell Reynolds to help us recruit a new CFO.

Our Committees

Our Board committees of non-executive Directors and our various executive Committees play integral roles in supporting the Board's work. The committees, their remits and memberships are shown later in this section.

During the year, the executive management structure underwent important changes. First, in February, we created a Management Committee to support the Executive Committee in its day to day management of Jupiter's operations. The Executive Committee itself evolved considerably during the year, with two key members of the senior leadership team joining in September. Then in November, further changes were announced resulting in the creation of an eight strong Executive Committee with effect from 1 January 2016.

The Board Committees all continued to play important roles. The Remuneration Committee performed its key role in ensuring that Jupiter can attract and retain talented employees, during this period of ongoing regulatory change. The Committee has focused on maintaining the strong culture of pay for performance and aligning the reward to employees with the experience of our clients and shareholders. Under the leadership of Polly Williams, the remit of the Audit and Risk Committee has broadened and now has a fuller oversight of Group risk, supported by the development of a group-wide Enterprise Risk Management framework.

The Nomination Committee has continued to work on Board and senior management succession planning, with a particular focus on diversity of perspective. The committee currently has two recruitment projects in hand, with a search for a new CFO and for a new non-executive Director, as part of our continual Board refreshment, now under way.

The reports from each of the Board Committees which follow spell out more about their work and priorities.

Board effectiveness

Towards the end of 2015, we undertook our annual review of Board effectiveness. This year we used an analytical tool called 'Thinking Board', developed by the governance specialists, Independent Audit Limited. The results satisfied us that the Board was working well but we also identified possible ways to improve the flow of our individual Board meetings and their scheduling over the year. In addition, with the objective of enhancing the quality of Board debate and deepening the understanding of the Board's role throughout the business, we have developed a plan to foster deeper engagement between non-executive Directors and members of the senior executive team.

I hope that this introduction has added some colour to the formal reports from the Committees that follow in the next few pages. I look forward to meeting you and answering any questions you may have at our forthcoming AGM on 18 May 2016.

Liz Airey
Chairman

26 February 2016

The Governance Framework

Leadership

The Board is responsible for the leadership and management of the Group, within an effective risk and control framework, and for setting the Company's strategic aims. Liz Airey has chaired the Board since September 2014. The Board comprises four executive, five non-executive Directors and the Chairman, with an effective balance of skills, knowledge and experience for running the Group's business. It has established three Board Committees and the Executive Committee. In addition during 2015 there were five committees reporting to the Executive Committee, together with the Management Committee which was formed in 2015. These committees complete the Board's framework of control.

The Board Committees are the Audit and Risk, Nomination and Remuneration Committees. Liz Airey chairs the Nomination Committee and is a member of the Remuneration Committee. The Board considered her to be independent, within the terms of the Code, at the time of her appointment as Chairman of the Board. All other members of the Board Committees are independent non-executive Directors. The Board Committees operate within defined terms of reference, which are published on the Company's website: www.jupiteram.com

The Chief Executive Officer, executive Directors and Executive Committee

The Chief Executive Officer, the executive Directors and the Executive Committee are responsible for managing the Group's day to day business and for implementing the Board's strategy.

Edward Bonham Carter was appointed Vice Chairman in March 2014. His role focuses on engaging with the Group's key stakeholders including clients, prospective clients and industry bodies. Edward also has Board responsibility for environmental, social, and governance matters.

Management and reporting committees

The Executive Committee has established the reporting committees shown in the diagram overleaf, which assist the Executive Committee with managing the Group's business. Each of these committees operates under defined terms of reference. The diagram also sets out the main activities of these management committees.

In December, Jupiter Unit Trust Managers Limited ("JUTM") received regulatory approval to be appointed as the management company of The Jupiter Global Funds and Jupiter Merlin Fund SICAVs, which are domiciled in Luxembourg. As part of the project to establish JUTM in this role, it was decided that the JUTM board would take responsibility for certain work previously undertaken by the Operations Committee. In October it was decided to transfer the Operations Committee's remaining work to the Management Committee and the Operations Committee ceased to meet.

The Board

Board

Role
- Determine strategy
- Setting controls
- Reviewing values and how culture develops

Members
- Chairman
- Five non-executive Directors
- Four executive Directors

Role
- Responsible for running the Group's business within authority limits delegated to him by the Board focusing on:
  - i) Business strategy and management
  - ii) Investment and financing
  - iii) Risk management and controls
  - iv) Communication within the business and to shareholders and other stakeholders
  - v) Chairing the Executive Committee, communicating its decisions and recommending actions to the Board
  - vi) Developing senior teams within the Group and ensuring succession planning
  - vii) Developing policies and procedures for Board approval and implementation including the Investor Policy & the Share Dealing Code

Committees

Audit and Risk	Nomination	Remuneration
Role – Financial reporting – Audit management and compliance – Risk management and internal controls	**Role** – Composition of the Board – Succession issues – Reviewing policies and practice for talent management and diversity	**Role** – Implementation of Remuneration Policy – Management and review of benefits and rewards
Members – Chairman (Polly Williams) – Two non-executive Directors	**Members** – Chairman (Liz Airey) – Two non-executive Directors	**Members** – Chairman (Lorraine Trainer) – Three non-executive Directors

Executive Committee

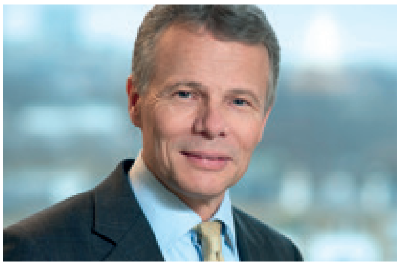
Role
- Implementing strategy and objectives set by the Board and communicated by CEO
- Managing performance
- Reviewing matters arising from the Reporting Committees
- Receiving proposals from the Management Committee for improvements in business efficiency and effectiveness and communicating through the CEO to the Board and its Committees

Reporting Committees

Risk	Management	Product Development
Role – Management of risk within tolerances set by the Board – Reviewing effectiveness of the risk management process – Reporting to the Audit and Risk Committee on the status of key risks	**Role** – Running the business and budget in accordance with Group strategy – Allocating resources and prioritising projects – Developing the Group's corporate values in all its operations – Developing communications and cross-functional engagement	**Role** – Examining new product proposals – Managing and supporting compliance requirements of new products
Balance Sheet Management	**Treating Customers Fairly**	**Operations**
Role – Establishes and maintains balance sheet policies – Reviews Group procedures from balance sheet perspective	**Role** – Ensures funds are managed and operated within agreed guidelines, to ensure fair treatment of customers – Works with Sub-committees to ensure this approach is operated throughout the Group	**Role** – Supporting the review of operational issues – Review of health and safety risks and practices. – Supporting the Executive Committee to implement agreed changes effectively.

Board of Directors

1.



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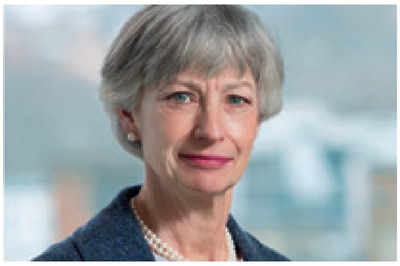

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1. Liz Airey
Chairman

Appointed
Non-executive Director in May 2010
Chairman in September 2014

Committees
- Chairman of the Audit and Risk Committee from May 2010 to March 2015
- Chairman of the Nomination Committee
- Member of the Remuneration Committee

Skills and experience
Liz brings a wealth of relevant financial skills and experience in financial governance and executive leadership. Her previous roles have included 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). From 1990, Liz was Finance Director of Monument Oil and Gas plc, a post she held until the sale of the company to Lasmo plc in 1999.

Other current roles
Liz is currently a Senior Independent Director of Tate & Lyle PLC. In 2005, she was appointed a non-executive Director of Dunedin Enterprise Investment Trust PLC and subsequently became Senior Independent Director and Chairman of the Audit Committee. Liz is also a member of the Corporate Governance Committee of the ICAEW and carries out mentoring work for Bird & Co Group.

2. Maarten Slendebroek
Chief Executive Officer

Appointed
Distribution and Strategy Director in September 2012
Chief Executive Officer in March 2014

Committees
None

Skills and experience
Maarten has more than 25 years of asset management and financial services experience.

Before joining Jupiter in 2012 as Head of Distribution and Strategy, Maarten spent 18 years at BlackRock and its predecessor companies. He was a member of the global operating committee and European executive committee at BlackRock. His last two roles were Head of Solutions EMEA and Head of International Retail. Earlier in his career, Maarten gained extensive experience as a sell side European equity analyst.

3. Edward Bonham Carter
Vice Chairman

Appointed
Group Chief Executive in 2007
Vice Chairman in March 2014

Committees
None

Skills and experience
With over 30 years' experience in the investment market and 20 years' working at Jupiter, including seven years as CEO, Edward has extensive knowledge of the fund management business.

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 CEO in 2007 and led Jupiter through its management buyout that year and its subsequent IPO in June 2010. Edward relinquished his role as CEO in March 2014, on Maarten Slendebroek's appointment. His role as Vice Chairman focuses on engaging with the Group's key stakeholders, including clients, prospective clients and industry bodies.

Other current roles
On 1 January 2014, Edward joined the Board of Land Securities Group plc as a non-executive Director and member of the Remuneration Committee. Edward is also a director of The Investor Forum.

4. John Chatfeild-Roberts
Executive Director, Jupiter Merlin Independent Funds Team Head of Strategy

Appointed
Executive Director in June 2007

Committees
None

Skills and experience
John has many years' experience in investment management and is a Fellow of the Chartered Institute for Securities and Investment. His earlier career in fund management was at Lazard Brothers Asset Management (1995-2001) and Henderson Administration (1990-1995). He held a Short Service Commission in the British Army in the 1980s.

John was Chief Investment Officer at Jupiter from February 2010 to September 2015.

5. Philip Johnson
Chief Financial Officer

Appointed
Chief Financial Officer in October 2009

Committees
None

Skills and experience
With over 20 years in the financial services industry, Philip has significant UK financial and reporting experience.

Philip started his career at Coopers & Lybrand, where he qualified as a chartered accountant. He left in 1996 to work in Prudential Plc's group head office, before transferring to M&G in 2000. He spent eight years at M&G, the last five as Group Finance Director, after which he joined Marshall Wace LLP as Finance Director in 2008. Philip is responsible for finance, information technology, investment operations, risk and investor relations.

6. Lorraine Trainer
Senior Independent Director

Appointed
Non-executive Director in May 2010
Senior Independent Director in September 2014

Committees
- Member of the Audit and Risk Committee
- Member of the Nomination Committee
- Chairman of the Remuneration Committee

Skills and experience
Lorraine brings substantial experience in human resources leadership, in the areas of cultural development, team performance and reward, both from her executive career and her work on director development.

In her executive career, Lorraine held a number of HR leadership roles in international organisations, focusing on performance and development. These included Citibank NA, the London Stock Exchange and Coutts, part of the NatWest Group. Her previous roles have included non-executive Director of Aegis Group plc (2005-2013), and non-executive Director of Colt Group S.A.

Other current roles
In addition to her Board work, Lorraine works in the area of director development at and around board level for a variety of international groups. She is a non-executive Director of Essentra plc and Sonae SGPS S.A.

7. Jon Little
Independent non-executive Director

Appointed
Non-executive Director in September 2011

Committees
- Member of the Audit and Risk Committee from September 2011 to October 2015

Skills and experience
Jon has extensive experience of the asset management industry on an international scale, through roles with a number of global institutions, and has considerable experience in running asset management businesses in the UK and overseas.

From 2000 until 2010, he was Vice Chairman of BNY Mellon Asset Management and, as part of that role, he held a number of positions including Chairman of Dreyfus – one of the US's oldest mutual fund companies – and Chairman of Insight Investments. He was also a Director of other asset managers in the group, including Newton, Walter Scott, Alcentra and Pareto Partners. From 1997-2000, Jon was at JP Morgan Investment Management, where he was Vice President and Head of Distribution responsible for International Funds. From 1991 to 1997 he was at Fidelity Investments, latterly as Director of UK Business Development.

Other current roles
Jon is a Partner in Northill Capital, a private investment business backed by one of Europe's wealthiest families. Jon is also a Director of Alpha Strategic PLC.

8. Jonathon Bond
Independent non-executive Director

Appointed
Non-executive Director in July 2014

Committees
- Member of the Audit and Risk Committee
- Member of the Nomination Committee
- Member of the Remuneration Committee from February 2015

Skills and experience
Prior to joining the Skagen Group, Jonathon spent 25 years in the private equity industry, with a particular focus on raising standards of governance and performance. He was a Founding Partner of Actis LLP, the emerging markets specialist alternatives fund manager, where he spent over ten 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.

For a number of years, Jonathon was a non-executive Director of Celtel, the first pan-African mobile company. Jonathon previously worked as a founding Director of HSBC Private Equity in India (1994-2000), Electra Private Equity Partners in London and Paris (1988-1994) and Bain & Co in London (1985-1988).

Other current roles
Jonathon is Executive Chairman of the Skagen Group, based in London. The Skagen Group is a family-owned group of companies operating in the UK, Europe and the USA, which includes green cleaning specialists Ecover and Method among its portfolio.

9. Polly Williams
Independent non-executive Director

Appointed
Non-executive Director in March 2015

Committees
- Chairman of the Audit and Risk Committee from March 2015

Skills and experience
Polly has a wealth of relevant experience, including roles with particular responsibility for audit and risk oversight. Previously, Polly was a Partner with KPMG, with responsibility for the Group Audit of HSBC Group plc. Her previous non-executive directorships include Worldspreads Group plc.

Other current roles
Polly is a non-executive Director of TSB Banking Group plc, where she is Chairman of the Audit Committee and a Member of the Risk and Remuneration Committees. She is also a non-executive Director of Daiwa Capital Markets Europe Limited and XP Power Limited. Polly serves as a trustee of the Guide Dogs for the Blind Association and is Chairman of the Trustees for the Westminster Almshouses Foundation.

10. Bridget Macaskill
Independent non-executive Director

Appointed
Non-executive Director in May 2015

Committees
- Member of the Remuneration Committee

Skills and experience
Bridget brings substantive knowledge and deep understanding of the investment management industry and extensive experience at board level.

Previously Bridget has served as a non-executive Director of Prudential plc, where she was Chairman of the Remuneration Committee and a member of the Nomination Committee. She has also served on the boards of J. Sainsbury plc, Scottish & Newcastle plc and Hillsdown, as a non-executive Director.

Other current roles
Bridget is currently President and Chief Executive Officer of First Eagle Investment Management LLC and a non-executive Director of Close Brothers Group plc.

Matters reserved to the Board

The Board has a formal schedule of matters reserved for its decision, which it reviews and updates annually, to incorporate corporate governance changes and developments within the Company.

The key issues reserved for its decision are:

- establishing the Group's commercial objectives and strategy;
- approving the dividend policy;
- overseeing financial reporting, including approving the annual report and interim fianncial statements;
- setting the annual budgets;
- approving significant capital projects, expenditure and borrowings;
- deciding major acquisitions, disposals and investments;
- overseeing the Group's operations and management, and maintaining an effective system of internal controls and risk management; and
- ensuring adequate succession planning, including agreeing board and other senior appointments and the appointment or removal of the Company Secretary.

The Board delegates other matters to the Chief Executive Officer.

The Board Members

Maarten Slendebroek was appointed CEO in March 2014. His role, and that of the Chairman, Liz Airey, are separated and there is a clear division of responsibilities between these roles, which is documented and examined annually by the Board. The Chairman is primarily responsible for leading the Board, ensuring its effectiveness and setting its agenda. The Chief Executive Officer is responsible for implementing the strategy that the Board has agreed and for the day to day management of the Group's business.

At the beginning of 2015, the Board comprised: Liz Airey (Chairman), Edward Bonham Carter (Vice Chairman), Jonathon Bond (independent non-executive Director), John Chatfeild-Roberts (Executive Director), Philip Johnson (Chief Financial Officer), Jon Little (independent non-executive Director), Matteo Dante Perruccio (independent non-executive Director), Maarten Slendebroek (Chief Executive Officer) and Lorraine Trainer (Senior Independent Director). Two new non-executive Directors joined the Board in 2015, namely Polly Williams on 1 March and Bridget Macaskill on 1 May. Matteo Dante Perruccio stepped down at the Annual General Meeting on 15 April. It was announced in November that Philip Johnson will step down from his role of Chief Financial Officer and leave Jupiter in May 2016. The leaving arrangements are set out in the Remuneration Committee report.

Board balance and independence

The Board now has ten members, comprising the Chairman, four executive Directors and five non-executive Directors. The Board considers each of its non-executive Directors – Jonathon Bond, Jon Little, Bridget Macaskill, Lorraine Trainer, and Polly Williams - to be independent in both character and judgement and free of any relationship which could materially interfere with exercising their independent judgement. The Board considered the Chairman to be independent within the terms of the Code at her appointment. The biographies of all Directors are set out earlier in this section.

No individual or group of individuals dominates the Board or its decision making. The non-executive Directors constructively challenge and help develop proposals on strategy and bring strong, independent judgement, knowledge and experience to the Board's deliberations.

The Board requires all Directors to devote sufficient time to their duties and to use their best endeavours to attend meetings. The terms of appointment of the non-executive Directors require a commitment to the business of up to 30 days a year and the Committee chairmen are expected to commit up to 10 further days a year.

The Chairman met with the non-executive Directors three times during the year, without the executive Directors being present. A meeting is scheduled once a year when the Senior Independent Director meets the non-executive Directors with neither the Chairman nor executive Directors being present. Non-executive Directors also regularly meet with senior management.

Operation of the Board

The Board has a rolling agenda which ensures that the key issues set out above, including items relating to strategy, finance, operations, corporate governance and compliance, are appropriately reviewed at its meetings. Six scheduled Board meetings took place during the year, with an additional meeting off site in May for a full day's discussion of strategy issues. The focus of the Strategy Day was on Jupiter's operating platform and how it might be developed over time. Progress on action points agreed at previous Strategy Days on fund management and distribution was also reviewed. A summary of the agenda items for the scheduled Board meetings and details of attendance by Directors are set out on the following page.

A comprehensive set of papers is circulated approximately one week before Board and Committee meetings. These include regular business progress reports, budgets, financial statements and shareholder information. Adrian Creedy (the Company Secretary) manages information flows to the Board, in consultation with the Chairman and Chief Executive Officer. He facilitates the induction of new Directors and assists with their personal development as required. He also ensures Board procedures are complied with and that applicable rules and regulations are followed. The Company Secretary reports to the Chairman on corporate governance matters.

Effectiveness

Induction and development

New Directors are given a full, formal and tailored induction to the business, including meetings with senior management and advisers. The Chairman, working with the Company Secretary, is responsible for ensuring that training programmes are provided to Directors either directly or by the Company through legal and regulatory updates. Non-executive Directors also have access to external programmes. Jupiter expects Directors to identify their own training needs and to ensure they are adequately informed about Jupiter's business and their responsibilities as a Director. The Chairman regularly reviews and agrees training and development needs with each Director.

Directors have access to independent professional advice at the Company's expense, where they judge this necessary to discharge their responsibilities as Directors. All Directors have access to the Company Secretary's advice and services.

Board agendas in 2015

February (x2)	April	July	October	December
• Approval of the Annual Report and Accounts and final dividend • Compliance with the Code • Fund manager structure and performance • Investment operations review • Board effectiveness review	• Corporate structure • New premises and office move • Feedback from major shareholders • Share dealing code review	• Review of interim Accounts and dividend • Development of the corporate strategy, following off-site strategy discussion • Regulation and compliance, including ICAAP review • Risk review • Corporate values and Employee Opinion Survey • Interim results	• Marketing review • Corporate responsibility and values • Product review • New premises and office move • Trading update	• Budget and plan • The Board evaluation report • Risk appetite and Enterprise Risk Framework • Talent management and succession • Stewardship Code

Attendance record table

The following table details the number of scheduled Board and Committee meetings held during 2015 and the attendance record of each Director:

Number of Meetings held in 2015	Board (6)	Audit and Risk (6)	Remuneration (4)	Nomination (3)
Liz Airey (1)	●●●●●●	●●	●●●●	●●●
Jonathon Bond (2)	●●●●●●	●●●●●●	●●●	●●●
Edward Bonham Carter	●●●●●●	–	–	–
John Chatfeild-Roberts	●●●●●●	–	–	–
Philip Johnson	●●●●●●	–	–	–
Jon Little (3)	○●●●●●	○●●●●	–	–
Bridget Macaskill (4)	●●●	–	●●●	–
Matteo Perruccio (5)	●●●	–	●	–
Maarten Slendebroek	●●●●●●	–	–	–
Lorraine Trainer	●●●●●●	●●●●●●	●●●●	●●●
Polly Williams (6)	●●●●	●●●●	–	–

● attended scheduled meeting ○ not able to attend scheduled meeting

(1) Liz Airey stepped down as the Chairman and as a member of the Audit and Risk Committee with effect from 1 March 2015
(2) Jonathon Bond was appointed as a member of the Remuneration Committee on 11 February 2015
(3) Jon Little stepped down as a member of the Audit and Risk Committee with effect from 9 October 2015. Jon was unable to attend one Board meeting due to illness and one Audit and Risk Committee meeting as a result of other business commitments
(4) Bridget Macaskill was appointed to the Board and Remuneration Committee on 1 May 2015
(5) Matteo Perruccio retired from the Board on 15 April 2015
(6) Polly Williams was appointed to the Board and the Audit and Risk Committee on 1 March 2015

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 conflicts and, if appropriate, to authorise them. Conflicts of interest are included as an 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. Non-conflicted Directors are required to act in a way they consider would be in the best interests of the Company and most likely to promote its success. These procedures on conflicts of interest have been followed throughout the year, are overseen by the Nomination Committee and are considered to have operated effectively.

Board and Board Committee evaluations

The Board's effectiveness, composition and operation are evaluated annually. Every three years, the evaluation is facilitated externally, the last one having been completed in 2014 with the assistance of Independent Audit Limited. Details of some of the actions completed in 2015 following that evaluation are set out in the Nomination Committee report. In 2015, the Board and Board Committees undertook internal evaluations, details of which are provided in the Committee reports.

As part of the Board effectiveness review, and following conversations between the Chairman and each individual Director, the Nomination Committee reviewed the performance of all Directors (except the Chairman, whose performance review was led by the Senior Independent Director, without the Chairman being present). The Committee has recommended to the Board that all Directors (with the exception of Philip Johnson who is stepping down), should be proposed by the Board for election or re-election as appropriate, at the forthcoming AGM.

Succession planning

The Nomination Committee is responsible for both executive and non-executive Director succession planning and recommends new appointments to the Board. When making Board appointments, the Board seeks to ensure that there is a diverse range of skills, backgrounds and experience, including industry experience. Further information is included in the Nomination Committee report.

Director election and re-election

All Directors appointed by the Board are required by the Company's Articles of Association and the Code to be elected by shareholders at the first AGM following their appointment by the Board. Accordingly, Bridget Macaskill is seeking election and her biographical details can be found earlier in this section.

Also in accordance with the Code, all serving Directors with the exception of Philip Johnson, will seek re-election at the 2016 AGM. The Chairman believes that each individual Director continues to perform effectively, demonstrating commitment to their roles and, that their respective skills complement each other to enhance the Board's overall operation. Full details of the skills and experience of all Directors can be found in their biographies earlier in this section.

Accountability

The statement of Directors' responsibility for preparing the Annual Report and Accounts is set out at the end of this Governance section. 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 obtained the advice of its 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 whether:

- 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 was adopted.

The Directors' report on viability and the going concern basis of accounting, which the Directors' have determined to be appropriate, can be found in the Strategic report which also describes the Group's performance during the year.

Internal control and risk management

Internal control

The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system can provide only a reasonable assurance against material financial misstatement or loss and is designed to mitigate, not eliminate, risk.

The Board, assisted by the Audit and Risk Committee, periodically assesses the effectiveness of the internal controls. This review covered all material controls including the following compliance, operational and financial aspects:

- Compliance – Reviewing the method by which the Executive Committee gains assurance that the business operates within the risk appetite set by the Board and examining the whole of the Group's regulatory control environment.
- Operational – Reviewing the Risk Committee's 'heat map' methodology and overseeing the roles of various committees in overseeing risk within the business.
- Financial – Receiving regular reports on the Group's financial position, its progress against budget and ongoing forecast of its results. Through these regular updates, as well as the annual ICAAP process, the Board regularly reviews the Goup's balance sheet levels and capital requirements. The Audit and Risk Committee assists the Board in this area, reviewing the half-year and annual results and the Annual Report, before recommending these to the Board for approval. The Audit and Risk Committee regularly receives reports in relation to the key aspects of the financial reporting process. Reports are also issued on financial controls by Internal and External Audit.
- Financial –Reviewing an annual report from the Money Laundering Reporting Officer on the Group's anti-money laundering and fraud prevention (financial crime measures).

The Board is of the view that the ongoing process for identifying, evaluating and managing the principal risks to achieving the Group's strategic objectives works effectively. The process was in place for the year ended 31 December 2015 and up to the date of approval of the Annual Report and Accounts. This process is regularly reviewed by the Board and complies with the guidance, 'Internal Controls': Revised Guidance for Directors.

Supplier oversight and significant contracts

Throughout the year, Jupiter had two significant outsourced relationships with third-party organisations: International Financial Data Services ("IFDS"), and HSBC Securities Services ("HSBC"). On 9 December, as part of JUTM taking on Management Company responsibilities for the SICAV fund range, an additional outsourced relationship was established with JP Morgan (Luxembourg) ("JPML").

IFDS provides a number of services in support of the unit trust fund range, including dealing and registration processing, distribution of income, record keeping and responding to customer enquiries. HSBC provides fund accounting services and passive hedging services in support of the unit trust range. JPML provides a number of services in support of the SICAVs, including fund accounting, dealing and registration processing, distribution of income, record keeping and responding to customer enquiries.

These organisations' activities are defined in service level agreements and they are closely monitored to ensure that service delivery standards are met and that appropriate action is taken in the event any issues do arise. Jupiter's Supplier Management function oversees a suite of agreed key performance indicators and IFDS, HSBC and JPML are subject to regular monitoring reviews by Jupiter's assurance functions. There are regular site visits and reviews of the relevant controls assurance reports and, in addition, Jupiter's internal audit function undertook a dedicated review of the service provided by IFDS, the findings of which were reported to the Audit and Risk Committee in November.

Assurance process

The Group's control environment is reviewed during the course of each year by one or more of the three assurance functions (Compliance, Operational Risk and Internal Audit). Assurance reports are provided to senior management, the Board and the Audit and Risk Committee as appropriate.

Each year Jupiter commissions the external auditors to test the integrity of aspects of the Group-wide control environment. The results of this testing, including any exceptions identified, are made available to the Group's institutional and investment company clients as Jupiter has adopted the International Standard on Assurance Engagement ("ISAE") 3402, together with AAF 01/06 as recommended by the Institute of Chartered Accountants of England and Wales in the November 2010 technical release of AAF 01/06.

Risk management framework

The Board has ultimate responsibility 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 impact of risks that may have a material impact on the Group.

To assist with its oversight of risk, the Executive Committee has formed an executive Risk Committee chaired by the Chief Financial Officer. All members of the Executive Committee attend the Risk Committee, together with the Director of Compliance and Head of Risk. The Committee is responsible for overseeing regulatory, capital and liquidity risks within a coherent and manageable structure.

Approach to risk

The Board determines the appropriate approach to risks within which the Group must operate. Risk tolerances are the Group's actual boundaries and limits, through which the business monitors and, if appropriate, escalates concerns to the Board. Risks and the Group's attitude to them are considered and monitored in the following categories:

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	**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.
3	**Balance sheet risk** The risk that the Group may be unable to meet its financial obligations or lack of sufficient capital to operate as a going concern.
4	**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 with which the Group has a relationship.
5	**Regulatory/reputational risk** The risk of censure because of the Group's failure to meet its regulatory obligations, which may lead to reputational damage, a monetary fine or, ultimately, the withdrawal of its authorisation to carry on business.
6	**Conduct risk** The risk of our failing to deliver positive outcomes for our clients.

Depending on the risk category, the Risk Committee or the Balance Sheet Management Committee will monitor these risks. If the latter has any concerns, those concerns will also then be considered by the Risk Committee.

Risk management process

The departmental risk self-assessment process is the foundation of the Group's risk framework. Each functional business area completes a risk assessment every four months which, when taken in conjunction with the ongoing monthly control performance assessments, is felt to be adequate for capturing any ongoing and emerging risks to the business.

The departmental risk self-assessments are conducted by the heads of each functional area and are facilitated by the Operational Risk team. This involves all material risks being reviewed against agreed key risk indicators and tolerances with the risk owners. The Risk owners also consider any relevant operational losses that have occurred, as well as any current system, process or staffing changes within the department, as well as considering the integrity of existing processes and controls. 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.

Identified risks that have a sufficiently high likelihood of potential impact on the Group are reflected in the firm's high-level risk map, to ensure they receive an appropriately high level of senior management and Board attention. The Board is expected to take action where these risks are deemed to be outside the Group's risk tolerance.

The Group's risk management assurance programme is closely linked with its compliance monitoring programme. Any breaches found by the Compliance department are logged into the in-house error database and allocated to a failed control and the associated risk category. The business therefore considers any breaches as part of the risk and control assessment process.

Management, with the assistance of the Finance function, is responsible for maintaining appropriate financial records and processes that ensure all financial information is relevant, reliable, in accordance with the applicable laws and regulations and distributed both internally and externally in a timely manner.

Management reviews the consolidation and financial statements to ensure that the Group's financial position and results are appropriately recorded, circulated to members of the Board and published where appropriate. All financial information published by the Group is subject to the approval of the Board, on the recommendation of the Audit and Risk Committee.

Monitoring functions

The Group's monitoring functions comprise the Compliance and Internal Audit departments.

The Compliance department oversees compliance by the Group with the relevant regulatory rules. The Group maintains comprehensive procedures and compliance manuals, covering all business operations. The Group's Compliance department also maintains detailed monitoring programmes for all regulated activities, to monitor the perceived regulatory risk within the business. The findings of the monitoring programmes are circulated in full to the relevant Directors and executive summaries are provided to the Chief Operating Officer and the Chief

Financial Officer.

The Internal Audit function is currently outsourced to EY and is focused on ensuring that operations comply with the Group's policies and procedures, including in relation to efficient operations, financial reporting, fraud, safeguarding assets and compliance with laws and regulations. The internal audit team is independent of business operations and has a reporting line to the Audit and Risk Committee. In addition, the Group periodically uses external parties to review counterparty relationships. This includes reviewing legal documentation as well as testing the operations of external service providers.

Further details of the Internal Audit function can be found in the Audit and Risk Committee report.

Remuneration

Executive Directors' remuneration is structured to promote the long-term success of the business, with variable remuneration paid to executive Directors based on stretching performance conditions which are aligned with the strategy of the business. No executive Director is involved in deciding their own remuneration. Further information on Jupiter's remuneration policy and executive Director remuneration outcomes for 2015 is set out in the Remuneration report.

Corporate values and culture

Jupiter has longstanding corporate values that have underpinned the success of the Company based on seeking long term outperformance for clients. As detailed in the Strategic report, in 2015 we documented our values for the first time as we wanted to ensure with the growth of the Company, both numerically and geographically, that our core values are understood and adhered to throughout the organisation. The Board took a keen interest in ensuring the successful articulation of the corporate values.

It is key that we preserve Jupiter's culture, with a focus on high performance, individual responsibility and putting clients first as the Company grows. This culture has driven the success of Jupiter and helped retain and attract talented individuals. The Board seeks to ensure that in all areas of the business this culture is reflected and is a key lens through which the Board and its Committees look at elements of Jupiter's business activities.

People and talent management

As a people business, the Board is focused on ensuring that it understands how the Company develops existing talent and brings new talent into the organisation. 2015 has seen considerable developments in talent management as detailed in the Strategic report. The Nomination Committee has been involved in the recruitment of the more senior hires in the organisation, with the Remuneration Committee integrally involved in ensuring that we have the right reward structure in place to enable the Company to retain and recruit talent. On a quarterly basis the Board receives an update on key people issues including talent management.

Relations with shareholders

Communication with shareholders is given a high priority and is conducted to promote a common understanding of the Group's objectives. The Chief Executive Officer and the Chief Financial Officer monitor investor relations closely and maintain a regular dialogue with major shareholders, potential investors, fund managers and analysts. During 2015, they held over 100 such meetings. The Company also holds briefings following the announcement of the interim and year-end financial results. Presentations to analysts and investors are simultaneously posted on the Company's website. All directors are invited to attend these presentations.

As part of the process of ensuring that good channels of communication are in place, and in order to maintain an understanding of the view of the major shareholders about the Company and its strategy, meetings are arranged with the Chairman following which, a full briefing is provided to the Board. 10 such meetings took place in 2015. The topics covered at the Chairman's meetings with shareholders included:

- investment strategy and performance;
- executive talent management and succession;
- relocation of the London office;
- corporate culture and gender diversity at Jupiter; and
- executive remuneration.

Lorraine Trainer, who is both Senior Independent Director and the Chairman of the Remuneration Committee, attended three of these meetings to discuss the Remuneration Policy, talent management and succession arrangements. The Chairman reports to the Board on her meetings with shareholders. Feedback from the Company's brokers and investors is provided to the Board on a regular basis.

Lorraine Trainer, in her capacity as Senior Independent Director is also available to meet shareholders on request, if they have concerns that contact through the Chairman has failed to resolve, or for which such contact is not appropriate.

Shareholders are encouraged to attend the AGM and to put their questions to the Directors and to the Chairmen of the Board Committees in person.

The Company communicates electronically with its shareholders whenever possible and in order to reduce wasted resources and pollution associated with paper printing, shareholders are encouraged to accept electronic access to the Notice of Meeting and Annual Report and Accounts which will be made available at least 20 clear days prior to the AGM on the Company's website at www.jupiteram.com.

Key Investor Relations activities in 2015

February 2015
- Full year results presentation for 2014

March 2015
- Full year results London roadshow

April 2015
- Investor roadshow, Scotland
- AGM

June 2015
- Investor roadshow, USA

July 2015
- Half year results presentation

September 2015
- Half year results London roadshow

Nomination Committee report

Dear shareholder,
Welcome to the report of the Nomination Committee.

The Nomination Committee has an important role in ensuring the Board has an optimal composition, a good balance of the experience and skills required to perform its duties and appropriate diversity of thought and perspective.

The Committee undertakes succession planning for both executive and non-executive Directors and makes recommendations to the Board when changes may be appropriate. It determines the best selection process, including choosing the right recruitment firm to help identify external candidates, as well as itself identifying internal candidates for appointment to the Board if appropriate. Selected candidates are interviewed by the Committee and meet other Directors and senior managers as appropriate, before being recommended to the Board, which makes the final decision on Board appointments.

In the first half of the year, the Board's composition and succession planning remained a major focus, with a number of non-executive changes. In March, Polly Williams was appointed as a non-executive Director and chairman of the Audit and Risk Committee, Matteo Perruccio retired from the Board at the 2015 AGM and Bridget Macaskill was appointed as a non-executive Director in May.

As a people business, one of Jupiter's key risks relates to attracting and retaining talented people and ensuring appropriate succession arrangements are in place. The Committee has continued its work on succession planning for executive directors and senior executives. It has also overseen the executive team's work to establish a broader leadership group and initiatives for improved talent and career development for all staff. This included considering and approving the expansion of the Executive Committee.

The Committee has continued to focus on diversity and has reviewed the progress made in implementing the Company's new diversity and inclusion policy, which was launched in March 2015.

In line with best practice, towards the end of the year, the Committee reviewed its terms of reference to ensure they still met the Company's needs and that it was fulfilling its role effectively.

Liz Airey
Chairman

26 February 2016

Role of the Committee

The Committee's role and responsibilities include:

- reviewing and nominating candidates to fill both executive and non-executive Board vacancies;
- considering succession planning for Directors and senior executives;
- reviewing the Company's policy and practices for executive talent management, development and diversity;
- evaluating the Board's structure, balance of skills, knowledge and experience required to underpin its continued effectiveness; and
- considering the ongoing contribution of Directors, having regard to their performance and continuing contribution to the Board and its Committees and, when appropriate, to recommend to shareholders their re-election at the AGM.

The Committee's terms of reference are available for inspection on the Company`s website www.jupiteram.com

Committee membership and attendees

Members	Attendance by invitation	Secretary
Liz Airey	Maarten Slendebroek (CEO)	Adrian Creedy
Jonathon Bond	Gillian van Maaren (HR Director)	
Lorraine Trainer		

Details of attendance by members of Board committees are set out in the Governance report. While only members of the Committee have the right to attend its meetings, from time to time others are invited to attend the discussion of particular agenda items, including other non-executive Directors and representatives of the appointed external recruitment consultants.

The Nomination Committee's work in 2015

The Committee is required to meet at least twice each year, with further meetings taking place as required, for example to consider non-executive or senior executive recruitment as it arises. Three meetings were scheduled in 2015. The Committee reports formally to the Board on its proceedings.

The Nomination Committee evaluated the balance of skiills, experience, independence and knowledge of the Board and from this information, prepares a description of the role and responsibilities required for each new Board appointment.

Non-executive Director appointments

During the year two independent consultants, the Zygos Partnership and Korn Ferry, were used for recruiting non-executive Directors. Neither of these organisations have any other connection to the Company, although Zygos has been used for several previous non-executive recruitments.

The search for an additional non-executive Director to become the Chairman of the Audit and Risk Committee began immediately after Liz Airey's appointment as Chairman of the Board on 1 September 2014. Korn Ferry was appointed to undertake this assignment. The Committee identified the skills, knowledge and experience required and Polly Williams was selected and joined the Board in March 2015. Polly is a chartered accountant and was a partner in KPMG's financial services practice for a number of years. She is an experienced Audit Committee Chairman and is bringing new insights to the role.

Matteo Perruccio retired from the Board at the 2015 AGM, having served as a non-executive Director since 2008. The Zygos Partnership undertook a search for an additional non-executive Director and Bridget Macaskill was selected and joined the Board in May. Her background in asset management, with its focus on strategy and business planning, together with her business experience in the United States, has added to the Board`s strengths. On joining the Board, Bridget was appointed to the Remuneration Committee.

Details of other commitments held by the Chairman and non-executive Directors are set out in their respective biographies.

Executive appointments and development

In November, we announced that Philip Johnson will be leaving Jupiter in May 2016. The Committee has therefore instructed Russell Reynolds Associates to undertake an executive search for appropriate candidates for the role of Chief Financial Officer.

The Committee has continued to oversee the talent management and development of senior executives. This has included:

- the development of a broader leadership team, by establishing a Management Committee supporting the Executive Committee;
- the development of the Executive Committee with two new members joining in September and three further members with effect from 1 January 2016;
- consideration of talent acquisition and succession planning;
- the progress of Jupiter's learning and development curriculum; and
- the consideration of results and proposed actions arising from the 2015 Employee Opinion Survey.

Board effectiveness

As reported in the 2014 Annual Report and Accounts, an externally facilitated evaluation of the Board and its Committees was conducted by Independent Audit Limited, a specialist independent consultancy. The Committee recommended an action plan to the Board, based on the findings of the evaluation, and all actions were completed in 2015. These included:

- reviewing the split of responsibilities between the Chairman and the Chief Executive Officer;
- continuing to develop the induction training offered to non-executive Directors, by increasing the time they spend in the business; and
- enhancing the amount of Board contact outside Board meetings.

An internal evaluation of the Board and its Committees was conducted in 2015, using Independent Audit Limited's 'Thinking Board' analytical tool. The actions resulting from this include:

- continued improvement to Board and Committee papers and meeting scheduling; and
- pairing each non-executive Director with two members of the senior management team, to create a better understanding of the Board's work and support the non-executive Directors' in-depth understanding of Jupiter's business and senior talent.

With the exception of Philip Johnson, all serving Directors will be seeking re-election or (in the case of Bridget Macaskill) election at the AGM on 18 May 2016. The Committee has reviewed the Directors standing for election or re-election (with Committee members recusing themselves in respect of their own review), taking into account their effectiveness and commitment. It has also considered the independence of the non-executive Directors and is satisfied that they are independent in both character and judgement, in accordance with the Code. The Committee therefore recommended to the Board all the Directors standing for election or re-election at the AGM.

By the time of the AGM, Lorraine Trainer will have completed a six-year term at Jupiter. Accordingly, the Committee undertook a robust and rigorous review of Lorraine's suitability to begin a further three-year term, prior to deciding to recommend Lorraine to the Board for a third three-year term. Lorraine is currently the Senior Independent Director, Chairman of the Remuneration Committee and a member of the Audit and Risk and Nomination Committees. Her experience of reward, culture and succession planning is particularly valuable to the Company as it grows.

Diversity and inclusion

The Committee believes that diversity amongst its members, including gender diversity, is of great value and its policy is to carefully consider overall Board balance and diversity in making new Board or senior executive appointments. Female Directors currently constitute 40 per cent. of the Board. The Company's statement on Board diversity is available at: www.jupiteram.com

The Company has adopted a new policy of diversity and inclusion, to give greater emphasis to supporting diversity throughout Jupiter. Details can be found in the Corporate Responsibility report. Following the recent appointment of three new members, female executives constitute 25 per cent. of the Executive Committee. The Nomination Committee continues to monitor diversity within the business , as well as the goals set under the new policy.

Conflicts of Interest

During the year, the Committee continued its review of the Board's operation of the Conflict of Interest policy, to identify and, where appropriate, manage conflicts or potential conflicts of interest. Further details of the operation of this policy can be found in the Governance section.

Audit and Risk Committee report

Dear shareholder,
I am pleased to introduce the Audit and Risk Committee's report for 2015. I was delighted to be appointed as a non-executive Director of the Group and chairman of the Committee in March 2015. I have taken over a Committee which has a clear purpose and is in good form and I am grateful to Liz Airey for all her hard work in this regard and for her continued support.

The Committee is responsible for ensuring that appropriate corporate reporting, risk management and internal controls systems are in place and are applied throughout the Group. It also assists the Board in maintaining appropriate and robust internal control procedures and risk management processes in addition to overseeing the Company's relationships with the External Auditor and the internal audit function. The following report sets out the Committee's specific responsibilities and explains how we carried them out in 2015 and how we satisfied ourselves that we had done so effectively.

The context of the Committee's work

In 2015, the Group continued to expand the distribution of its products into new markets, such as Spain and Italy, and continued to evolve new products. The Committee has a key role in ensuring that these strategic developments are managed sensibly, within an appropriate risk framework. The year also saw the creation of an internal management company for the Group's SICAVs and Jupiter Asset Management Limited submitting an application to relinquish its CASS approvals. The Committee has overseen management's work to ensure this process was appropriately controlled.

The Committee has also built on the work begun in 2014, reviewing the risk assurance framework. This has included a complete overhaul of the Group's ICAAP and Enterprise Risk Management framework. As shown on the diagram which follows, we estimate that 30 per cent. of the Committee's time is now spent on risk and internal control matters.

We also examined the risks relating to the Group's key outsourced relationships and the management of the investment trusts. A detailed review of the potential risks and impact of the move of the London office was also undertaken prior to the move.

A full review of the Committee's work is set out later in this report and includes a table showing the regular agenda items.

The Committee's members

Jon Little served as a member of the Committee until October, when he stepped down whilst remaining on the Board. I would like to thank him for his wisdom and support during his time on the Committee. I am delighted that Lorraine Trainer and Jonathon Bond remained as members throughout the year and will continue to help the Group focus on its control framework.

Effectiveness reviews

We undertook two performance evaluations during the year, both supported by Thinking Board, the governance self-assessment portal provided by Independent Audit Limited.

In October, we reviewed the internal audit function, which has been provided by Ernst & Young LLP ("EY") since 2008 and reports directly to the Committee's Chairman. Internal Audit's performance was found to be effective, with positive responses recorded in all key areas. However, Internal Audit has been asked to ensure that business context is reflected in their audit reports and to demonstrate that their audit plans always reflect the business's strategic priorities.

The Committee's own effectiveness was reviewed in November. I am pleased to say that this review was also positive and has helped us to identify our focus in 2016. The Committee will be looking at ways in which it can further assist the Board to define the Group's risk strategy and appetite levels for all significant risks and major risk exposure limits. We will also continue to review the various risk management, control and assurance functions, to ensure they are working efffectively and efficiently.

Further details of these reviews are set out later in this report.

Terms of Reference

The Committee's terms of reference have been updated, reflecting our increased emphasis on assurance and risk management and the change of name to the Audit and Risk Committee, which was formally adopted by the Board in October. The terms of reference are published on the Company's website at www.jupiteram.com

I am looking forward to meeting our shareholders at our AGM on 18 May 2016, to answer questions about the Committee's work.

Polly Williams
Chairman of the Audit and Risk Committee

26 February 2016

Role and responsibilities of the Committee

The Committee's roles and responsibilities are set out in its terms of reference. In particular, the Committee encourages and safeguards the highest standards of integrity, financial reporting, risk management and internal control in the Company, with reference to the provisions of the Code, the Listing Rules and other applicable regulations. The Committee is also responsible for:

- overseeing the Group's financial reporting processes, including reviewing statements, announcements and judgements concerning its financial performance;
- 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 internal controls and risk management systems, including arrangements for the prevention and detection of fraud;
- assessing the principal risks that could impact the Group's business model, future performance, liquidity and solvency;
- reviewing and monitoring the effectiveness and adequacy of the process for identifying and assessing, mitigating and managing significant strategic, operational and liquidity risks, appetites and tolerances;
- reviewing and monioring the effectiveness of the internal audit function and considering its work plans and reports;
- overseeing the appointment, performance, remuneration and independence of the external auditors, including the provision of non-audit services to the Group;
- reviewing how the controls culture is set by management, understood by employees and implemented throughout the Group; and
- reporting to the Board on how the Committee discharges its responsibilities.

The experience of the Committee's members

All of the Committee's members during the year, including Polly Williams, are considered by the Board to be appropriately experienced and qualified to fulfil their duties. The Board considers Polly Williams to have recent and relevant financial experience. The Committee members' profiles are set out in full in the Board members' biographies.

Committee membership and attendance

Members	Attendance by invitation	Secretary
Polly Williams (1)	Liz Airey (3)	Sally Hopwood
Jonathon Bond	PwC (External Auditors)	
Jon Little (2)	EY (Internal Auditors)	
Lorraine Trainer	Maarten Slendebroek (CEO) Philip Johnson (CFO) Robert Parker (Director of Compliance) Jon East (Group Legal Director) Rupert Corfield (Head of Risk) Adrian Creedy (Chief Operating Officer)	

(1) Chairman of the Committee (2) stepped down as a member in October 2015 (3) stepped down as a member in March 2015

Committee meetings

The Committee's terms of reference require it to meet at least three times a year. It met six times during 2015. Two meetings (in January and April) had short agendas, with the primary focus being the review of a proposed trading update and an interim Management Statement respectively. The Board has agreed that going forward, it will appoint a Board sub-committee to undertake these reviews.

Only Committee members have the right to attend its meetings. The table above shows the members of the senior management team and others who are invited to attend the Committee's meetings when appropriate. The Committee meets at least twice a year with the internal and external auditors, without management being present. In preparation for the Committee's meetings, the Committee Chairman has separate meetings with the internal and external auditors.

The Committee has a continuing training programme. In addition to attending seminars on relevant topics during the year, the Committee members received updates from both the external auditors and the internal auditors.

Overview of activities in 2015

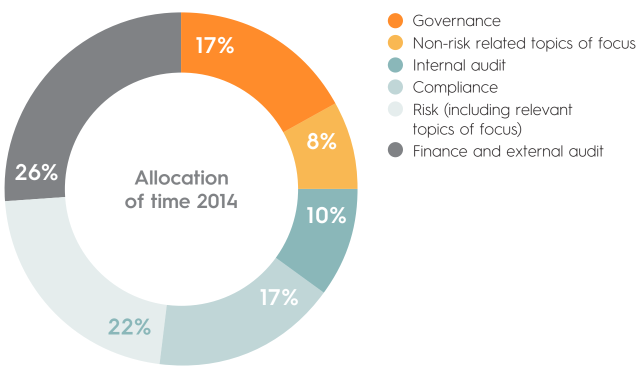
During the year, the Audit and Risk Committee completed its full annual cycle of regular agenda items. These are set in advance each year to ensure its work fulfils the requirements of the Code and other relevant regulations.

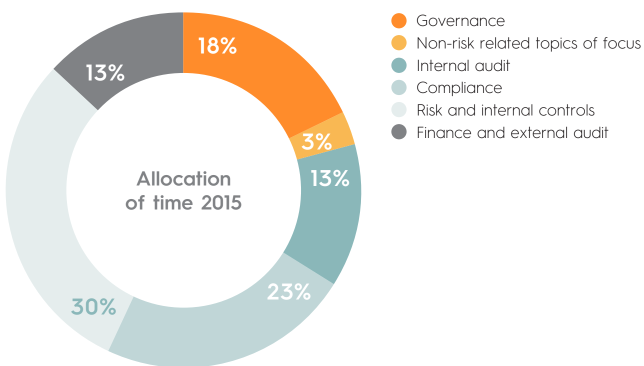
Financial Reporting	Feb	May	July	Nov
Full-year results and announcements	●			
Half-year results and announcements			●	
Going concern	●		●	●
Tax strategy and internal controls		●		
External Audit				
Management representation letter	●		●	
Evaluation of external audit	●		●	
Recommendation of re-appointment	●			
Non-audit fees	●	●	●	●
External audit plan	●			●
Internal Audit				
Summary of current work and audit reports	●	●	●	●
Role and effectiveness of internal auditor				●
Internal audit plan	●	●	●	●
Risk Management and Internal Controls				
Risk management and compliance with risk appetite	●	●	●	●
Other compliance with corporate governance requirements	●			●
Assessment of reporting to be fair, balanced and understandable	●			
Assessment of true and fair accounts	●			
Reviewing Group's procedures on detecting fraud (including whistleblowing procedure)	●	●		

The Committee supplemented its regular annual work programme with deeper focus and discussion of:

- regulatory change and compliance;
- conduct risk;
- the risk management and control framework; and
- the key issues relevant to preparing the viability statement.

An illustration of how the Committee spent its time is shown below.





Review of the Annual Report and Accounts
The Committee reviewed the half-year financial statements in July. The financial statements for the year ended 31 December 2015 were reviewed in February 2016.

In addition, the Board asked the Committee to review the Annual Report and Accounts prior to publication. This was undertaken at its February 2016 meeting. The Committee looked first at the Strategic report and considered that the information being communicated relating to the business model and strategy was understandable and clear. It then looked at the whole of the report, including the notes to the accounts, and advised the Board that in its view, the Annual Report and Accounts taken as a whole was fair, balanced and understandable and provided shareholders with the necessary information to clearly assess the Company's business model, position and performance.

Financial reporting processes
The Committee considered that, in relation to the Group's financial statements and disclosures, the significant issues which arose and the main areas of judgement were:

1. impairment of goodwill;
2. accrued income and expenses;
3. share-based payments; and
4. office closure costs.

Each of these items required management to make judgements as to their treatment, which were scrutinised closely by the Committee. To enable the Committee to do this, management prepared a briefing paper detailing the nature of each item and why it was considered to be a key judgement in preparing the Group's financial statements. The Committee considered the judgements at its meeting in November and reviewed the appropriateness of any resulting disclosures in the financial statements in February. It requested follow-up analysis, which was circulated to Committee members. As a matter of good practice, the external auditors were asked for their view of the judgements made by management.

As a result of the Group structure adopted at the time of the acquisition of Knightsbridge Asset Management Limited in the 2007 MBO, the Group continues to have goodwill of £341.2m on its balance sheet. In accordance with IAS 36, an annual test of impairment of goodwill is undertaken. The Committee was presented with the results of the 2015 year-end impairment review, which demonstrated very substantial headroom. The Committee was satisfied that no impairment was required.

With respect to accrued income and expenses, the Committee reviewed the key assumptions behind the amounts included in the financial statements, for areas where judgement had been applied. As in previous years, the most significant item in accrued expenses at the year end was the annual bonus accrual. This year, the Committee also reviewed ongoing considerations of the VAT case relating to Jupiter Asset Management Group Limited. further details of which are provided below.

Bonuses are not paid until after the date of signing the financial statements, so an accrual for the charge is made, based on the calculated bonus pool and the amounts approved by the Remuneration Committee (which looks at bonuses in total, as well as individually for certain employees). The Committee reviewed the amount of the bonus pool and the estimated levels of deferral into both options over the Company's shares or a cash equivalent value of units in the Group's funds. Since options under the deferred bonus plan are not granted until April, the Committee looked at both the expected level of share grants applicable to the year and reviewed the quality of prior-year estimates. The Committee ensured that the information used by the Remuneration Committee to recommend individual payments was considered and consistent with the process for calculating the overall charge.

In 2013, HMRC issued a revised assessment to the Group in relation to all input VAT recovered by Jupiter Asset Management Group Limited since September 2009. Following recent relevant litigation, HMRC has advised that further consideration is being given to the matter. In the meantime, the Group's current provisioning level is believed to remain appropriate.

When considering proposed share-based payments, in the second half of 2015 the Committee noted recent evidence of exercise history and reviewed the relevant tax rules. As a result, the independent expert's model, which details the valuation process including the underlying judgements and assumptions and the number of shares and options expected to vest as a result, was amended for share options and awards beginning in September 2015 and later. Subject to this change, the Committee was satisfied that at the 2015 year end, this process was being consistently used and the underlying basis was still appropriate.

At the start of the move to The Zig Zag Building in December, the Committee considered the obligations outstanding under the lease of 1 Grosvenor Place. Provisioning was put in place in the event the move was delayed and related to possible rental, rates and clean-up costs. In the event, the move was completed on time and notice was given in December 2015 on the Grosvenor Place lease, leading to the provision being removed. An accrual for known office closure costs is included in the Accounts.

Internal controls and risk management systems
As part of its ongoing monitoring, the Committee received written reports at each of its regular meetings in February, May, July and November. These reports were from:

- the Compliance Director, who reported on regulatory compliance across the Group and the status of any other compliance matters;
- the Head of Risk, who reported on the work of the executive Risk Committee and operational risk performance; and
- the Head of Internal Audit, whose reports showed the status of the internal audit programme and any recommendations for changes to it.

The Group Legal Director also regularly attended the Committee's meetings to advise on current legal matters including litigation affecting any Group company.

In addition to its regular meetings, the Committee maintains a close and open dialogue with executive management and the Group's assurance functions throughout the year. Reports from the executive Risk Committee highlight issues across the Group's potential risk areas, including operational, investment, market, credit, liquidity and counterparty risk, as well as risks inherent in the Group's broader business environment.

The Group's 2014 ICAAP document was updated to enhance its structure, approach to the Group's risk appetite and the management of risk issues, these changes being timed to support a review of capital adequacy undertaken by the FCA. The document was considered in detail at the Committee meeting in July and the capital calculations underlying the ICAAP were approved by the Board in the same month. The ICAAP will be updated following the release of the 2015 results.

The Committee also looked at the Group's Audit & Assurance Facility ('AAF') 01/06 – ISAE 3402 report, to ensure the Group's control structure was clearly communicated throughout the report, prior to despatch to institutional and investment trust clients.

The Committee's review of risk management includes examining and monitoring the Group's whistleblowing arrangements. The procedure at Jupiter is communicated to staff annually and is easily accessed by all employees via the Company's intranet, as well as being made accessible to the employees of certain outsouced providers. It includes a confidential helpline, a website and an internet address (provided by an independent third party), which can be used to report actual or perceived wrongdoing within or relating to the Company. The procedure provides executives with a valued opportunity to listen to colleagues' concerns. Where whistleblowiers are identified, the procedure requires they are fairly treated.

Internal audit function

EY were appointed to provide the Group's internal audit function in 2008. The internal auditors report directly to the Chairman of the Audit and Risk Committee and, in addition to submitting status reports for each Committee meeting, provide Committee members with copies of any internal audit reports completed between meetings. The status reports tabled at meetings include findings and recommendations, as well as the Group's progress with implementing previous recommendations. These help inform the Committee's discussion of any required follow-up. The Committee works with the internal auditors to ensure that their work is embedded in the business and is co-ordinated with that of the external auditors.

During 2015, 11 internal audits were completed, covering a variety of business activities. These included:

- a review of the Group's conduct risk framework;
- a review of the design of the Group's Enterprise Risk Management framework; and
- a review of the management of the Group's key outsourced providers.

These reviews have helped the Group to implement more robust controls procedures, particularly within the Sales Team.

The Committee has agreed seven audits will follow in 2016, with particular emphasis on the strategic risks faced by the Group relevant to its scalability, as well as an assessment of the enterprise risk management monitoring plans.

In last year's Committee report, we said that during 2015 we would review the internal audit function and the internal auditors' performance and effectiveness. This was completed using the 'Thinking Board' analytical tool provided by Independent Audit Limited. In addition, the Committee received a quality assurance report from an independent partner of EY.

Our review considered the effectiveness of internal audit's planning, performance, and reporting processes and looked also at internal audit's positioning in Jupiter. The responses to the questions raised were positive in all areas. They indicated areas of possible improvement in reporting, where root causes behind issues could be more clearly identified and greater focus given to the Group's strategies and priorities, in preparing audit plans.

The Committee remains of the view that outsourcing the function to a specialist independent provider is appropriate and helps to ensure that it is adequately resourced. The current internal audit plan runs until December 2016, in advance of which the Committee will consider EY's continued appointment as internal auditors. David Parkinson is the current internal audit lead partner.

External auditors

PwC are the Group's external auditors, having been reappointed following a formal tender in 2014. Jeremy Jensen is the lead audit partner.

The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014- statement of compliance

The Company confirms that it has complied with the provisions of the CMA Order 2014 for the financial year under review.

The Company intends to retender the external audit contract no later than 2024.

Each year the external auditors present to the Committee the proposed scope of their full-year audit plan, together with a review plan for the half-year. This includes their assessment of the material risks to the Group's audit and their proposed materiality levels, for the Committee's discussion and agreement. In 2015, PwC attended all of the Committee's regular meetings and also provided reports on specific topics requested by the Committee, which included focus on the move to new offices, the project appointing Jupiter Unit Trust Managers Limited as the management company of the Jupiter Global Funds and the Jupiter Merlin Fund SICAVs and the transfer of Jupiter Asset Managers Limited out of scope of CASS and CRD IV regulation.

The Audit and Risk Committee has primary responsibility for the Group's relationship with the external auditors. During the year it reviewed the effectiveness of the external auditors following the 2014 audit by means of a questionnaire which was completed by members of the Committee, the Board, and the Finance and Compliance teams. PwC was found to have performed effectively during the audit and was responding constructively to new challenges. A summary of the questionnaire's findings was discussed at the following Committee meeting and the Chairman then discussed the action points with Jeremy Jensen.

The Committee reviewed and approved PwC's terms of engagement and the proposed fee for the 2015 audit. The Committee has reviewed and satisfied itself with respect to the external auditors' qualifications, expertise, resources and independence. It continues to believe that PwC conducts its audit work with objectivity and to a high standard. On this basis, it believes the external audit process to be effective, although it will only carry out its detailed review of the 2015 audit in the months ahead. There are no contractual obligations restricting Jupiter's choice of external auditors, other than in respect of EY's appointment as internal auditors.

The Committee has a primary responsibility to safeguard the external auditors' objectivity and independence. To achieve this, it has developed and implemented a policy, which the Board has approved. The policy provides that certain types of non-audit services are pre-approved, whilst others are not permitted under any circumstances. Prohibited services are those where the Committee considers that the associated threats to auditor independence are unacceptable. Pre-approved services are those considered to have a low threat to auditor independence. Nonetheless, pre-approved services still need the Committee's approval if the expected fee exceeds £50,000. The policy also sets out certain disclosures the external auditors must make to the Committee, restrictions on employing the external auditors' former employees, partner rotation and the procedures for approving non-audit services provided by the auditors.

The policy is regularly reviewed and was not changed during the year. It will be reviewed on the implementation of the EU Audit Regulation, which will cap the non-audit services that can be provided and prescribe the activities for which PwC may be retained to assist us outside of the audit.

The Group uses PwC as its statutory auditor in two main areas outside the statutory audit of the Group. The first relates to those areas of assurance where the work being done is, in the view of the Group, similar in type and scope to the work performed in the audit and as such, can be provided more efficiently and cost effectively by the auditor. This area is mainly the review of the interim accounts and other assurance work on the controls report for clients and CASS client money audits. The second relates mainly to advice on taxation, remuneration and regulation, both in respect of the Group entering new geographies and products through its continuing diversification strategy and in respect of new regulations being issued in the year. PwC was used in these cases due to the existing relationship which aids the understanding of the Group's business and structure and thus the ability to provide effective advice. We continue to look at these items on a case by case basis as to whether PwC are the appropriate supplier and look to migrate to a different supplier where it would not be detrimental to the Group.

A quarterly report is circulated to the Committee setting out the non-audit services which were provided by the external auditors during the year and the fees charged. The value of PwC's non-audit services in 2015 was £300,000, which was 33 per cent. of the value of total auditors' remuneration in the year. These services mainly related to taxation and remuneration advice. The remuneration advice included the impact of remuneration regulations, AIFMD and CRD IV compliance requirements and assistance with queries relevant to establishing an office in Sweden. The tax work included compliance issues that arose in various territories, including Sweden and Austria, and VAT advice relevant to the office move. An analysis of fees paid in respect of PwC's audit and non-audit services is included within Note 1.3 of the financial statements, which covers administrative expenses.

The Board has recommended the re-appointment of PwC as external auditor, which will be put to shareholders at the AGM on 18 May 2016.

Matters of deeper focus and discussion

In addition to its routine activities during the year, the Committee also identified topics of focus for review. This was primarily based on their importance to the Group's strategy or current or anticipated regulatory focus. The main topics covered during 2015 and to date in 2016, which were presented to the Committee by senior stakeholders in the relevant business areas, related to regulatory change and compliance, viability, risk and governance.

The combination of routine annual activities and the topics of focus means that the Committee has been able to carry out a robust assessment of the Group's principal risks and its ability to deliver its strategy. This included assessing the risks that might threaten its business model, future performance, solvency or liquidity.

Regulatory change and compliance

During the year, the Committee reviewed the conduct risk and control framework, including:

- the Client Assets Sourcebook Regulatory Report undertaken by the external auditors, prior to submission to the FCA; and
- the role and effectiveness of the internal auditor.

The Committee also 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. After reviewing these factors, the Committee considered that none cast significant doubt on the Group's ability to continue as a going concern. The Committee therefore considered it appropriate to adopt the going concern basis of accounting in preparing the half-year and annual financial statements for the year ended 31 December 2015, and did not identify any material uncertainties or notify the Board of any qualifications or assumptions as to the Company's ability to continue to do so over a period of at least 12 months from the date of approving such financial statements.

During the year, the Committee also undertook reviews for the Board of certain Interim Management Statements and trading updates, prior to their release.

Viability

The Committee considered the Group's viability over the period of three years and its position as a going concern at the half-year and year end. These assessments were informed by the Group's business and cash flow projections and the current net cash balance and loan facilities available to the Group. The Committee considered that the Group's current surplus capital and cash liquidity were both well above the levels which might bring the going concern basis into question. The Committee also received advice on current best practice from external advisers.

Risk and governance

During the year, the Committee looked at:

- implementation of the Group's corporate values;
- how management sets and monitors the Group's culture; and
- the Group's tax framework and associated internal processes and controls.

These reviews had a particular emphasis on risk and highlighted to the Committee any potential risk areas or areas where controls may need enhancing. For instance, the Committee's review of cyber-crime risks included consideration of the relevant risks and a review of appropriate insurance. The risks of network business interruption were also examined and improved insurance cover obtained.

Dear shareholder,
I am pleased to present our Remuneration report for 2015. We believe the Directors' remuneration policy approved by shareholders at our 2014 AGM (the summary table of which is included in this remuneration report for reference) remains appropriate. Therefore no changes are proposed this year and our Directors' remuneration policy will continue to apply for a third year.

Our Annual report on remuneration, outlining how we implemented our policy in 2015 and intend to apply it in 2016, follows the policy summary table. The Annual report on remuneration will be subject to an advisory vote at our 2016 AGM. Over the course of 2016 we will be reviewing the Directors' remuneration policy in detail to ensure it remains appropriate ahead of a new Directors' remuneration policy being put to shareholders for a binding vote at the 2017 AGM, as required under the UK regulations.

The link between performance, remuneration and strategy

Our philosophy is that by combining investment outperformance with our distribution strategy and efficient operations, we can create value for our shareholders. We have a pay for performance culture, with decisions on pay for our executive Directors, and the Company as a whole, driven by our results.

Our practice of capping all salaries at a maximum of £250,000 and rewarding employees for performance means that a high proportion of total remuneration continues to be delivered as variable pay, with this element determined by corporate and individual performance, including appropriate risk considerations. All employees, including executive Directors, are incentivised in a similar way and rewarded according to personal performance and the Company's success.

The Committee believes that capped base salaries and flexible individual incentives are an important part of our pay for performance culture. This approach ensures a meaningful alignment of remuneration outcomes to business performance achieved, which is appropriate for a cyclical business such as Jupiter. Affordability is key. Our approach does not result in unlimited payouts because, in normal circumstances, the variable compensation pool is capped at 27.5 per cent. of pre-incentive operating profit, with bonuses in respect of prior-year performance and the value of long-term awards granted together with related employers social security costs not exceeding this variable compensation pool. This variable compensation pool approach also reflects Jupiter's collegiate culture, with all employees sharing in Jupiter's success.

When setting executive Director bonuses, the Committee considers profits, net sales and investment performance, alongside strategic goals, personal performance and risk considerations to ensure that payouts accurately reflect Jupiter's overall performance in the year. In addition, a portion of any bonus is deferred into Jupiter shares for a period of three years, further strengthening alignment to shareholders. Our LTIP performance measures have a strong link to our business strategy with vesting of awards dependent on underlying EPS performance against a comparator index, net sales, investment outperformance and achievement of key strategic goals. The Committee considers that these performance conditions give a balanced assessment of Jupiter's long-term performance and provide a meaningful alignment to the long term interests of shareholders.

As disclosed in last year's report, clawback and extended malus provisions were implemented in 2015 and apply to all bonuses (including deferred bonuses) and LTIP awards to executive Directors funded from the 2015 variable compensation pool. This further strengthens our emphasis on ensuring remuneration outcomes are truely aligned to the underlying long-term performance of the business.

Key areas of focus for the Committee

A key area of focus for the Committee this year has been ensuring that Jupiter's remuneratation policies and procedures continue to promote sound and effective risk management. Rupert Corfield, Jupiter's newly appointed Head of Risk, was invited to three Remuneration Committee meetings to feed into these discussions. A summary of the policies and processes in place at Jupiter to ensure alignment between risk and reward is set out on the next page.

The Committee also discussed the disclosure of Jupiter's annual bonus performance framework. As a result we have increased the level of detail provided to shareholders around bonus targets. We believe that Jupiter's annual bonus framework ensures strong alignment to shareholders' interests, as demonstrated by the alignment between historic bonus out-turns and annual performance.

Remuneration for 2015

The Committee considered Jupiter's overall performance in the year against the predetermined performance measures when assessing appropriate incentive levels for 2015. Jupiter has continued to deliver strong financial performance, with 11 per cent. growth in underlying earnings per share. Jupiter's strong track record of sustained strong total returns to shareholders continues, with an underlying dividend increase of over 20 per cent. in 2015 and the total dividend increase over the past three years being 190 per cent.

Jupiter has delivered outstanding investment performance this year, with 68 per cent. of mutual funds with first or second quartile performance over three years, and 84 per cent. over one year. 2015 also saw excellent progress against strategic objectives, which provides strong foundations to secure Jupiter's future growth. Such achievements include significant extension of international distribution capabilities and the strengthening of the senior leadership team. These achievements were reflected in the executive Directors' incentive levels for 2015, as set out in further detail in the Annual report on remuneration.

Employee share ownership

At Jupiter, employee share ownership continues to be a key area of focus. Currently, around 25 per cent. of our colleagues hold awards under one or both of the DBP and LTIP and are therefore aligned with shareholders in having a long-term interest in the Company's performance. We also operate an HMRC approved Sharesave scheme (in which around 70 per cent. of eligible employees participate) and an HMRC approved Share Incentive Plan (in which around 55 per cent. of eligible employees participate) to complement and encourage our culture of long-term employee share ownership.

We are keen to encourage an ongoing dialogue with our shareholders on our remuneration framework and look forward to receiving your views and support at the forthcoming AGM.

Lorraine Trainer
Chairman of the Remuneration Committee

26 February 2016

Role of the Committee

The Committee's role and responsibilities include:

- determining the overarching policy for the remuneration of the Company's employees, ensuring it is structured in a way that rewards improved individual and corporate performance and is aligned with appropriate risk and compliance standards and the long-term interests of shareholders, investors and other stakeholders;
- determining the overall size of the annual variable compensation pool, taking into account all relevant factors including the profitability of the business, the impact on liquidity and the Company's capital base, the Company's performance, risk, compliance and any constraints on total remuneration spend;
- determining and reviewing annually individuals who may be considered to have a material impact on the risk profile of Jupiter and relevant subsidiaries (Material Risk Takers) for the purposes of the FCA Remuneration Code and Alternative Investment Fund Managers Directive (AIFMD);
- determining the Chairman's fees and the total individual remuneration package of each member of the Executive Committee, each individual identified as a Material Risk Taker and any employee whose total remuneration is expected to exceed the median for the executive Directors;
- for the above group of employees, overseeing the setting of objectives for, and assessing the extent to which each individual has met their individual performance targets for incentive awards;
- approving the design of, determining the targets for, and monitoring the operation of, any performance related pay schemes operated by the Company, ensuring appropriate links exist between risk and reward, and approving the total annual payments made under such schemes;
- reviewing the design of all share incentive plans and deferred bonus arrangements for approval by the Board and, if applicable, shareholders. For any such plans, determining each year whether awards will be made, and if so, the overall amount of such awards, the eligibility criteria for such awards and the performance targets attaching to those awards, taking into account future risks; and
- overseeing any major changes in employee benefit structures throughout the Company.

Committee members

- Lorraine Trainer (Chairman)
- Liz Airey
- Jonathon Bond (from February 2015)
- Bridget Macaskill (from May 2015)
- Matteo Perruccio (retired April 2015)

Overview of activities in 2015

The following regular agenda items were considered during the scheduled Committee meetings which took place during 2015:

	Feb	June	Oct	Dec
Remuneration policy and disclosures				
Review of remuneration policy effectiveness		●		
Assessment against current and future regulatory requirements			●	
Directors' Remuneration Report	●			●
Risk and reward				
Input from Risk and Compliance	●	●	●	
Input from CFO regarding impact of reward on capital	●			
Annual remuneration discussions				
Bonus and LTIP pool	●		●	
Individual performance and remuneration outcomes	●			●
LTIP performance testing	●			●
Allocation of LTIP awards	●	●		
Setting individual objectives	●			●
External market				
Shareholder trends and feedback		●		
Governance developments	●	●		●
Market trends		●		
Benchmarking data		●		
Regulatory				
Regulatory update		●		
Material Risk Taker identification (CRD IV and AIFMD)		●	●	●
Remuneration Policy Statement				●
Committee remit and effectiveness				
Terms of reference review	●		●	
Self-evaluation				●

The Committee considered a number of key topics and decisions in 2015, as described below:

- Regulatory. The Committee considered the impact of current and future EU regulations on Jupiter's remuneration framework, including CRD IV, AIFMD and UCITS V. The Committee will undertake a detailed review of the remuneration framework and processes in 2016 to ensure it remains effective for Jupiter, whilst satisfying all relevant regulatory requirements.
- Risk. Consideration was given to Jupiter's remuneration policies and procedures from a cultural and risk perspective. The Committee sought detailed input from the new Head of Risk as part of these discussions.
- Transparency. The Committee reviewed the approach to disclosure of variable incentives. As a result, this report provides greater detail around the annual bonus targets and LTIP award grant levels.
- CFO arrangements. In addition to the meetings described above, the Committee held an additional meeting in light of Philip Johnson's forthcoming departure, to consider and approve leaving arrangements for Philip, as described on page 63.
- Board briefing. To give the Board greater clarity of the Committee's work, a Board briefing was held late in 2015 to provide an update on remuneration trends, regulations and the Committee's activities during 2015 as well as providing an opportunity for wider Board members to feed into the forward looking agenda.

Risk and reward at Jupiter

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 Company and individual. This is demonstrated through a variety of reward features and processes in place which ensure alignment to risk considerations throughout the organisation. For example:

- When assessing the overall variable compensation pool, the Committee considers a number of "checkpoints", as described in the checkpoints chart.
- Assessment of individual performance includes consideration of a scorecard of financial and non-financial metrics. This ensures *how* performance has been achieved is taken into account, for example in terms of risk and repeatability. For all employees there is consideration of performance against risk and compliance criteria, ensuring there is risk adjustment at an individual level.
- All employees with bonuses of over £100,000 will have a portion of bonus deferred into shares and/or fund units. When considered in conjunction with LTIP awards, this means that around 25 per cent. of employees are subject to some kind of deferral, ensuring their interests are aligned to the long-term success of the Company.
- Shareholding requirements apply to senior management, further enhancing the link to the Company's long-term success.
- For senior management, 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, as well as the Compliance Director and the Audit and Risk Committee feeding into the process, the Head of Risk presents a report to the Committee, setting out thoughts and assurances around how the current remuneration structures and processes support sound and effective risk management.

Checkpoints

Capital base and liquidity
Can Jupiter afford the proposed variable compensation pool?
- 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 pool funding?
- 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 pool? 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 Head of Risk 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 pool?
- Consider the market for talent and whether the pool would likely result in any significant over/underpayment against the market.

↓

Reputational
Are there any reputational drivers to support adjustments to the variable compensation pool?
- Has there been any reputational damage to the Company in the year?
- Will the proposed variable compensation pool quantum have any adverse reputational impact on the Company?

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Variable compensation pool approval

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.

Jupiter is a level three company for the purposes of the FCA Remuneration Code and parts of the Group are also subject to AIFMD. The Committee fulfils all of its requirements under these regulations and ensures that the remuneration policy adheres to their principles. The Company has followed the requirements of the UK Corporate Governance Code.

Directors' remuneration policy

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 and as such remain bound by the policy approved at the 2014 AGM.

We have not reproduced our full remuneration policy in this report, but the main elements, as set out in the "policy table", are set out overleaf. A copy of our full Directors' remuneration policy as approved by shareholders in 2014 can be found in our 2013 Remuneration report, on pages 47 to 68 of our Annual Report and Accounts for 2013 (available on our website: www.jupiteram.com).

As set out in last year's report, in light of the changes to the UK Corporate Governance Code, the Remuneration Committee implemented clawback and extended malus provisions for all elements of variable remuneration funded from the 2015 variable compensation pool and thereafter, payable to executive Directors and executive committee members.

Remuneration policy table – components of executive Director remuneration

	Purpose and link to strategy	Operation
Base salary	Jupiter aims to keep fixed costs low. Therefore, the Remuneration Committee caps the salaries of executive Directors.	Base salaries are generally reviewed annually with any increases taking effect from 1 May. When determining base salary levels, the Remuneration Committee considers the individual's skills, the size and scope of their role, the market rate for the role at comparator companies and the salary increases for other employees of the Company. Salaries are subject to the salary cap.
Annual bonus and DBP	The annual bonus rewards corporate performance and the achievement of strategic and personal objectives. As the bonus pool is based on Jupiter's profits, this ensures that bonuses are affordable. When the performance of Jupiter, or of an individual, is such that no bonus is merited, then no bonus will be paid. The DBP provides a deferral element (in the form of Jupiter shares) to bonuses above a certain level to ensure there is a link to the longer-term performance of the Company.	The bonus pool to be distributed amongst employees is part of the variable compensation pool, which is calculated by reference to a percentage of pre-incentive profits. Bonus amounts are determined based on performance against various criteria and targets that are agreed by the Remuneration Committee at the start of each year. The bonus amount determined is paid out in cash for the first £100,000. For bonus amounts in excess of £100,000, no less than 40 per cent. of the bonus amount in excess of £100,000 is delivered in the form of a DBP award. Awards under the DBP take the form of shares or options over shares in Jupiter. This aligns DBP award recipients with the interests of shareholders over the longer term. DBP awards normally vest at least three years after the date of grant. Malus provisions apply to unvested DBP awards granted in 2013 and beyond. These malus provisions may, at the Committee's discretion, result in awards lapsing where information comes to light that has, or would have had, a material impact on the bonus pool for the year in respect of which the DBP award was originally granted.
LTIP	The LTIP is intended to provide long-term reward for executive Directors to incentivise and reward for the long-term performance of the Company and to aid the retention of key employees.	The LTIP pool (which determines the face value of LTIP awards granted in any year) is part of the variable compensation pool, which is calculated by reference to a percentage of pre-incentive profits. LTIP awards take the form of shares or options over shares in Jupiter and vest a minimum of three years from the date of grant, subject to a continuing employment requirement and the satisfaction of performance conditions. The appropriate targets applicable in the measure of the performance conditions are set by the Remuneration Committee at the start of the year/performance measurement period.
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 of these 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.
Benefits	To ensure that a market competitive remuneration package is provided on a consistent basis to all employees, executive Directors are provided with the same range of benefits as are available to all employees.	The benefits provided include pension contributions (or cash allowance of the same equivalent cost to the Company where an individual has entered into fixed or enhanced protection), private medical insurance, life assurance, dependants' pension and an income protection scheme to cover long-term illness.

Maximum opportunity	Performance measures
The base salaries of executive Directors are subject to the applicable Jupiter salary cap, currently £250,000 per annum.	N/A
The variable compensation pool is, in normal circumstances, capped at 27.5 per cent. of pre-incentive operating profit. In any year, bonuses paid in respect of prior year performance and the value of long-term awards granted will not exceed the available variable compensation pool. The proportion of the pool that is distributed will depend on the underlying business performance. The calculation of the variable compensation pool effectively caps total bonuses paid and LTIP awards granted to executive Directors and employees and ensures they are affordable.	Executive Director bonus amounts are determined by reference to performance against specific personal performance objectives and performance against the following performance measures: 1. Profitability, compared against expectations in light of market conditions, considering: • Profits against prior year • Profits against the target set by the Board 2. Net flows, compared against expectations in light of market conditions: • Gross flows and net flows against prior year • Net flows against the target set by the Board • The margins at which those flows were achieved 3. Investment performance, considering: • The proportion of mutual funds, weighted by AUM, with first or second quartile performance • The investment performance of other mandates (including segregated mandates and Investment Trusts) 4. Achievement of strategic growth objectives, as set by the Remuneration Committee (with reference to the strategic growth objectives set by the Board) It is expected that high standards of risk and compliance are maintained. If an appropriate risk and compliance environment is not maintained, executive Director bonus amounts would be reduced accordingly.
As stated above, the variable compensation pool is, in normal circumstances, capped at 27.5 per cent. of pre-incentive operating profit. In any year, bonuses paid in respect of prior year performance and the value of long-term awards granted will not exceed the available variable compensation pool. The proportion of the pool that is distributed will depend on the underlying business performance. The calculation of the variable compensation pool effectively caps total bonuses paid and LTIP awards granted to executive Directors and employees and ensures they are affordable.	The performance conditions, applicable to 100 per cent. of any LTIP award granted to an executive Director are as follows for awards granted from 2013 onwards (25 per cent. of the award each): • underlying EPS; • net sales; • investment outperformance; and • strategic goals. The Remuneration Committee adopts such calculation methods and policies in assessing the performance conditions as it determines are appropriate. 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, no more or less difficult to satisfy.
Under the Sharesave plan, employees can save the maximum permitted under the relevant legislation and are offered options with up to the maximum permitted discount to the exercise price. Under the Share Incentive Plan, employees can purchase Jupiter shares from their pre-tax salary with a value up to the maximum permitted under the relevant legislation in any tax year. Jupiter will award matching shares based on the number of shares purchased by an employee through the Share Incentive Plan.	No performance conditions apply to the awards under the all-employee share plans.
Employer pension contributions are made at a rate of 15 per cent. of base salary in respect of executive Directors (the same contribution rate as applies for all Jupiter employees) who are members of the Jupiter pension scheme. The value of other benefits will vary year on year, depending on factors such as the third party provider charges and market conditions.	N/A

Annual report on remuneration

Implementation in 2016

As set out previously, we are not proposing to make any changes to our Directors' remuneration policy in 2016. The following section provides an overview as to how each element of the remuneration policy will be applied in 2016.

Base salary
In line with our policy, base salaries remain capped at £250,000 per annum. Salaries for executive Directors in 2016 will remain unchanged.

Annual bonus
Annual bonus awards will continue to be funded through the variable compensation pool. In line with our policy, a portion of bonus awards in excess of £100,000 will be deferred into Jupiter shares for a period of three years.

The Committee reviewed the annual bonus performance measures to ensure that they continue to be aligned to Jupiter's objectives and business strategy. For bonuses in respect of 2016 performance, the performance areas remain unchanged from previous years and will apply as follows:

Area	Performance measures
Corporate performance	• Profitability, compared against Board approved target, in light of market conditions.
Net flows	• Net flows, compared against Board approved targets, in light of market conditions. • The margins at which those flows were achieved as measured by the maintanence of net management fee margins within target levels set in light of market conditions.
Investment performance	• The performance experience of the clients invested in Jupiter funds, as shown by the quartile ranking of funds compared to relevant sectors over the previous one, three and five years.
Strategic objectives	• Achievement of strategic growth objectives, as set by the Remuneration Committee including the enhancement of the Company's Enterprise Risk Management framework and maintenance of a strong risk and compliance culture.
Personal performance	• Achievement against specific personal performance objectives, as set by the Board.

In addition to the performance measures outlined above, the Committee considers the "checkpoints" set out on page 53 when exercising its judgement to determine the appropriate variable compensation pool and also considers individual risk behaviours when assessing appropriate individual awards. The Committee considers more specific details of the 2016 performance measures and targets to be commercially sensitive. Further details of performance against the measures and targets will be provided in our 2016 Remuneration report.

LTIP
LTIP awards will be awarded in line with prior years, funded from the variable compensation pool in respect of 2015. Taking into consideration the strong 2015 performance and our commitment to shareholders to rebalance remuneration towards long-term incentives, it was determined that Maarten Slendebroek will be granted an award with a face value of £1,250,000, John Chatfeild-Roberts an award of £600,000 and Edward Bonham Carter an award of £250,000. No award will be granted to Philip Johnson in light of his forthcoming departure.

These awards will be granted in April 2016 and will vest over a three year period, subject to the achievement of stretching performance conditions, as set out in the table opposite. These measures have remained unchanged since 2013.

Proportion of award	Performance condition	Details	
25%	**Jupiter's underlying EPS performance against a comparator index** The Remuneration Committee will determine the comparator index, based on a weighted average of an approximation of the markets in which the Group's AUM are invested over the performance period.	Excess of Jupiter's underlying compounded EPS change over the change in the comparator index	Proportion of the award subject to the EPS performance condition that will vest
		Less than 5 per cent. per annum	0 per cent.
		5 per cent. per annum	30 per cent.
		Between 5 per cent. and 10 per cent. per annum	Pro rata between 30 per cent. and 100 per cent.
		10 per cent. or more per annum	100 per cent.
25%	**Jupiter's net sales against net sales performance targets** The Remuneration Committee sets the net sales target for each year with reference to the net sales target in the budget prepared by the Board. The Committee considers details of the net sales targets to be commercially sensitive. Further details of net sales against targets will be provided in the 2016 Remuneration Report.	Jupiter's net sales compared against net sales targets	Proportion of the award subject to the net sales performance condition that will vest
		Less than 80 per cent. of target	0 per cent.
		80 per cent. of target	30 per cent.
		Between 80 per cent. and 100 per cent. of target	Pro rata between 30 per cent. and 65 per cent.
		100 per cent. of target	65 per cent.
		Between 100 per cent. and 125 per cent. of target	Pro rata between 65 per cent. and 100 per cent.
		125 per cent. or more of target	100 per cent.
25%	**Jupiter's investment outperformance** The proportion of Jupiter mutual funds (weighted by AUM) that are in the first or second quartile when compared against the appropriate benchmarks for those funds.	Proportion of mutual funds achieving first and second quartile performance over three years, weighted by AUM	Proportion of award subject to the investment outperformance performance condition that vest
		Less than 50 per cent.	0 per cent.
		50 per cent.	25 per cent.
		50 per cent. to 80 per cent.	Pro rata between 25 per cent. and 100 per cent.
		80 per cent.	100 per cent.
25%	**Strategic goals** There are three strategic goals for the purposes of these performance conditions. Of the shares subject to the strategic goals performance condition, one third will vest for each of the strategic goals, although the Remuneration Committee retains the discretion to determine that none of the shares subject to the strategic goals performance condition would vest, if an appropriate risk control and compliance environment has not been maintained.	(i) Developing existing employees and recruiting new talent, to provide the performance, products and service that clients require; (ii) Broadening the client base in the UK and internationally; and (iii) Maintaining an appropriate risk control and compliance environment.	

Malus and clawback

As set out in last year's report, clawback and extended malus provisions were implemented in 2015 and will apply to all bonus (including deferred bonus) and LTIP awards granted to executive Directors funded from the 2015 variable compensation pool onwards. Under these provisions, awards can be reduced, withheld or reclaimed in certain circumstances, including material misstatement of financial results in respect of which an award was granted, material failure of risk management, gross misconduct by the individual, an error in the performance assessment in respect of which an award was granted (malus only) or material damage to the Company's reputation (for which the individual is personally responsible or directly accountable for clawback). Clawback provisions may be applied up to two years following the determination of the annual bonus or the vesting of LTIP awards.

Non-executive Director fees

Jupiter reviews non-executive Director fees from time to time. This year the non-executive Chairman fee was reviewed for the first time since July 2012 (when the previous incumbent was in place). As a result, an adjustment was made, with effect from 1 January 2016, to the non-executive Chairman fee, reflecting the increased time commitment and complexity in light of regulatory developments impacting the Company over recent years. The annual fee rates applicable for all other non-executive Directors for 2016 remain unchanged:

- Base fee: £60,000 (2015: £60,000);
- Senior Independent Director fee: £7,500 (2015: £7,500);
- Audit and Risk Committee Chairman fee (in addition to member fee): £15,000 (2015: £15,000);
- Remuneration Committee Chairman fee (in addition to member fee): £15,000 (2015: £15,000);
- Audit and Risk Committee member fee: £7,500 (2015: £7,500);
- Remuneration Committee member fee: £7,500 (2015: £7,500); and
- Non-executive Chairman (all inclusive fee): £225,000 (2015: £200,000)

Non-executive Directors are reimbursed for reasonable business expenses.

The roles and committee responsibilities of the non-executive Directors during 2015 were as follows:

Director	Title	Roles and Committee responsibilities
Liz Airey	Independent Chairman	Audit and Risk Committee Chairman (stepped down March 2015) Nomination Committee Chairman Remuneration Committee member
Jonathon Bond	Independent non-executive Director	Audit and Risk Committee member Nomination Committee member Remuneration Committee member (appointed February 2015)
Jon Little	Independent non-executive Director	Audit and Risk Committee member (stepped down October 2015)
Matteo Dante Perruccio	Independent non-executive Director	Remuneration Committee member (stepped down April 2015, and from the Board on the same date)
Lorraine Trainer	Independent non-executive Director and Senior Independent Director	Audit and Risk Committee member Remuneration Committee Chairman Nominations Committee member Senior Independent Director
Bridget Macaskill	Independent non-executive Director	Remuneration Committee member (appointed May 2015)
Polly Williams	Independent non-executive Director	Audit and Risk Committee Chairman (appointed March 2015)

Implementation in 2015

Single total figure

Executive Directors' 2015 and 2014 remuneration (audited information)

Director	Edward Bonham Carter		John Chatfeild-Roberts		Philip Johnson		Maarten Slendebroek	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Base salary	160	178	243	245	238	215	250	250
Taxable benefits[1]	2	2	2	2	2	1	2	3
Pension/allowance in lieu of pension contributions	21	23	36	37	31	29	38	38
Annual cash bonus[3]	232	340	1,300	1,060	505	490	1,300	1,120
DBP award[3]	88	160	800	640	270	260	800	680
LTIP awards vesting[6]	250[2]	187[4]	250[2]	187[4]	274[2]	313[4,5]	349[2]	–
Sharesave options granted	–	–	8	–	–	1	–	–
SIP matching shares	–	2	–	2	2	2	–	2
Total	**753**	**892**	**2,639**	**2,173**	**1,322**	**1,311**	**2,739**	**2,093**

1 Comprised of private medical insurance and reimbursement of reasonable expenses incurred in the performance of their duties and payment of any tax arising.
2 Estimated value of 2013 LTIP award vesting in 2016, based on the average closing share price over the period 1 October 2015 to 31 December 2015 (the actual vesting date, from which the option is exercisable, is 4 April 2016).
3 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.
4 The value of the 2012 LTIP award vesting in 2015 has been restated based on a share price on the vesting date (2 April 2015) of £4.10.
5 The value of the 2011 LTIP award vesting in 2015 has been restated based on a share price on the vesting date (18 April 2015) of £4.31.
6 The value of the LTIP award vesting is based on the Remuneration Committee's determination of performance against the relevant LTIP performance measures.

Single total figure continued

2015 bonus

Jupiter's variable compensation pool approach reflects Jupiter's collegiate culture and the behaviours we seek to incentivise and reward across the Company. The Committee determined the variable compensation pool, having regard to the Company's profits as well as its capital base, liquidity position and underlying financial performance, together with its risk and compliance record and other matters, as described in the list of checkpoints.

Executive Directors' bonus awards are funded from the variable compensation pool. Individual award levels for executive Directors are determined by the Remuneration Committee, taking into consideration performance against the following pre-determined targets as well as wider factors, such as the quality of profit, risk considerations and individual contribution. For 2015, the table below provides details of the performance measures and associated targets that the Remuneration Committee considered when applying its judgement to determine annual bonus awards.

Area and performance measures	Target performance	Actual performance	Commentary	RemCo assessment of performance*
Corporate performance Profitability, compared against expectations in light of market conditions, considering: • Profits against prior year; and • Profits against the target set by the Board. As measured by underlying earnings per share:	25.8p	29.2p	Underlying earnings per share for 2015 significantly exceeded target and prior year outcome	++
Net flows Net flows, compared against expectations in light of market conditions, considering: • Gross and net flows against prior year; • Net flows against target set by the Board; and • Margins at which those flows were achieved			Net inflows were 90% above target and were also significantly above prior year Gross sales were higher in 2015 than 2014	++
As measured by net flows against target	£1.0bn	£1.9bn		
As measured by maintaining net management fee margins within target levels	87-88bps	88bps	Net management fee margins were maintained in line with expectations	
Investment performance Investment performance, considering mutual funds and other mandates. The Remuneration Committee does not believe it is appropriate to set a specific investment performance target due to the impact of markets on different categories/style of funds. However our aim is for a substantial proportion of mutual funds, weighted by AUM, to outperform over one and three years based on peer fund performance and taking into account the impact of markets.		Performance was very strong; 84 per cent. of mutual funds had first and second quartile investment performance over one year, weighted by AUM, and 68 per cent. over three years in the period to 31 December 2015. 69 per cent. of segregated mandates and 80 per cent. of investment trusts, weighted by AUM, achieved investment performance above their benchmark over one year. The same statistics over three years to 31 December 2015 were 97 per cent. and 80 per cent. respectively.		++
Strategic objectives • Achievement of strategic growth objectives, as set by the Remuneration Committee (with reference to the strategic growth objectives set by the Board)	2015 saw continued implementation of the Group's strategy, including: • Significant further extension of international distribution capabilities. • Strengthening and deepening of the senior management team, including the establishment of a Management Committee, the expansion of the Executive Committee and a number of key senior hires. • Talent and succession development. • Successful delivery of a major office move. • Continued value delivery to shareholders, including a 25.5p dividend for 2015, totalling 190 per cent. total shareholder return over the past three years. • Significant enhancement of Risk oversight structure following creation of the new role of Head of Risk. • Maintenance of an appropriate risk and compliance environment throughout the year.			++

* ++ excellent performance; + very good performance; = good performance; − below expectations performance

Personal performance: Maarten Slendebroek, Chief Executive Officer
As Chief Executive Officer, Maarten has shown strong leadership in a year of implementing and delivering on the Company's strategy. This year has seen strong financial, investment and net sales performance. In addition, significant progress has been made on strategic objectives set by the Board to ensure firm building blocks are in place for long term sustainable growth in Jupiter's business. These building blocks cover organisational design, people, the successful move to new offices, infrastructure and products, and include key achievements such as developing and diversifying our distribution platform, including international expansion, and the strengthening and reorganisation of the senior management team.

Total bonus amount for 2015: £2,100,000, of which £800,000 is deferred into Jupiter shares for a period of three years.

Personal performance: Edward Bonham Carter, Vice Chairman
As Vice Chairman, Edward has continued to make a highly valued contribution to Jupiter, in particular in the public policy and governance space. He has attended many client and industry meetings and spoken at numerous events to raise Jupiter's profile. Edward has helped Maarten and the CIO with talent development, key hires and strategic decisions, drawing on his long experience as a fund manager and previously as CEO of the Company.

Total bonus amount for 2015: £320,000, of which £88,000 is deferred into Jupiter shares for a period of three years.

Personal performance: John Chatfeild-Roberts, Executive Director
John continues to lead the Merlin strategy having passed on the role of Chief Investment Officer to Stephen Pearson in October 2015. In 2015, John's investment management responsibilities in respect of the Merlin funds increased after one of the three founding fund managers responsible for the Merlin strategy stepped back. Performance of the Merlin fund range has improved and John has made a significant contribution to managing investors, as well as to wider strategic objectives in the year, including assisting Stephen Pearson in his new role.

Total bonus amount for 2015: £2,100,000, of which £800,000 is deferred into Jupiter shares for a period of three years.

Personal performance: Philip Johnson, Chief Financial Officer
Philip's 2015 bonus reflects the Group's strong financial performance, his contribution to development and execution of the Group's strategy and to the leadership of his functions. Profits rose 11 per cent. this year and Jupiter's clearly communicated model for capital creation and usage resulted in 2015 total dividends of 25.5p per share. In addition he made a valuable contribution to our focus on investor relations in the year and the significant enhancement of the Risk oversight structure.

Total bonus amount for 2015: £775,000, of which £270,000 is deferred in accordance with Philip's leaver provisions detailed later in this section.

Single total figure continued

Performance condition testing for 2013 LTIP award, vesting 4 April 2016

The LTIP award vesting figures for Edward Bonham Carter, John Chatfeild-Roberts, Philip Johnson and Maarten Slendebroek shown in the single total figure on page 59 include LTIP awards due to vest on 4 April 2016, subject to performance conditions measured over a three year period to 31 December 2015. The performance conditions have been tested and performance against those conditions and the associated level of vesting is outlined below.

Performance condition	Performance against the condition over the performance period	Proportion of condition vesting
Underlying EPS vs index • 30 per cent. vesting for 5 per cent. growth in excess of the index; • 100 per cent. vesting for Jupiter's underlying EPS growth exceeding the index by 10 per cent. per annum; and • Straight-line vesting between these points.	Jupiter's underlying EPS grew by 15.4 per cent. on an annualised basis. The index grew by 6.8 per cent. on an annualised basis. Jupiter's annualised underlying EPS growth exceeded the index by 8.6 per cent.	80 per cent. of condition vesting (20 per cent. of total award)
Actual net sales against target • 30 per cent. vesting for net sales 80 per cent. of target; • 65 per cent. vesting for net sales 100 per cent. of target; • 100 per cent. vesting for net sales 125 per cent. of target; and • Straight-line vesting between these points.	Jupiter's net sales over the performance period were £4.0bn, representing 83 per cent. of the £4.8bn target.	35 per cent. of condition vesting (9 per cent. of total award)
Investment outperformance Proportion of mutual funds achieving first and second quartile performance over three years, weighted by AUM: • 25 per cent. vesting for 50 per cent; • 100 per cent. vesting for 80 per cent; and • Straight-line vesting between these points.	Jupiter's investment performance was such that 68 per cent. of mutual funds achieved first and second quartile performance over the performance period, weighted by AUM.	70 per cent. of condition vesting (17 per cent. of total award)
Strategic goals • 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.	There has been significant development in talent management over the three year period. This included the successful transition and succession of senior fund managers and senior executives, continued deepening of the senior leadership team, including several promotions to the Executive Committee and the hiring of a new Head of Global DIstribution. In addition there have been a number of key hires in distribution internationally, and the successful recruitment of a number of senior Fund Managers. Continued UK wealth client development and significant broadening of international client base has been undertaken. There have been no major risk or compliance issues over the performance period. In addition, risk and control processes have been significantly enhanced in the year, through the development of an Enterprise Risk Framework.	100per cent. of condition vesting (25 per cent. of total award)
Total		71 per cent. vesting

Single total figure continued

LTIP awards granted

LTIP awards were granted to executive Directors during 2015. The face value of the award granted to Maarten Slendebroek was £1,000,000, with awards of £500,000 granted to each of John Chatfeild-Roberts and Philip Johnson. Edward Bonham Carter was granted an award with a face value of £250,000. As disclosed in last year's report, these award levels took into consideration feedback received from some of our shareholders around a larger proportion of total variable remuneration being delivered in the form of long-term incentives. These awards will cliff vest after a three year period, subject to meeting performance targets relating to underlying EPS performance against a comparator index, net sales, investment performance and key strategic goals. These measures are described in the Implementation in 2016 section in more detail.

External directorships

Executive Directors are not permitted to hold external directorships or offices without the Board's prior approval. During the year Edward Bonham Carter served as a non-executive Director of Land Securities Group plc, for which he was paid fees of £67,500 per annum which he retains.

Philip Johnson's leaving arrangements

As announced on 30 November 2015, after six years of service, Philip Johnson and the Board agreed that he would step down from his role of Chief Financial Officer. This followed a number of promotions to the Executive Committee which led to the narrowing of the CFO's role. As a result the Remuneration Committee determined that he should be a good leaver for incentive purposes. Philip has agreed to stay on until 30 May 2016 while the Board seeks to identify a new CFO.

As set out earlier in this report, Philip Johnson received a bonus in respect of the year ended 31 December 2015 on the same basis as other executives. For the year ending 31 December 2016, he will be eligible to participate in the annual bonus in respect of the five months worked, based on performance over this period. Full details of any payout will be disclosed in the 2016 annual report.

Philip Johnson currently holds a number of shares under option under the DBP in respect of bonuses previously earned, as set out in the share interest tables overleaf. These awards will become exercisable in full upon cessation, with the exception of a portion of the 2015 bonus which will continue to be deferred, as required under AIFMD regulations. Outstanding awards under the LTIP will be time pro-rated to reflect that he ceased employment during the performance period. Remaining LTIP awards will continue to their scheduled vesting dates and will vest to the extent that the performance targets have been satisfied over the respective performance periods.

Non-executive Directors' 2015 and 2014 fees (audited information)

Director	Liz Airey[1]		Jonathon Bond[2]		Jon Little		Bridget Macaskill[3]		Matteo Dante Perruccio[4]		Lorraine Trainer		Polly Williams[5]	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fees	200	125	74	30	66	60	45	–	20	60	98	83	69	–
Benefits[6]	-	-	-	-	-	-	2	-	-	-	6	2	-	-
Total	200	125	74	30	66	60	47	-	20	60	104	85	69	-

1 Appointed Chairman from 1 September 2014.
2 Board member from 1 July 2014.
3 Appointed May 2015.
4 Stepped down from the Board 15 April 2015. Later in the year he entered into an employment agreement with Jupiter to assist with the development of a distribution capacity in Italy. This role is unrelated to his previous non-executive duties.
5 Appointed March 2015.
6 Benefits comprise reimbursement of reasonable travel expenses incurred in the performance of duties and the payment of any tax arising.

Directors' shareholdings (audited information)

Director	Ordinary shares held at 31 December 2015 (no restrictions)	Unvested ordinary shares held at 31 December 2015 (subject to continued employment)	Total ordinary shares held at 31 December 2015	Vested but unexercised options at 31 December 2015	Unvested options, vesting not subject to performance conditions at 31 December 2015	Unvested options, vesting subject to performance conditions at 31 December 2015	Total options over ordinary shares held at 31 December 2015	Shareholding as a percentage of salary[3]
Edward Bonham Carter	12,005,740	920	12,006,660	–	244,715	222,683	467,398	33,820%
John Chatfeild-Roberts[1]	4,351,019	876	4,351,895	–	412,340	261,242	673,582	7,845%
Philip Johnson[1]	1,329,329	1,338	1,330,667	–	186,392	269,032	455,424	2,399%
Maarten Slendebroek	216,344	462	216,806	–	279,109	862,463	1,141,572	391%
Liz Airey	45,450	–	45,450	–	–	–	–	–
Jonathon Bond	11,910	–	11,910	–	–	–	–	–
Jon Little	2,513	–	2,513	–	–	–	–	–
Matteo Dante Perruccio[2]	76,833	–	76,833	–	–	–	–	–
Lorraine Trainer	24,242	–	24,242	–	–	–	–	–
Bridget Macaskill [1]	30,000	–	30,000	–	–	–	–	–
Polly Williams	–	–	–	–	–	–	–	–

1 Includes connected person's holding.
2 Shareholdings as at 15 April 2015, the date he stepped down as a Director.
3 The high percentage of shares held by Edward Bonham Carter, John Chatfeild-Roberts and Philip Johnson relate to shares purchased by them during the period 2007-2010 while Jupiter was privately owned.

There have been no changes to the above interests between the year end and 25 February 2016 (the latest practicable date before the printing of the Annual Report and Accounts).

The Remuneration Committee has a policy that executive Directors should maintain a significant holding of shares in the Company. The policy provides that executive Directors should hold shares in the Company with a value equivalent to at least 150 per cent. of base salary (to be built up over a three to five year period from appointment to the Board). Each of the executive Directors currently holds shares with a value in excess of 150 per cent. of base salary.

Share awards (audited information)

DBP – options over Jupiter shares

Director	Year granted	Options held at start of year: Number of shares under option held as at 1 January 2015 including April 2015 Special Dividend Adjustment[5]	Options held at start of year: Market value per share at date of grant	Options granted during the year: Grant date	Options granted during the year: Face value at award	Options granted during the year: Price used to determine number of shares[1]	Options granted during the year: Number of shares under option	Options exercised during the year: Number of shares under option exercised during the year	Options held at end of year: Number of shares under option held as at 31 December 2015	Options held at end of year: Earliest exercise date	Options held at end of year: Latest exercise date
Edward Bonham Carter	2012 (in respect of 2011)	195,363	£2.39	–	–	–	–	195,363[2]	–	–	–
	2013 (in respect of 2012)	63,879	£3.30	–	–	–	–	–	63,879	04 April 2016	04 July 2016
	2014 (in respect of 2013)	138,922	£4.21	–	–	–	–	–	138,922	03 April 2017	03 July 2017
	2015 (in respect of 2014)	–	–	27 March 2015	£160,000	£4.12	38,822	–	38,822	27 March 2018	27 June 2018
John Chatfeild-Roberts	2012 (in respect of 2011)	324,174	£2.39	–	–	–	–	324,174[3]	–	–	–
	2013 (in respect of 2012)	89,588	£3.30	–	–	–	–	–	89,588	04 April 2016	04 July 2016
	2014 (in respect of 2013)	158,768	£4.21	–	–	–	–	–	158,768	03 April 2017	03 July 2017
	2015 (in respect of 2014)	–	–	27 March 2015	£640,000	£4.12	155,289	–	155,289	27 March 2018	27 June 2018
Philip Johnson	2012 (in respect of 2011)	85,873	£2.39	–	–	–	–	85,873[4]	–	02 April 2015	02 July 2015
	2013 (in respect of 2012)	57,647	£3.30	–	–	–	–	–	57,647	04 April 2016	04 July 2016
	2014 (in respect of 2013)	59,537	£4.21	–	–	–	–	–	59,537	03 April 2017	03 July 2017
	2015 (in respect of 2014)	–	–	27 March 2015	£260,000	£4.12	63,086	–	63,086	27 March 2018	27 June 2018
Maarten Slendebroek	2014 (in respect of 2013)	114,114	£4.21	–	–	–	–	–	114,114	03 April 2017	03 July 2017
	2015 (in respect of 2014)	–	–	27 March 2015	£680,000	£4.12	164,995	–	164,995	27 March 2018	27 June 2018

1 Average closing share price from three trading days prior to date of grant.
2 Closing share price on date of exercise, 27 May 2015, was £4.69. This resulted in a value of shares on exercise of £916,253.
3 Closing share price on date of exercise, 20 April 2015, was £4.29. This resulted in a value of shares on exercise of £1,390,706.
4 Closing share price on date of exercise, 13 May 2015, was £4.46. This resulted in a value of shares on exercise of £382,994.
5 Outstanding share awards were adjusted by 2.77% as a result of the 21 April 2015 Special Dividend. See below.

Key terms:
- no performance measures are attached to options granted under the DBP, although malus 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 (under both the DBP and LTIP schemes) to benefit from the 21 April 2015 Special Dividend. This took place by means of adjusting upwards the number of shares over which options were held by a factor of 2.77 per cent. as permitted under the rules of the plans. 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.

Share awards continued (audited information)

DBP – options over units in Jupiter funds

		Options held at start of year		Options granted during the year				Options held at end of year		
Director	Year granted	Number of units under option held as at 1 January 2015	Market value per unit at date of grant	Grant date	Face value at award	Price used to determine number of units	Number of units under option	Number of units under option held as at 31 December 2015	Earliest exercise date	Latest exercise date
Edward Bonham Carter	2013 (in respect of 2012)	317,042[1]	£0.65	–	–	–	–	317,042	11 April 2016	11 April 2016
John Chatfeild-Roberts	2013 (in respect of 2012)	220,154[2]	£1.31	–	–	–	–	220,154	11 April 2016	11 April 2016

1 Options over units in Jupiter Japan Income Accumulation Fund.
2 Options over units in Jupiter Merlin Balanced Accumulation Fund.

Key terms:
- no performance measures are attached to options granted under the DBP as they represent deferral of bonus, although malus provisions apply (see the remuneration policy table for further details);
- no exercise price is payable on the exercise of DBP options; and
- unless a requirement of regulation, executive Directors can no longer elect to receive any part of their DBP award in the form of options over units in Jupiter funds for grants from 2014 (in respect of 2013) and beyond.

Share awards continued (audited information)

LTIP

		Options held at start of year		Options granted during the year				Options exercised/ lapsed during the year		Options held at end of year		
Director	Year granted	Number of shares under option held as at 1 January 2015 including April 2015 Special Dividend Adjustment[4]	Market value per share at date of grant[1]	Grant date	Face value at award	Price used to determine number of shares[1]	Number of shares under option	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 2015	Earliest exercise date	Latest exercise date
Edward Bonham Carter	2012	101,976	£2.39	–	–	–	–	55,067	–	46,909	02 April 2015	02 April 2017
	2013	77,903	£3.30	–	–	–	–	–	–	77,903	04 April 2016	04 April 2018
	2014	37,211	£4.21	–	–	–	–	–	–	37,211	03 April 2017	03 April 2019
	2015	–	–	27 March 2015	£250,000	£4.12	60,660	–	–	60,660	27 March 2018	27 March 2020
John Chatfeild-Roberts	2012	101,976	£2.39	–	–	–	–	55,067	46,909[2]	–	02 April 2015	02 April 2017
	2013	77,903	£3.30	–	–	–	–	–	–	77,903	04 April 2016	04 April 2018
	2014	62,019	£4.21	–	–	–	–	–	–	62,019	03 April 2017	03 April 2019
	2015	–	–	27 March 2015	£500,000	£4.12	121,320	–	–	121,320	27 March 2018	27 March 2020
Philip Johnson	2011	89,999	£2.85	–	–	–	–	59,999	30,000[3]	–	18 April 2015	18 April 2017
	2012	101,976	£2.39	–	–	–	–	55,067	46,909[3]	–	02 April 2015	02 April 2017
	2013	85,693	£3.30	–	–	–	–	–	–	85,693	04 April 2016	04 April 2018
	2014	62,019	£4.21	–	–	–	–	–	–	62,019	03 April 2017	03 April 2019
	2015	–	–	27 March 2015	£500,000	£4.12	121,320	–	–	121,320	27 March 2018	27 March 2020
Maarten Slendebroek	2012	79,568	£2.26	–	–	–	–	–	–	79,568	31 January 2016	31 January 2018
	2012	79,567	£2.26	–	–	–	–	–	–	79,567	31 January 2017	31 January 2019
	2012	79,568	£2.26	–	–	–	–	–	–	79,568	31 January 2018	31 January 2020
	2013	108,858	£3.30	–	–	–	–	–	–	108,858	04 April 2016	04 April 2018
	2013	74,111	£3.30	–	–	–	–	–	–	74,111	04 April 2017	04 April 2019
	2013	74,111	£3.30	–	–	–	–	–	–	74,111	04 April 2018	04 April 2020
	2014	124,039	£4.21	–	–	–	–	–	–	124,039	03 April 2017	03 April 2019
	2015	–	–	27 March 2015	£1,000,000	£4.12	242,640	–	–	242,640	27 March 2018	27 March 2020

1 Average closing share price from three trading days prior to date of grant.
2 Closing share price on date of exercise, 20 April 2015 was £4.29. This resulted in a value of shares on exercise less the exercise price of £200,301.
3 Closing share price on date of exercise, 2 December 2015 was £4.73. This resulted in a value of shares on exercise less the exercise price of £362,241.
4 Outstanding share awards were adjusted by 2.77 per cent. as a result of the 21 April 2015 Special Dividend.

Key terms:

- performance conditions for LTIP awards granted in 2011 and 2012 are underlying EPS, net sales and strategic goals (with the exception of Maarten Slendebroek's 2012 LTIP awards, where no performance conditions are attached as part of buy-out arrangements). For LTIP awards granted from 2013 onwards, the performance conditions are: underlying EPS, net sales, investment outperformance and strategic goals. These performance conditions are measured over the period 1 January in the year of grant to 31 December in the year prior to vesting;
- an exercise price of £0.02 per share is payable on the exercise of LTIP options; and
- the number of shares under award were adjusted as a result of the Special Dividend, as described under the DBP share table above.

Share awards continued (audited information)

Joiner Plan

		Options held at start of year		Options granted during the year				Options exercised during the year	Options held at end of year		
Director	Year granted	Number of shares under option as at 1 January 2015	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 2015	Earliest exercise date	Latest exercise date
Maarten Slendebroek	2012	42,554	£2.26	–	–	–	–	42,554[1]	–	31 January 2015	31 January 2017

1 Closing share price on date of exercise, 6 March 2015, was £4.26. This meant the value of shares on exercise less the exercise price was £180,429.

Key terms:
- the options granted under the Joiner Plan are one-off awards made as a buy-out of awards foregone by Maarten Slendebroek on resignation from his 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; and
- the options granted under the Joiner Plan will not be settled with newly issued shares.

Sharesave

	Options held at start of year		Options granted during the year				Options exercised during the year	Options held at end of year		
Director	Number of shares under option as at 1 January 2015	Market value per share at date of grant[1]	Grant date	Face value at award	Price used to determine number of shares[1]	Number of shares under option	Number of shares under option exercised during the year	Number of shares under option as at 31 December 2015[2]	Earliest exercise date	Latest exercise date
Edward Bonham Carter	3,092	£3.64	–	–	–	–	–	3,092	01 December 2016	31 May 2017
Philip Johnson	3,092	£3.64	–	–	–	–	–	3,092	01 December 2016	31 May 2017
	3,030	£3.43	–	–	–	–	–	3,030	01 December 2017	31 May 2018
John Chatfeild-Roberts	–	–	29 September 2015	£37,589	3.45		-	8,695	01 December 2020	31 May 2021

1 20 per cent. discount to the average closing share price from three trading days prior to the Sharesave 2015 invitation opening date.
2 To ensure participants were not adversely impacted by the 21 April 2015 Special Dividend payment, all participants with unvested awards outstanding at the date of the Special Dividend payment will receive a cash payment upon vesting to compensate for the decrease in value of Sharesave interests.

Key terms:
- no performance conditions are attached to Sharesave options; and
- the exercise price for Sharesave options is equal to the price used to determine the number of shares.

Share awards continued (audited information)

SIP

Director	Awards held at start of year: Number of shares subject to award as at 1 January 2015	Market value per share at award[1]	Awards granted during the year: Award date	Face value at award	Price used to determine number of shares[1]	Number of shares	Awards held at end of year: Number of shares subject to award as at 31 December 2015	Earliest vesting date
Edward Bonham Carter	457	£3.28	–	–	–	–	457	02 May 2016
	462	£3.90	–	–	–	–	462	02 May 2017
	1	£3.50	–	–	–	–	1	02 October 2017
John Chatfeild-Roberts	38	£3.28	–	–	–	–	38	02 May 2016
	38	£3.24	–	–	–	–	38	03 June 2016
	43	£2.91	–	–	–	–	43	02 July 2016
	35	£3.56	–	–	–	–	35	02 August 2016
	36	£3.46	–	–	–	–	36	02 September 2016
	34	£3.72	–	–	–	–	34	02 October 2016
	32	£3.94	–	–	–	–	32	04 November 2016
	32	£3.90	–	–	–	–	32	02 December 2016
	32	£3.86	–	–	–	–	32	02 January 2017
	34	£3.63	–	–	–	–	34	03 February 2017
	30	£4.14	–	–	–	–	30	03 March 2017
	29	£4.10	–	–	–	–	29	02 April 2017
	463	£3.90	–	–	–	–	463	02 May 2017
Philip Johnson	457	£3.28	–	–	–	–	457	02 May 2016
	462	£3.90	–	–	–	–	462	02 May 2017
	1	£3.50	–	–	–	–	1	02 October 2017
			05 May 2015	£1,797	£4.30	418	418	05 May 2018
Maarten Slendebroek	462	£3.90	–	–	–	–	462	02 May 2017

1 Market price on the date of purchase of SIP shares.

Dilution

Our policy regarding dilution from employee share awards is to ensure that dilution will be no more than 10 per cent. in any rolling 10 year period and no more than five per cent. from employee share awards granted to executive Directors of the Company in any rolling 10 year period.

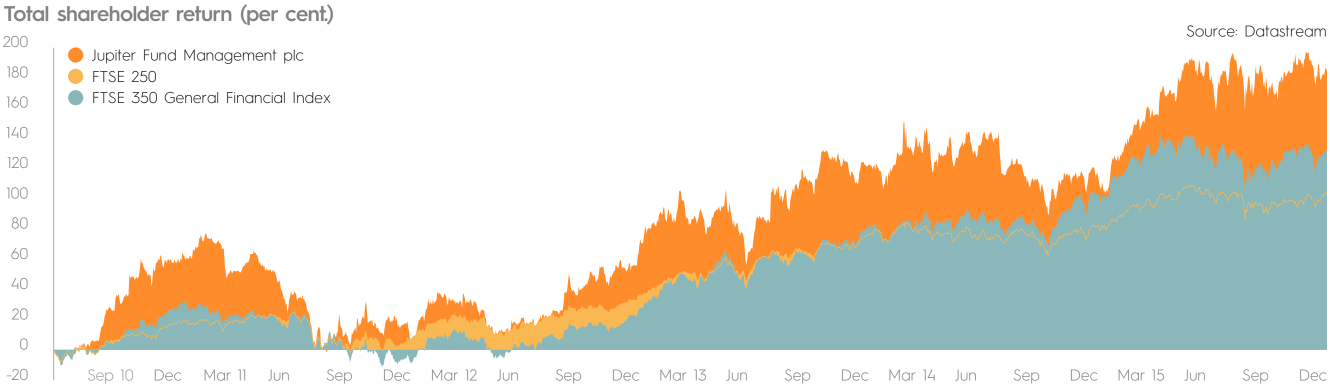
As at 31 December 2015, share awards granted under the DBP, LTIP and Sharesave in the five and a half years since Jupiter's Listing were outstanding over 17.1m shares (including 2.7m granted to executive Directors). This represented 3.7 per cent. (0.6 per cent. to executive Directors) of the Company's issued share capital. Our current intention is to settle all share awards outstanding as at 31 December 2015 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 per cent., 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 per cent. 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 per cent. level in any rolling 10 year period as soon as practicable thereafter.

Pay vs performance

Total shareholder return (per cent.)



The chart above 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.

Table of historic levels of CEO pay

	2010	2011	2012	2013	2014	**2015**
CEO single figure of total remuneration (£'000)	2,035	1,785	1,634	1,789	2,301[1]	2,739
Long-term incentive vesting rates against maximum opportunity[2]	N/A	N/A	N/A	N/A	46%	71%

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 No LTIP awards vested 2010 to 2013 as the first LTIP awards granted to the CEO after Listing were in 2012.

Change in CEO pay vs employees

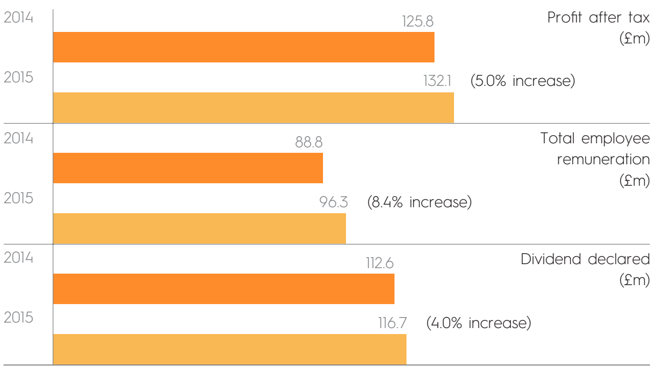
The percentage change in the CEO's pay (defined for these purposes as salary, taxable benefits, cash bonus and DBP awards in respect of the relevant year) between 2014 and 2015, and the same information, on an averaged basis, for all employees (excluding executive Directors) is shown in the table below:

	CEO percentage change (2014 to 2015)	All employees (excluding executive Directors) percentage change (2014 to 2015)
Base salary	0%	7%
Benefits	(18)%	(18)%
Bonus (including DBP portion)[1]	14%	14%

1 CEO 2014 bonus based on Edward Bonham Carter's bonus in respect of the CEO role to 17 March 2014 and Maarten Slendebroek's bonus in respect of the CEO role for the remainder of 2014.

Relative importance of spend on pay

The following chart shows the Company's profit after tax, total employee remuneration and dividends declared on ordinary shares for 2015 and 2014. Additional illustration of how Jupiter's available profit is distributed between stakeholders is demonstrated on page 9 of this report.



Shareholder context

At the Company's AGM held on 15 April 2015, the voting outcome on resolution two (to approve the Annual report on remuneration for the year ended 31 December 2014) was as follows:

	For	Percentage of total votes cast	Against	Percentage of total votes cast	Withheld
Resolution 2	329,999,046	96.63	11,509,832	3.37	9,921,000

Advisers

Deloitte LLP is the adviser to the Remuneration Committee. Deloitte LLP is a member of the Remuneration Consultants' Group and, as such, voluntarily operates under the code of conduct in relation to executive remuneration consulting in the UK. Fees paid to Deloitte LLP for executive remuneration consulting were £51,105 in 2015. Deloitte LLP also provides advice to the Company relating to regulatory matters, IFRS 2 accounting valuations and tax depreciation. The Remuneration Committee does not consider that the other advice provided has any impact on Deloitte's independence as advisers to the Remuneration Committee.

In addition, the Chief Executive Officer, Chief Operating Officer, HR Director and Senior Reward Manager are invited to and attend Remuneration Committee meetings to contribute to the Committee's deliberations. In addition, the Compliance Director, Head of Risk and Chief Investment Officer are invited to and attend Remuneration Committee meetings to provide specific input, where requested. No individual is present when their remuneration is being discussed.

On behalf of the Board

Lorraine Trainer
Chairman of the Remuneration Committee

26 February 2016

The Directors present their report and the Group's audited financial statements for the year ended 31 December 2015.

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 based on investment performance, growing value and effective distribution is explained in the Strategic report. The Group operates principally in the United Kingdom and has branches of Jupiter Asset Management Limited operating overseas, together with three 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 are deemed to form part of this report:

- Commentary on the development and performance in the year ended 31 December 2015, and likely future developments in the Group's business, is included in the Strategic report.
- Description 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 5.3 to the Accounts.
- Information concerning Directors' contractual arrangements and entitlements under share-based remuneration arrangements is given in the Remuneration report.
- The Group's environmental performance data including the absolute Scope 1 and 2 emissions for 2015 can be found in the Corporate Responsibility report.
- Information concerning the involvement of employees in the business is also given in the Corporate Responsibility report.

Disclosure required under the Listing Rules and the Disclosure 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 9.8.4R

The following table is disclosed pursuant to Listing Rule 9.8.4R. 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	Notes to Accounts 4.3
Shareholder waiver of future dividends	Notes to Accounts 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 notes to the Accounts 1.5
Waiver of emoluments by a Director	Not applicable
Waiver of future emoluments by a Director	Not applicable
Significant contracts	Governance report
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	Historical Summary

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 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 processes and the main features of its internal control and risk management processes can be found in the Audit and Risk Committee report.

Structure of capital and voting rights – DTR 7.2.6

As at 31 December 2015 and 22 February 2016, 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 18 May 2016, 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.

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 22 February 2016, the SIP Trustee held 0.1 per cent. 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 22 February 2016, the EBT Trustee held 1.79 per cent. of the Company's issued share capital.

Board of Directors

On 1 March, Polly Williams joined the Board as a non-executive Director and Matteo Perruccio resigned on 15 April. On 1 May, Bridget Macaskill was also appointed to the Board as a non-executive Director. Biographies for Polly Williams and Bridget Macaskill are set out in the Governance section.

The Directors who served during the year are as follows:

Liz Airey
Edward Bonham Carter
Jonathon Bond
John Chatfeild-Roberts
Philip Johnson
Jon Little
Bridget Macaskill (from 1 May)
Matteo Dante Perruccio (to 15 April)
Maarten Slendebroek
Lorraine Trainer
Polly Williams (from 1 March)

Directors and Directors' interests

The Directors' interests in the Company's shares are set out in the Remuneration report.

Statement of Directors' Responsibilities

This statement, which is included later in this section, is deemed to form part of this Directors' report.

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. The Articles of Association have detailed provisions regarding the retirement of Directors by rotation.

In accordance with the Code's requirements, all Directors offer themselves for election or re-election at the AGM in 2016, with the exception of Philip Johnson who will not be standing for re-election.

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.

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 Board. The operation of the Company's policy on conflicts of interest is described in the Governance section.

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.

Substantial share interests

As at 31 December 2015 and 19 February 2016, the Company had received notifications from the following shareholders of their direct or indirect shareholding of three per cent. or more in the Company's issued share capital. This information is disclosed pursuant to the UK Listing Authority's Disclosure and Transparency Rules.

Name	Number of shares as at 31 December 2015	Percentage Interest (%)
Baillie Gifford & Co Ltd	33,011,484	7.21
BlackRock Inc	28,824,707	6.30
Invesco Ltd	25,094,810	5.48
M&G Investment Management Ltd	20,001,554	4.37
Legal & General Investment Management Ltd	19,997,857	4.37
Silchester International Investors LLP	17,203,767	3.76
Marathon Asset Management LLP	15,963,769	3.49

Name	Number of shares as at 19 February 2016	Percentage Interest (%)
Baillie Gifford & Co Ltd	34,306,311	7.50
Invesco Ltd	23,967,241	5.24
BlackRock Inc	23,275,006	5.08
Silchester International Investors LLP	22,542,108	4.93
M&G Investment Management Ltd	20,438,747	4.47
Legal & General Investment Management Ltd	19,775,780	4.32
Marathon Asset Management LLP	16,243,000	3.55

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
At the time of the Company's Listing in 2010, certain employees (who beneficially owned approximately 35 per cent. of the Company's issued share capital at that time) agreed to restrictions on the sale and transfer of their ordinary shares during the three years following Listing. By 31 December 2014 the relevant shares represented 0.035 per cent. of the share capital. All of the remaining restricted shares were released in October 2015 and as at 31 December 2015, none of the issued share capital was subject to any restrictions.

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 to provide training, career development and promotion to disabled employees wherever possible.

Further details of the Company's employment procedures and practices are set out in the Corporate Responsibility section.

Dividends
As set out in last year's Annual Report, the Board has changed its approach to dividends for 2015 onwards to enable prompt payment alongside potential future special dividends, with the expectation that payment of both interim and special dividends can be made in early April. Accordingly, the Directors have not recommended a final dividend but have approved a second interim dividend in respect of 2015 of 10.6p per ordinary share (2014: 9.5p per ordinary share). Payment of this dividend is not subject to approval by shareholders at the AGM. The Directors have also declared a special dividend of 10.9p per ordinary share (2014: 11.5p per ordinary share). Both dividends will be paid on 8 April 2016, to shareholders on the register at the close of business on 11 March 2016.

Authority to allot shares
An ordinary resolution was passed at the AGM on 15 April 2015, authorising the Directors to allot new ordinary shares up to an aggregate nominal amount of £6,102,664. 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 £6,102,664, representing approximately two-thirds of the Company's issued share capital as at 22 February 2016, of which an aggregate nominal value of £3,051,332 (representing approximately one-third of the Company's issued share capital) may only be allotted pursuant to a fully pre-emptive rights issue. If approved, this authority will expire on 30 June 2017 or, if earlier, at the conclusion of the AGM in 2017.

Subject to the terms of the authority noted above, a special resolution will also be proposed at the AGM to empower the Directors to allot equity securities for cash without first offering them to existing shareholders in proportion to their holdings, until 30 June 2017 or, if earlier, at the conclusion of the AGM in 2017. The Pre-Emption Group Statement of Principles (the 'Statement of Principles') was revised in March 2015 to allow authority for an issue of shares for cash otherwise than in connection with a pre-emptive offer to be increased from 5 per cent. to 10 per cent. of the Company's total issued share capital provided that the Company confirms that it intends to use the additional 5 per cent. authority only in connection with an acquisition or specified capital investment. If granted, this authority will be limited to the allotment of equity securities, up to an aggregate nominal amount of £915,399, being ten per cent. of the Company's issued share capital as at 22 February 2016. The Directors currently have no intention to issue ordinary shares, other than pursuant to the Company's employee share schemes and any share dividend alternatives.

Authority to purchase shares
At the AGM in 2015, shareholders approved a resolution authorising the Company to make purchases of its own shares up to a maximum of 45,769,991 ordinary shares. As at 22 February 2016, 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 45,769,991 ordinary shares (approximately 10 per cent. of the Company's issued share capital as at 22 February 2016) 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 2017, or, if earlier, at the conclusion of the AGM in 2017.

Independent auditors and audit information
PwC were re-appointed 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.

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 Financial Statements on a going concern basis.

Statement of Viability
In accordance with provision C.2.2 of the 2014 revision of the Code, the Directors have assessed the prospects of the Group over a longer period than the 12 months required by the Going Concern provision. Details of the assessment can be found in the Financial Review section of the Strategic Report.

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 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. The role and responsibilities of the Director are clearly set out and include the duties of a Director 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).

Political donations
The Group made no political donations or contributions during the year (2014: £nil).

Annual General Meeting
The AGM will take place on 18 May 2016. 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

Adrian Creedy
Company Secretary

26 February 2016

Statements relating 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 2016. Following this examination, the Board was satisfied that the Financial Statements for 2015 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
During 2015, the Board implemented an Enterprise Risk Management ("ERM") framework encompassing all areas of risk to which the Group or its funds may be exposed, including those noted as having potential impact on Jupiter's business model, future performance, solvency or liquidity. With support from the Audit and Risk Committee, the Directors have completed a robust review and assessment of the principal risks in the business making use of this framework, which has ensured 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 ERM 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' responsibiliy 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.

The Directors' responsibiliy 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' responsibiliy 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, 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; 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:

(a) 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

(b) 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

Philip Johnson
Chief Financial Officer

26 February 2016

FINANCIAL STATEMENTS

Group

Section 1: Results for the year

Consolidated income statement for the year ended 31 December 2015

	Notes	2015 £m	2014 £m
Revenue	1.1	403.5	388.3
Fee and commission expenses	1.1	(74.0)	(85.3)
Net revenue	1.1, 1.2	**329.5**	**303.0**
Administrative expenses	1.3	(163.8)	(149.2)
Operating earnings	1.6	**165.7**	**153.8**
Other gains (including sale of private client contracts)	1.7	1.7	26.1
Amortisation of intangible assets	3.2	(3.2)	(20.2)
Operating profit		**164.2**	**159.7**
Finance income	1.8	0.6	0.5
Finance costs	1.9	(0.2)	(0.2)
Profit before taxation		**164.6**	**160.0**
Income tax expense	1.10	(32.5)	(34.2)
Profit for the year		**132.1**	**125.8**
Earnings per share			
Basic	1.11	29.4p	28.4p
Diluted	1.11	28.5p	27.2p

Consolidated statement of comprehensive income for the year ended 31 December 2015

	Notes	2015 £m	2014 £m
Profit for the year		**132.1**	**125.8**
Items that may be reclassified subsequently to profit or loss			
Exchange movements on translation of subsidiary undertakings	4.2	0.1	0.1
Other comprehensive income for the year net of tax		**0.1**	**0.1**
Total comprehensive income for the year net of tax		**132.2**	**125.9**

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 and are boxed, with the basis of preparation and general policies collected in Section 5.

1.1. Net revenue

The Group's primary source of revenue is management fees. Management fees are based on an agreed percentage of the assets under management. Initial charges and commissions include fees based on a set percentage of certain flows into our funds, commission earned on private client dealing charges and profits earned on dealing within the unit trust manager's box, known as box profits. Performance fees are 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 primary revenue components are accounted for as follows:

- management fees are recognised in the period in which the service is performed and calculated as a percentage of net fund assets managed in accordance with individual management agreements;
- initial charges and commissions on sales of unit trusts are deferred and amortised over the anticipated period of the provision of investment management services. Box profits are calculated as the difference between the cost of purchasing redeemed units at cancellation prices and reselling them at creation prices. Such box profits are recognised when the related transaction occurs; and
- performance fees, calculated as a percentage of the appreciation in the net asset value of a fund above a defined hurdle, are recognised when the fee amount can be estimated reliably and it is virtually certain that the fee will be received. Such fees are normally recognised at the end of the relevant reporting period of the fund.

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 customers and transaction processing.

	2015 £m	2014 £m
Management fees	370.1	364.7
Initial charges and commissions	18.8	18.7
Performance fees	14.6	4.9
Fee and commission expenses	(74.0)	(85.3)
Total net revenue	**329.5**	**303.0**

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 earnings, a non-GAAP measure, for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

Net revenue by location of clients	**2015 £m**	2014 £m
UK	285.8	268.9
Continental Europe	36.1	27.8
Rest of the world	7.6	6.3
Total net revenue by location	**329.5**	**303.0**

The net revenue information above is based on the location of the client. The Group did not have any single client contributing more than 10 per cent. of net revenues during the year (2014: none).

Non-current assets for the Group (excluding financial instruments and deferred tax assets) are domiciled in the UK (£357.9m), Continental Europe (£0.1m) and Asia (£0.2m). In 2014, £355.9m of non-current assets were domiciled in the UK and £0.1m were domiciled in Asia.

1.3. Administrative expenses

The largest administrative expense is staff costs. The other administrative expenses category includes certain significant costs such as administration fees, marketing and IT costs.

Operating leases
Operating leases are leases where the lessor retains substantially all the risks and benefits of ownership of the asset. All of the Group's leases are operating leases and rental payments are charged to the income statement on a straight line basis over the term of the lease.

Administrative expenses consists of the following items:

	2015 £m	2014 £m
Staff costs (Note 1.4)	110.4	100.1
Depreciation of property, plant and equipment (Note 3.3)	1.1	1.1
Auditors' remuneration (see below)	0.9	0.8
Office closure costs	0.8	–
Operating lease rentals for land and buildings	3.4	1.4
Other administrative expenses	47.2	45.8
Total administrative expenses	**163.8**	**149.2**

Auditors' remuneration	2015 £m	2014 £m
Fees payable to the Company's auditors and their associates for the audit of the parent company and consolidated financial statements	0.1	0.1
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	0.3	0.3
Audit-related assurance services	0.2	0.2
Total audit and audit-related fees of the Group	**0.6**	**0.6**
Tax advisory services	0.1	0.1
Other non-audit services	0.2	0.1
Total non-audit fees	**0.3**	**0.2**
Total auditors' remuneration	**0.9**	**0.8**

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.

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 per cent. 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.

	2015 £m	2014 £m
Wages and salaries	78.1	70.8
Share-based payments (Note 1.5)	13.9	13.7
Social security costs	14.0	10.9
Pension costs	4.3	4.3
Redundancy costs	0.1	0.4
	110.4	**100.1**

Fund units

As described in Note 1.5(ii), 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 2015 was £2.9m (2014: £1.3m).

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 unit. 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") on the balance sheet. Any change in the fair value of the units is recognised in the income statement within other gains.

Average number of employees

The monthly average number of persons employed by the Group during the year, including executive Directors, by activity is:

	2015	2014
Fund management	61	76
Distribution and marketing	108	102
Infrastructure and operations	267	281
	436	**459**

Information regarding Directors' emoluments is given 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 difference between the fair value of the employee services received in respect of the shares or share options granted and the price payable 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 services is calculated using the market value on the date of award, discounted for dividends foregone over the holding period of the award, and is adjusted 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. 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). Shares and options vest on the occurrence of a specified event under the rules of the relevant plan.

The fair value of shares and options granted during the year to be charged over the vesting period was £20.3m (2014: £14.3m).

A summary of the charge taken to the income statement (excluding social security) for each share-based payment arrangement is shown below:

	2015 £m	2014 £m
Interests in options under pre-Listing Share Plan	0.2	0.3
Deferred Bonus Plan (DBP)	5.3	6.4
Long-term Incentive Plan (LTIP)	7.7	6.3
Sharesave Plan (SAYE)	0.4	0.3
Share Incentive Plan (SIP)	0.3	0.4
Total (Note 1.4)	**13.9**	**13.7**

1.5. Share-based payments continued

The fair value of the services received 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:

	2015			2014		
	DBP 2014	LTIP 2015	SAYE 2015	DBP 2013	LTIP 2014	SAYE 2014
Weighted average share price (£)	4.10	4.21	4.25	4.21	4.15	3.43
Exercise price (£)	–	0.02	3.45	–	0.02	2.97
Weighted average expected volatility (%)	27.1	29.0	27.7	32.1	31.3	31.6
Weighted average option life (years)	3.1	3.7	3.9	3.1	4.0	3.5
Weighted average dividend yield (%)	3.2	3.2	3.1	3.0	3.1	3.7
Weighted average risk-free interest rate (%)	0.7	0.9	0.9	1.3	1.6	1.4

Expected volatility for options granted in 2015 and 2014 has been calculated using the historical volatility of the Group.

The numbers above in relation to the LTIP include the Joiner Plans as both schemes have a similar structure.

(i) 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 by between one and three years. The interests in options under 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.

The following table illustrates the number and weighted average exercise price ("WAEP") of, and movement in, share options during the year:

	2015		2014	
Options outstanding	Number	WAEP £	Number	WAEP £
At 1 January	2,237,055	0.02	9,679,504	0.02
Exercised	(1,213,305)	0.02	(6,487,449)	0.02
Forfeited	(93,750)	0.02	(955,000)	0.02
At 31 December	**930,000**	**0.02**	**2,237,055**	**0.02**
Exercisable at 31 December	**–**	**–**	**287,055**	**0.02**

The weighted average share price at the date of exercise of these options was £4.41 (2014: £3.92) per ordinary share.

No options were granted under this plan in 2015 or 2014. For the options granted in 2010, the weighted average fair value per option granted was £1.48.

The weighted average remaining contractual life for the share options outstanding as at 31 December 2015 is 2.0 years (31 December 2014: 0.4 years).

(ii) 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 first year of this award was related to 2010 performance, with the first options granted in April 2011. The awards made in 2014 and 2015 in relation to 2013 and 2014 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 2016 in relation to 2015 performance, thus a charge for these awards has been taken to the income statement in 2015.

	2015		2014	
Options outstanding	Number	WAEP £	Number	WAEP £
At 1 January	5,959,702	–	6,911,376	–
Granted	1,787,352	–	1,665,121	–
Exercised	(2,892,407)	–	(2,616,795)	–
At 31 December	**4,854,647**	**–**	**5,959,702**	**–**
Exercisable at 31 December	**330,614**	**–**	**–**	**–**

There were 2,892,407 options exercised under this plan in 2015 (2014: 2,616,795). The weighted average share price at the date of exercise of these options was £4.30 (2014: £3.87).

The weighted average fair value of options granted under this plan during the year was £3.49 (2014: £3.61).

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2015 was 1.2 years (31 December 2014: 1.1 years).

(iii) 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 2015 and 2014 took the form of nominal cost options over the Company's shares.

	2015		2014	
Options outstanding	Number	WAEP £	Number	WAEP £
At 1 January	9,696,012	0.02	10,354,618	0.02
Granted	4,565,891	0.02	2,281,028	0.02
Exercised	(2,625,905)	0.02	(1,216,271)	0.02
Forfeited	(376,497)	0.02	(1,723,363)	0.02
At 31 December	**11,259,501**	**0.02**	**9,696,012**	**0.02**
Exercisable at 31 December	**294,241**	**0.02**	**290,361**	**0.02**

There were 2,625,905 options exercised under this plan in 2015 (2014: 1,216,271). The weighted average share price at the date of exercise of these options was £4.27 (2014: £3.90).

The weighted average fair value of options granted under this plan during the year was £3.73 (2014: £3.42).

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2015 was 1.5 years (31 December 2014: 1.4 years).

1.5. Share-based payments continued

(iv) 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 per cent. 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.

	2015		2014	
Options outstanding	Number	WAEP £	Number	WAEP £
At 1 January	1,478,693	2.50	1,375,397	2.00
Granted	311,695	3.45	675,614	2.97
Exercised	(278,251)	1.86	(466,689)	1.71
Forfeited/converted to new scheme	(154,430)	2.53	(105,629)	2.23
At 31 December	**1,357,707**	**2.86**	**1,478,693**	**2.50**
Exercisable at 31 December	**23,619**	**1.96**	**121,623**	**1.69**

The weighted average share price at the date of exercise of these options was £4.18 (2014: £3.63) per ordinary share.

The weighted average fair value of the options granted under this plan during the year was £1.04 (2014: £0.77).

The range of exercise prices of options granted under this plan is between £1.69 and £3.45.

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2015 was 2.1 years (31 December 2014: 2.2 years).

(v) 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 75,491 (2014: 97,737).

1.6. Operating earnings

Operating earnings are defined as net revenue less administrative expenses and do not include investment income and returns, other gains and amortisation of intangible assets. These are items which the Group considers are not indicative of the ongoing income and costs of its operations. The Group believes that operating earnings, while not a GAAP measure, gives relevant information on the profitability of the Group and its ongoing operations. Operating earnings may not be comparable with similarly titled measures used by other companies.

1.7. Other gains (including sale of private client contracts)

	2015 £m	2014 £m
Gain on sale of private client contracts	–	28.5
Loss on available-for-sale ("AFS") investments	–	(2.6)
Dividend income	0.2	0.3
Other	1.5	(0.1)
Total other gains	**1.7**	**26.1**

Other gains for the year were £1.7m (2014: £26.1m). The prior year gain principally related to the sale of our private client contracts to Rathbone Investment Management Limited.

1.8. 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.

	2015 £m	2014 £m
Interest on bank deposits	0.6	0.5
	0.6	**0.5**

1.9. Finance costs

The majority of the finance costs are associated with the Revolving Credit Facility ("RCF").

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.

1.10. Income tax expense

The Group's headquarters are based in the UK. It pays taxes according to the rates applicable in the countries in which it operates. 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 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.

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.

	2015 £m	2014 £m
Current tax – UK corporation tax		
Tax on profits for the year	33.7	35.6
Adjustments in respect of prior years	(0.1)	–
	33.6	**35.6**
Deferred tax		
Origination and reversal of temporary differences	(1.3)	(1.7)
Impact of changes in corporation tax rate	0.2	0.3
Total deferred tax (Note 3.5)	**(1.1)**	**(1.4)**
	32.5	**34.2**

Total tax expense

With effect from 1 April 2015, the UK corporation tax rate changed from 21 per cent. to 20 per cent., resulting in a weighted average UK corporation tax rate for 2015 of 20.25 per cent. (2014: 21.5 per cent.). The tax charge in the year is lower (2014: lower) than the standard rate of corporation tax in the UK and the differences are explained below:

Factors affecting tax expense for the year	**2015 £m**	2014 £m
Profit before taxation	164.6	160.0
Taxation at the standard corporation tax rate (2015: 20.25 per cent.; 2014: 21.5 per cent.)	33.3	34.4
Non-taxable (income)/expenditure	(0.3)	0.6
Other permanent differences	(0.5)	(1.1)
Adjustments in respect of prior years	(0.2)	–
Impact of tax rate change on deferred tax balances	0.2	0.3
Total tax expense	**32.5**	**34.2**

1.11. 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 over the years reported. The weighted average number of ordinary shares used in the calculation of EPS is as follows:

Weighted average number of shares	2015 Number m	2014 Number m
Issued share capital	457.7	457.7
Less own shares held	(7.7)	(14.1)
Weighted average number of ordinary shares for the purpose of basic EPS	450.0	443.6
Add back weighted average number of dilutive potential shares	12.9	19.5
Weighted average number of ordinary shares for the purpose of diluted EPS	462.9	463.1

Earnings per share	2015 p	2014 p
Basic	29.4	28.4
Diluted	28.5	27.2

Section 2: Consolidated statement of cash flows

Consolidated statement of cash flows for the year ended 31 December 2015

	Notes	**2015 £m**	2014 £m
Cash flows from operating activities			
Cash generated from operations	2.1	186.5	154.0
Income tax paid		(30.2)	(31.2)
Net cash inflows from operating activities		**156.3**	**122.8**
Cash flows from investing activities			
Purchase of property, plant and equipment	3.3	(7.7)	(1.6)
Purchase of intangible assets	3.2	(1.4)	(1.0)
Purchase of financial assets at FVTPL		(27.4)	(7.5)
Proceeds from disposal of financial assets at FVTPL		21.0	14.2
Proceeds on transfer of private client contracts		–	39.6
Costs incurred on transfer of private client contracts		–	(7.9)
Dividend income received		0.2	0.3
Finance income received		0.6	0.5
Net cash (outflows)/inflows from investing activities		**(14.7)**	**36.6**
Cash flows from financing activities			
Dividends paid	4.3	(112.1)	(56.7)
Purchase of shares by EBT		(20.9)	(12.3)
Finance costs paid		(0.2)	(0.2)
Repayment of bank loan	3.8	–	(11.0)
Net cash outflows from financing activities		**(133.2)**	**(80.2)**
Net increase in cash and cash equivalents		**8.4**	**79.2**
Cash and cash equivalents at beginning of year		251.0	171.8
Cash and cash equivalents at end of year	3.7	**259.4**	**251.0**

2.1. Cash flows from operating activities

	2015 £m	2014 £m
Operating profit	164.2	159.7
Adjustments for:		
Amortisation of intangible assets	3.2	20.2
Depreciation of property, plant and equipment	1.1	1.1
Other gains	0.6	(27.8)
Share-based payments	13.7	12.9
Cash inflows on exercise of share options	0.6	0.8
Decrease in trade and other receivables	4.3	6.0
Decrease in trade and other payables	(1.2)	(18.9)
Cash generated from operations	**186.5**	**154.0**

Section 3: Assets and liabilities

Consolidated balance sheet at 31 December 2015

	Notes	2015 £m	2014 £m
Non-current assets			
Goodwill	3.1	341.2	341.2
Intangible assets	3.2	6.4	8.1
Property, plant and equipment	3.3	8.3	1.7
Deferred tax assets	3.5	12.4	12.4
Trade and other receivables	3.6	2.2	5.0
		370.5	**368.4**
Current assets			
Investments in associates	3.4	5.3	13.8
Financial assets at fair value through profit or loss	3.4	58.2	37.1
Trade and other receivables	3.6	93.2	94.7
Cash and cash equivalents	3.7	259.4	251.0
		416.1	**396.6**
Total assets		**786.6**	**765.0**
Equity attributable to shareholders			
Share capital	4.1	9.2	9.2
Own share reserve	4.2	(0.2)	(0.2)
Other reserve	4.2	8.0	8.0
Foreign currency translation reserve	4.2	7.3	7.2
Retained earnings	4.2	578.6	562.0
Total equity		**602.9**	**586.2**
Non-current liabilities			
Trade and other payables	3.9	8.9	12.3
Deferred tax liabilities	3.5	1.0	2.3
		9.9	**14.6**
Current liabilities			
Financial liabilities at fair value through profit or loss	3.4	9.9	3.0
Trade and other payables	3.9	149.0	146.8
Current income tax liability		14.9	14.4
		173.8	**164.2**
Total liabilities		**183.7**	**178.8**
Total equity and liabilities		**786.6**	**765.0**

The financial statements on pages 78 to 109 were approved by the Board of Directors and authorised for issue on 26 February 2016. They were signed on its behalf by

Philip Johnson
Chief Financial Officer

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.

On 19 June 2007, the Group acquired the entire share capital of Knightsbridge Asset Management Limited, giving rise to a goodwill asset being recognised.

	2015 £m	2014 £m
Goodwill	341.2	341.2
	341.2	**341.2**

No additional goodwill was recognised in the year (2014: £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 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 and cost of capital. A significant headroom was noted, and therefore no impairment was implied. No impairment losses have been recognised in the current or preceding years.

3.2. Intangible assets

In 2007, the Group acquired the entire share capital of Knightsbridge Asset Management Limited. This acquisition gave rise to the recognition of intangible assets relating to investment management contracts and the trade name of the Group. 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 (cash-generating units).

Intangible assets acquired separately are measured on initial recognition at cost.

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 are assessed as being finite and they are amortised over their useful economic lives and assessed for impairment whenever there is an indication of impairment. The amortisation period and the amortisation method for these assets are reviewed at least at each financial year end. The useful economic lives of the trade name and individual management contracts acquired are currently assessed as a maximum of ten years and seven years, respectively. The remaining amortisation period of the trade name is 1.5 years, and as at 31 December 2014, the investment management contracts were fully amortised. The amortisation expense on intangible assets with finite lives is recognised in the consolidated income statement on a straight line basis.

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 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 2015 and have concluded there are no indicators of impairment.

3.2. Intangible assets continued

	2015				2014			
	Investment management contracts £m	Trade name £m	Computer software £m	**Total £m**	Investment management contracts £m	Trade name £m	Computer software £m	Total £m
Cost								
At 1 January	**258.0**	**18.7**	**11.0**	**287.7**	**258.0**	**18.7**	**10.0**	**286.7**
Additions	–	–	1.4	1.4	–	–	1.0	1.0
Disposals	–	–	(4.1)	(4.1)	–	–	–	–
At 31 December	**258.0**	**18.7**	**8.3**	**285.0**	**258.0**	**18.7**	**11.0**	**287.7**
Accumulated amortisation								
At 1 January	**258.0**	**14.2**	**7.4**	**279.6**	**240.7**	**12.3**	**6.4**	**259.4**
Charge for the year	–	1.9	1.3	3.2	17.3	1.9	1.0	20.2
Disposals	–	–	(4.2)	(4.2)	–	–	–	–
At 31 December	**258.0**	**16.1**	**4.5**	**278.6**	**258.0**	**14.2**	**7.4**	**279.6**
Net book value								
At 31 December	**–**	**2.6**	**3.8**	**6.4**	**–**	**4.5**	**3.6**	**8.1**

3.3. Property, plant and equipment

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 were 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	Shorter of 10 years and the remaining period of the lease
Office furniture and equipment	3-5 years

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 or disposal. 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.

	2015			2014		
	Leasehold improvements £m	Office furniture & equipment £m	**Total £m**	Leasehold improvements £m	Office furniture & equipment £m	Total £m
Cost						
At 1 January	**0.7**	**6.3**	**7.0**	**0.5**	**4.9**	**5.4**
Additions	4.5	3.2	7.7	0.2	1.4	1.6
Disposals	(0.5)	(3.1)	(3.6)	–	–	–
At 31 December	**4.7**	**6.4**	**11.1**	**0.7**	**6.3**	**7.0**
Accumulated depreciation						
At 1 January	**0.6**	**4.7**	**5.3**	**0.5**	**3.7**	**4.2**
Charge for the year	0.1	1.0	1.1	0.1	1.0	1.1
Disposals	(0.5)	(3.1)	(3.6)	–	–	–
At 31 December	**0.2**	**2.6**	**2.8**	**0.6**	**4.7**	**5.3**
Net book value						
At 31 December	**4.5**	**3.8**	**8.3**	**0.1**	**1.6**	**1.7**

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, quoted and unquoted seed capital investments and derivative financial instruments. Financial assets are classified as at FVTPL (as held for trading or designated as at FVTPL), loans and receivables or available-for-sale. The classification adopted by the Group depends on the purpose for which the financial assets were acquired and is determined at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at FVTPL include investments in closed-ended funds, open-ended investment companies and unit trusts which are designated as at FVTPL as they 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. Financial assets at FVTPL are carried at fair value, with gains and losses recognised in the income statement within other gains in the period in which they arise. Assets in this category are classified as current assets. Where the Group is deemed to have control, the investment is consolidated. Where the Group is deemed to have significant influence, the investment is classified as an investment in associate. Further information is included in the Basis of consolidation in Note 5.1.

Financial liabilities

The Group's financial liabilities include loans and borrowings, 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 in the period in which they arise. Financial liabilities at FVTPL relate to non-controlling interests in consolidated funds which are designated as at FVTPL. Further information is provided in Note 5.1.

As at 31 December, the Group held the following financial instruments measured at fair value:

	Notes	**2015 £m**	2014 £m
Investments in associates	5.4	5.3	13.8
Financial assets at FVTPL	5.4	58.2	37.1
Financial liabilities at FVTPL		(9.9)	(3.0)
		53.6	**47.9**

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3.5. Deferred tax

Analysis of the Group's deferred tax assets and liabilities is shown below:

	Intangible assets £m	Deferred income/ expense £m	Share-based payments £m	Other £m	Total £m	Less than one year £m	More than one year £m
Assets	–	1.4	9.5	1.5	12.4	6.8	5.6
Liabilities	(0.9)	–	–	(1.4)	(2.3)	(1.8)	(0.5)
At 31 December 2014	**(0.9)**	**1.4**	**9.5**	**0.1**	**10.1**	**5.0**	**5.1**
Assets	–	0.8	9.5	2.1	12.4	6.0	6.4
Liabilities	(0.5)	–	–	(0.5)	(1.0)	(0.8)	(0.2)
At 31 December 2015	**(0.5)**	**0.8**	**9.5**	**1.6**	**11.4**	**5.2**	**6.2**

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:

	Intangible assets £m	Deferred income/ expense £m	Share-based payments £m	Other £m	Total £m
At 1 January 2014	**(5.0)**	**1.8**	**15.3**	**0.7**	**12.8**
Credited/(charged) to the income statement	4.1	(0.4)	(1.7)	(0.6)	1.4
Charged to equity	–	–	(4.1)	–	(4.1)
At 31 December 2014	**(0.9)**	**1.4**	**9.5**	**0.1**	**10.1**
Credited/(charged) to the income statement	0.4	(0.6)	(0.2)	1.5	1.1
Credited to equity	–	–	0.2	–	0.2
At 31 December 2015	**(0.5)**	**0.8**	**9.5**	**1.6**	**11.4**

The other deferred tax balances at 31 December 2015 include short-term timing differences and temporary differences between depreciation and capital allowances.

Information on changes in the tax rate is included in Note 1.10.

3.6. Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When a trade receivable is uncollectible, 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.

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 related to the valuation of underlying AUM.

Current	**2015 £m**	2014 £m
Trade receivables	66.7	66.8
Prepayments and accrued income	23.4	23.2
Deferred acquisition and commission costs	3.1	4.7
	93.2	**94.7**
Non-current		
Deferred acquisition and commission costs	2.2	5.0
	2.2	**5.0**

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 5.3.

3.7. Cash and cash equivalents

	2015 £m	2014 £m
Cash at bank and in hand	103.2	130.8
Short-term deposits	150.0	117.0
Cash held by EBT and seed capital subsidiaries	6.2	3.2
	259.4	**251.0**

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 day and three months, depending on the forecast cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Cash held by seed capital subsidiaries of £1.4m (2014: £0.3m) was not available for use by the Group.

3.8. Loans and borrowings

Borrowings are recognised initially at fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

In 2014, the Group repaid the £11.0m outstanding on the revolving credit facility ("RCF"). The RCF remained undrawn at 31 December 2014 and 31 December 2015.

The movement on the carrying value of the loans is shown below:

	2015 £m	2014 £m
At 1 January	–	11.0
Voluntary prepayments made in the year	–	(11.0)
At 31 December	**–**	**–**

Interest on the RCF is payable at a rate per annum of LIBOR plus a margin of 1.00 per cent. A non-utilisation fee is payable on the RCF at a rate of 0.35 per cent. per annum on the undrawn balance. A utilisation fee is also payable at a rate of 0.5 per cent. per annum when more than 66 per cent. of the facility is drawn, and 0.25 per cent. per annum when 33 per cent. to 66 per cent. of the facility is drawn. No utilisation fee is payable when less than 33 per cent. of the facility is drawn.

3.9. Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently remeasured 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. Certain share awards made to employees include conditions which, prior to vesting, may require the Group to repurchase the shares at nominal value. Accordingly, these amounts are shown within trade and other payables.

Accruals are based on the latest information and, therefore, involve a degree of estimation. The most significant accruals at the year end relate to bonuses. The Group recognises a provision for bonuses based on a formula that takes into consideration the operating profitability of the Group. At the end of each financial year, the Group recognises a liability for bonuses accrued but not yet paid in respect of service attributable to that year. This provision is recognised within accrued expenses.

Deferred income relates to initial charges being spread over the expected life of the contract on a straight line basis.

Current	2015 £m	2014 £m
Trade payables	72.3	79.6
Accrued expenses	57.4	43.9
Deferred income	5.2	7.4
Social security and other taxes	13.7	12.1
Accruals relating to private client transaction	0.4	3.2
Other payables	–	0.6
	149.0	**146.8**

Non-current	2015 £m	2014 £m
Deferred income	5.7	9.0
Accrued expenses	3.2	3.3
	8.9	**12.3**

Accrued expenses of £3.2m (2014: £3.3m) included within non-current trade and other payables relate to deferred bonus awards whose settlement amount will be based on the value of units in the Group's funds. See Note 1.4.

Consolidated statement of changes in equity for the year ended 31 December 2015

	Share capital £m	Own share reserve £m	Other reserve £m	Foreign currency translation reserve £m	Retained earnings £m	Total equity £m
At 1 January 2014	**9.2**	**(0.4)**	**8.0**	**7.1**	**489.8**	**513.7**
Profit for the year	–	–	–	–	125.8	125.8
Exchange movements on translation of subsidiary undertakings	–	–	–	0.1	–	0.1
Other comprehensive income	**–**	**–**	**–**	**0.1**	**–**	**0.1**
Total comprehensive income	**–**	**–**	**–**	**0.1**	**125.8**	**125.9**
Vesting of ordinary shares and options	–	0.2	–	–	0.8	1.0
Dividends paid	–	–	–	–	(56.7)	(56.7)
Purchase of shares by EBT	–	–	–	–	(11.6)	(11.6)
Share-based payments	–	–	–	–	12.9	12.9
Current tax	–	–	–	–	5.1	5.1
Deferred tax	–	–	–	–	(4.1)	(4.1)
Total transactions with owners	**–**	**0.2**	**–**	**–**	**(53.6)**	**(53.4)**
At 31 December 2014	**9.2**	**(0.2)**	**8.0**	**7.2**	**562.0**	**586.2**
Profit for the year	–	–	–	–	132.1	132.1
Exchange movements on translation of subsidiary undertakings	–	–	–	0.1	–	0.1
Other comprehensive income	**–**	**–**	**–**	**0.1**	**–**	**0.1**
Total comprehensive income	**–**	**–**	**–**	**0.1**	**132.1**	**132.2**
Vesting of ordinary shares and options	–	0.1	–	–	0.6	0.7
Dividends paid	–	–	–	–	(112.1)	(112.1)
Purchase of shares by EBT	–	(0.1)	–	–	(20.8)	(20.9)
Share-based payments	–	–	–	–	13.7	13.7
Current tax	–	–	–	–	2.9	2.9
Deferred tax	–	–	–	–	0.2	0.2
Total transactions with owners	**–**	**–**	**–**	**–**	**(115.5)**	**(115.5)**
At 31 December 2015	**9.2**	**(0.2)**	**8.0**	**7.3**	**578.6**	**602.9**
Notes	4.1	4.2	4.2	4.2	4.2	

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.

Authorised, issued, allotted, called-up and fully paid	2015 £m	2014 £m
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 2015, 8.1m ordinary shares (2014: 10.4m), with a par value of £0.2m (2014: £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 (2014: £8.0m) relates to the conversion of Tier 2 preference shares in 2010.

(iii) Foreign currency translation reserve

The foreign currency translation reserve of £7.3m (2014: £7.2m) is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

(iv) Retained earnings

Retained earnings of £578.6m (2014: £562.0m) 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 and, in the case of final dividends, when these are approved by the Company's shareholders.

	2015 £m	2014 £m
Final dividend (9.5p per ordinary share) (2013: 9.1p per ordinary share)	42.5	40.2
Interim dividend (4.0p per ordinary share) (2014: 3.7p per ordinary share)	18.1	16.5
Special dividend (11.5p per ordinary share) (2013: none)	51.5	–
	112.1	**56.7**

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 2015 were £2.4m (2014: £1.8m).

A full year dividend for 2015 of 10.6p per share (2014: final dividend of 9.5p) and a special dividend of 10.9p per share (2014: 11.5p) have been declared by the Directors. These dividends amount to £48.5m and £49.9m respectively (before adjusting for any dividends waived on shares in the EBT) and will be accounted for in 2016. Including the interim dividend for 2015 of 4.0p per share (2014: 3.7p), this gives a total dividend per share of 25.5p (2014: 24.7p).

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 IC Interpretations ("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 balance sheet date.

Basis of accounting

The consolidated financial statements for the year ended 31 December 2015 includes 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. No new policies have been adopted for the year ended 31 December 2015. 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 titled "Critical accounting estimates, judgements and assumptions".

Basis of consolidation

(i) Subsidiaries

Subsidiaries are those entities over which the Group has control. The Group controls an investee 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 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. The Group assesses whether it is acting as an agent or principal for its holdings in its seed capital investments. Where the Group concludes it is acting as a principal the entity is consolidated. This assessment is based on the Group's total exposure. This incorporates direct holdings and income earned from management and performance fees. There is no fixed minimum percentage at which the Group consolidates, and each exposure is reviewed individually. The Group re-assesses whether or not it controls an investee if facts or circumstances indicate that there are changes to one or more of the three elements of control.

A list of subsidiaries can be seen in Note 6.3. Uniform accounting policies are applied across all Group companies and intra-group transactions, balances, income and expenses are eliminated on consolidation. Seed capital 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. 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 or redeemable 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 in the consolidated income statement and as liabilities at fair value through profit or loss in the consolidated balance sheet respectively.

5.1. Basis of preparation and other accounting policies continued

(ii) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control. Generally, it is presumed that the Group has significant influence where it has voting rights of 20 per cent. or more, but not control of the investee. Seed capital investments over which the Group has significant influence, but not control, are carried in the balance sheet at fair value as permitted by IAS 28, Investment in Associates, with changes in fair value recognised in the consolidated income statement. The fair value of investments in associates is determined by reference to the quoted price or net asset value of the underlying investments at the close of business on the balance sheet date. The Group has no other investments in associates and, therefore, no associates are currently accounted for using the equity method.

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.

(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 Interpretations Committee have issued a number of new accounting standards, amendments to existing standards and interpretations. The following new standards are not applicable to these financial statements, but are expected to have an impact when they become effective. The Group plans to apply these standards in the reporting period in which they become effective.

Not yet endorsed by the EU	Summary	Effective for periods beginning on or after
IFRS 9 Financial Instruments	Replacement project on financial instruments consists of three phases: • Phase 1: Classification and measurement of financial assets and financial liabilities; • Phase 2: Impairment methodology; and • Phase 3: Hedge accounting	1 January 2018
IFRS 15 Revenue from Contracts with Customers	Establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It will supersede the current revenue standard IAS 18 Revenue	1 January 2018
IFRS 16 Leases	Provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. It will supersede the current guidance found in IAS 17 Leases	1 January 2019

There are no other IFRSs or IFRS IC interpretations that are not yet effective that would be expected to have a material impact on the Group. The adoption of the accounting standards endorsed but not yet applied above are not expected to have a significant impact on the financial statements of the Group, except for IFRS 16.

The Group expects the adoption of IFRS 16 to significantly increase the Group's total assets and liabilities as a result of the requirement to capitalise both the right to use leased assets and the contractual payments to be made under lease obligations. As a result of the liability being calculated using discounting, the income statement charge for lease payments is expected to be larger in the earlier years of a lease, and smaller in the later years. In addition, the rental charge, previously recognised as a single administrative charge within the income statement, will be split into a depreciation charge relating to the capitalised asset (within administrative expenses) and a finance cost representing the unwinding of the discount.

Critical accounting estimates, judgements and assumptions

The preparation of the financial information requires management to make 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 will be modified as appropriate in the period in which the circumstances change. The areas where assumptions and estimates are significant to the Group financial statements are discussed in the following notes:

1.5 Share-based payments
3.1 Impairment of goodwill
3.6 Accrued income
3.9 Accrued expenses

5.2. Financial commitments

The future aggregate minimum lease payments under non-cancellable operating leases on office properties are shown below.

	2015 £m	2014 £m
Not later than one year	0.6	1.4
Later than one year and not later than five years	9.6	1.3
More than five years	66.5	–
	76.7	**2.7**

The commitments above take into account any early break clauses exercisable by the Group. There are no special terms for renewal or purchase options for the Group's leasehold property, nor are there any restrictions on dividends, additional debt or further leasing imposed from the leasing arrangements.

During the year, the Group signed a 20 year lease agreement for a new London head office. The lease included a rent free period. The lease on the Group's previous London premises expires in the first quarter of 2016.

5.3. Financial risk management

Financial instruments by category

The carrying value of the financial instruments of the Group at 31 December is shown below:

2015	Financial assets designated at FVTPL £m	Loans and receivables £m	Financial liabilities designated at FVTPL £m	Other financial liabilities £m	Total financial instruments £m	Non-financial instruments £m	Total £m
Goodwill	–	–	–	–	–	341.2	341.2
Intangible assets	–	–	–	–	–	6.4	6.4
Property, plant and equipment	–	–	–	–	–	8.3	8.3
Deferred tax assets	–	–	–	–	–	12.4	12.4
Non-current trade and other receivables*	–	–	–	–	–	2.2	2.2
Investments in associates	5.3	–	–	–	5.3	–	5.3
Financial assets at FVTPL	58.2	–	–	–	58.2	–	58.2
Current trade and other receivables*	–	84.7	–	–	84.7	8.5	93.2
Cash and cash equivalents	–	259.4	–	–	259.4	–	259.4
Non-current trade and other payables*	–	–	–	(3.2)	(3.2)	(5.7)	(8.9)
Deferred tax liabilities	–	–	–	–	–	(1.0)	(1.0)
Current trade and other payables*	–	–	–	(130.1)	(130.1)	(18.9)	(149.0)
Current income tax liability	–	–	–	–	–	(14.9)	(14.9)
Financial liabilities at FVTPL	–	–	(9.9)	–	(9.9)	–	(9.9)
Total	**63.5**	**344.1**	**(9.9)**	**(133.3)**	**264.4**	**338.5**	**602.9**

2014	Financial assets designated at FVTPL £m	Loans and receivables £m	Financial liabilities designated at FVTPL £m	Other financial liabilities £m	Total financial instruments £m	Non-financial instruments £m	Total £m
Goodwill	–	–	–	–	–	341.2	341.2
Intangible assets	–	–	–	–	–	8.1	8.1
Property, plant and equipment	–	–	–	–	–	1.7	1.7
Deferred tax assets	–	–	–	–	–	12.4	12.4
Non-current trade and other receivables*	–	–	–	–	–	5.0	5.0
Investments in associates	13.8	–	–	–	13.8	–	13.8
Financial assets at FVTPL	37.1	–	–	–	37.1	–	37.1
Current trade and other receivables*	–	84.1	–	–	84.1	10.6	94.7
Cash and cash equivalents	–	251.0	–	–	251.0	–	251.0
Non-current trade and other payables*	–	–	–	(3.3)	(3.3)	(9.0)	(12.3)
Deferred tax liabilities	–	–	–	–	–	(2.3)	(2.3)
Current trade and other payables*	–	–	–	(127.3)	(127.3)	(19.5)	(146.8)
Current income tax liability	–	–	–	–	–	(14.4)	(14.4)
Financial liabilities at FVTPL	–	–	(3.0)	–	(3.0)	–	(3.0)
Total	**50.9**	**335.1**	**(3.0)**	**(130.6)**	**252.4**	**333.8**	**586.2**

*Prepayments, deferred income, deferred acquisition and commission costs or social security and other taxes do not meet the definition of financial instruments

For financial instruments held at 31 December 2015 and 31 December 2014, there was no material difference between the carrying value and fair value.

Gains and losses recognised in the income statement during the year ended 31 December 2015 by category are shown below:

	2015					2014				
	Available-for-sale £m	Financial assets designated at FVTPL £m	Financial liabilities designated at FVTPL £m	Other income and expense £m	Total £m	Available-for-sale £m	Financial assets designated at FVTPL £m	Financial liabilities designated at FVTPL £m	Other income and expense £m	Total £m
Revenue	–	–	–	403.5	403.5	–	–	–	388.3	388.3
Fee and commission expenses	–	–	–	(74.0)	(74.0)	–	–	–	(85.3)	(85.3)
Administrative expenses	–	–	–	(163.8)	(163.8)	–	–	–	(149.2)	(149.2)
Other gains	–	1.8	–	(0.1)	1.7	(2.6)	1.5	–	27.2	26.1
Amortisation of intangible assets	–	–	–	(3.2)	(3.2)	–	–	–	(20.2)	(20.2)
Finance income	–	–	–	0.6	0.6	–	–	–	0.5	0.5
Finance costs	–	–	–	(0.2)	(0.2)	–	–	–	(0.2)	(0.2)
Income tax expense	–	–	–	(32.5)	(32.5)	–	–	–	(34.2)	(34.2)
	–	**1.8**	–	**130.3**	**132.1**	**(2.6)**	**1.5**	–	**126.9**	**125.8**

During 2014, £28.5m was recognised in the income statement in relation to the sale of the private client contracts (see Note 1.7 for further information).

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 2015, the Group held the following financial instruments measured at fair value:

2015	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Investments in associates	5.3	–	–	5.3
Financial assets at FVTPL	58.2	–	–	58.2
Financial liabilities at FVTPL	(9.9)	–	–	(9.9)
	53.6	**–**	**–**	**53.6**

As at 31 December 2014, the Group held the following financial instruments measured at fair value:

2014	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Investments in associates	13.8	–	–	13.8
Financial assets at FVTPL	37.1	–	–	37.1
Financial liabilities at FVTPL	(3.0)	–	–	(3.0)
	47.9	**–**	**–**	**47.9**

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 on the balance sheet date.

5.3. Financial risk management continued

Investments in associates and financial assets at FVTPL

These relate to seed capital investments and hedges of awards in fund units in mutual funds. Details are included in Note 5.4.

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 total return swap arrangements to hedge certain of its seed capital investments. Gains and losses are recognised in the consolidated income statement within other gains in accordance with the fair value movements in the swap over the period of the contract and settled monthly in accordance with the terms of the contract. At the balance sheet date, any cash settlement due from or to the counterparty is recorded within current assets or current liabilities, as appropriate.

At 31 December 2015, the notional value of the swaps was £30.7m (2014 £21.2m). The settlement amount at 31 December 2015 was £0.8m due from the counterparty and is included within trade and other receivables (2014: £0.2m due from the counterparty and included within trade and other receivables).

Level 3 financial instruments

There were no Level 3 financial instruments held during the year. The Level 3 financial instrument held at 31 December 2014 related to an investment in iO Adria Limited ("Adria"). At 31 December 2014, an impairment review was performed and the balance was fully written off. Fair value was based on internally calculated valuations of the entity, taking into account inputs such as expected future cash flows or the net assets of the investment. Liquidity discounts were included where considered relevant.

	2015		2014	
	Adria £m	Total £m	Adria £m	Total £m
At 1 January	–	–	2.6	2.6
Losses recognised in consolidated income statement	–	–	(2.6)	(2.6)
At 31 December	**–**	**–**	**–**	**–**

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 Head of Risk, who has responsibility for the monitoring and reporting of risk and controls, and through the Risk 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. The Group is not exposed to commodity price risk.

The Group holds listed equity investments in its seed capital portfolio which are exposed to the risk of changes in equity markets. At 31 December 2015, the fair value, and therefore maximum exposure to listed securities, was £47.3m (2014: £43.4m).

The Group's policy is to hedge the equity market and currency exposure of its seed capital investments depending on the fund mandate and whether available transactions are cost effective. As at 31 December 2015 and 31 December 2014, the Group had a total return swap arrangement over certain holdings in seed fund investments.

Price risk sensitivity analysis on financial assets

The Directors believe that 10 per cent. gives a reasonable measure of the Group's sensitivity to price risk. An increase or decrease of 10 per cent. in equity markets would have the following impact on the profit before taxation and equity of the Group:

	2015		2014	
Market value movement	+10%	-10%	+10%	-10%
Income statement	3.3	(3.3)	2.7	(2.7)
Equity	–	–	–	–

The sensitivity analysis takes account of the relevant derivative transactions the Group has entered into in order to provide a 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 minimum currency to cover operational needs and convert foreign currency on receipt. Direct exposures are limited to operational cash held in overseas subsidiaries and short-term outstanding currency fee debts at any time. The Group does not normally hedge this risk. Foreign currency risk is monitored closely and managed by the finance function (incorporating treasury operations).

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 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, of the Group's profit before tax (mainly through the impact on floating rate cash deposits). There is no material impact on the Group's equity.

Impact on the income statement of change in interest rates	2015 £m	2014 £m
+50 bps	1.3	1.3
–50 bps	(0.8)	(0.8)

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 arise principally within the Group's investment management business and amounts 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 capital 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 £326.1m (2014: £317.8m), represented by the carrying value of its trade receivables (£66.7m (2014: £66.8m)) and cash and cash equivalents (£259.4m (2014: £251.0m)).

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.

5.3. Financial risk management continued

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:

	2015 £m	2014 £m
Neither past due nor impaired	65.3	65.8
Days past due		
< 30	1.1	0.9
30-60	0.2	0.1
61-90	–	–
> 90	0.1	–
	66.7	**66.8**

None of the receivables past due were considered to be impaired.

The table below contains an analysis of financial assets as rated by Fitch Ratings for the Group:

	2015				2014			
	Financial assets at FVTPL	Trade receivables £m	Cash and cash equivalents £m	Total £m	Financial assets at FVTPL	Trade receivables £m	Cash and cash equivalents £m	Total £m
AAA	2.9	–	–	2.9	–	–	–	–
AA	0.3	–	163.8	164.1	–	–	131.3	131.3
A	1.0	0.8	–	1.8	–	–	119.7	119.7
BBB-B	6.9	–	95.6	102.5	–	–	–	–
Not rated	47.1	65.9	–	113.0	37.1	66.8	–	103.9
Total	**58.2**	**66.7**	**259.4**	**384.3**	**37.1**	**66.8**	**251.0**	**354.9**

Financial assets at fair value through profit or loss which are not rated comprise equity investments.

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:

- ensuring 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;
- allowing the Group to maintain a flexible dividend policy, taking reference to prior year and prospective profitability, cash flow and balance sheet; and
- providing 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.

During the year, the Group had a revolving credit facility ("RCF") of £50m which was unutilised at 31 December 2015 (2014: same). The facility expires in 2016.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2015 and 31 December 2014 based on contractual undiscounted payments:

Financial liabilities	2015				2014			
	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
Trade and other payables	130.1	3.2	–	133.3	127.3	3.3	–	130.6
Financial liabilities at FVTPL	9.9	–	–	9.9	3.0	–	–	3.0
Total	**140.0**	**3.2**	**–**	**143.2**	**130.3**	**3.3**	**–**	**133.6**

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.

	2015 £m	2014 £m
Cash and short-term deposits	259.4	251.0
Net cash	**259.4**	**251.0**
Equity	17.0	17.0
Retained earnings and foreign currency translation reserve	585.9	569.2
Total capital	**602.9**	**586.2**

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. All regulated entities within the Group complied with the externally imposed regulatory capital requirements. Headroom over regulatory capital is discussed by the Balance Sheet Management Committee. Further information on the Balance Sheet Management Committee can be found in the "Management Committees" overview within the Governance section.

In addition to the capital held to meet the 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.

5.4. 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 statement of financial position.

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 capital investments and hedges of awards in fund units in mutual funds, details of which are given below:

	Number of funds	Net AUM of funds £bn	Financial assets at FVTPL £m	Investment in associates £m	Investment management/ performance fees in the year £m	Management/ performance fees receivable £m
As at 31 December 2015	**32**	**26.5**	**58.2**	**5.3**	**290.3**	**11.7**
As at 31 December 2014	30	23.2	37.1	13.8	277.5	9.6

Subsidiaries and associates

Information about seed capital investments judged to be subsidiaries and associates at 31 December 2015 is given below:

Name	Category	Country of incorporation	Principal activities	Financial assets at FVTPL £m	Investment in associates £m	Percentage of total shares held	Share class held by the Group	Date of the end of the reporting period
Jupiter Global Fund SICAV: Asia Pacific	Subsidiary	Luxembourg	SICAV sub-fund	6.9	–	67%	L Inc NAV GBP	30 September
Jupiter Global Fund SICAV: Global Emerging Markets Unconstrained	Subsidiary	Luxembourg	SICAV sub-fund	15.4	–	79%	D USD Acc and L USD Acc	30 September
Jupiter Enhanced Distribution Fund	Subsidiary	England & Wales	Unit Trust	13.4	–	72%	I Class Acc	31 March
Jupiter US Small and Midcap Companies Fund	Associate	England & Wales	Unit Trust	–	5.3	23%	I Instl Acc	30 June

Related undertakings other than subsidiaries and associates

Entities in which the Group holds more than 20 per cent. of the shares in any single share class, but over which the Group neither has control nor significant influence, are summarised overleaf:

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 reporting period
Jupiter Global Fund SICAV: Dynamic Bond	L Acc SEK	Luxembourg	SICAV sub-fund	0.8	36%	0%	30 September
Jupiter Global Fund SICAV: Europa	L EUR A	Luxembourg	SICAV sub-fund	4.9	38%	12%	30 September
Jupiter Global Emerging Markets Fund	Acc	England & Wales	Unit trust	4.2	36%	19%	31 May
Jupiter European Feeder SICAV	L GBP Acc	Luxembourg	SICAV sub-fund	0.3	100%	5%	30 June
Jupiter Global Fund SICAV: European Opportunites	E USD	Luxembourg	SICAV sub-fund	0.0	98%	0%	30 September
Jupiter Global Fund SICAV: Global Financials	L USD Acc	Luxembourg	SICAV sub-fund	0.7	100%	1%	30 September
JMF – Jupiter Merlin International Equities Portfolio	D GBP	Luxembourg	SICAV sub-fund	0.0	100%	0%	31 August
Jupiter Global Fund SICAV: Strategic Total Return	L CHF Acc	Luxembourg	SICAV sub-fund	0.0	20%	0%	30 September

The registered offices of the Group's subsidiaries, associates, and unconsolidated structured entites are detailed in Note 6.3.

Summarised financial information for associate seed capital investments are given below:

	2015	2014	
	US small and midcap companies fund £m	Global emerging markets £m	US small and midcap companies fund £m
Current assets	23.6	26.2	22.5
Current liabilities	(0.1)	(1.2)	(0.1)
Total equity	**23.5**	**25.0**	**22.4**
Revenue	(0.1)	2.2	1.7
Profit for the year	(0.3)	1.7	1.5
Other comprehensive income	–	–	–
Total comprehensive income	**(0.3)**	**1.7**	**1.5**

5.5. Related parties

The Group manages a number of investment trusts, unit trusts and overseas funds 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 37 (2014: 37) authorised unit trusts. Each unit trust is jointly administered with the trustees, National Westminster Bank plc. The aggregate total value of transactions for the year was £2,481m (2014: £3,192m) for unit trust creations and £2,984m (2014: £3,320m) for unit trust redemptions. The actual aggregate amount due to the trustees at the end of the accounting year in respect of transactions awaiting settlement was £6.5m (2014: £2.8m). The amount received in respect of gross management and registration charges was £338.9m (2014: £343.0m). At the end of the year, there was £11.2m (2014: £7.9m) accrued for annual management fees and £2.1m (2014: £1.3m) in respect of registration fees.

Included within the financial instruments note are seed capital investments and hedges of awards in fund units in mutual funds managed by the Group. At 31 December 2015, the Group had a total net investment in such funds of £53.6m (2014: £47.9m) and received distributions of £0.2m (2014: £0.3m). During 2015, it invested £27.4m (2014: £7.5m) in these funds and received £21.0m (2014: £14.2m) from disposals.

Key management compensation

Transactions with key management personnel also constitute related party transactions. Key management personnel are defined as the executive Directors or members of the Executive Committee. The aggregate compensation paid or payable to key management for employee services is shown below:

	2015 £m	2014 £m
Short-term employee benefits	6.8	5.2
Share-based payments	3.2	3.0
Post-employment benefits	0.2	0.1
Other long-term benefits	0.1	0.1
	10.3	**8.4**

FINANCIAL STATEMENTS

Company

Section 6: Company financial statements
Company balance sheet at 31 December 2015

	Notes	**2015 £m**	2014 £m
Non-current assets			
Investment in subsidiary undertakings	6.2	164.2	150.5
		164.2	**150.5**
Current assets			
Trade and other receivables	6.4	13.6	109.3
Cash and cash equivalents	6.5	5.0	3.8
		18.6	**113.1**
Total assets		**182.8**	**263.6**
Equity capital and reserves			
Share capital	4.1	9.2	9.2
Own share reserve	4.2	(0.2)	(0.2)
Other reserve	4.2	8.0	8.0
Retained earnings		144.4	238.9
Total equity		**161.4**	**255.9**
Current liabilities			
Trade and other payables	6.7	21.4	7.7
Current income tax liability		–	–
		21.4	**7.7**
Total liabilities		**21.4**	**7.7**
Total equity and liabilities		**182.8**	**263.6**

The financial statements of Jupiter Fund Management plc (registered number 6150195) on pages 111 to 116 were approved by the Board of Directors and authorised for issue on 26 February 2016. They were signed on its behalf by

Philip Johnson
Chief Financial Officer

Company statement of cash flows for the year ended 31 December 2015

	Notes	**2015 £m**	2014 £m
Cash flows from operating activities			
Cash generated from operations	6.6	134.3	82.0
Income tax paid		–	(0.2)
Net cash inflows from operating activities		**134.3**	**81.8**
Cash flows from financing activities			
Purchase of shares by EBT		(20.9)	(12.3)
Repayment of bank loans		–	(11.0)
Finance costs paid		(0.1)	(0.2)
Dividends paid	4.3	(112.1)	(56.7)
Net cash outflows from financing activities		**(133.1)**	**(80.2)**
Net increase in cash and cash equivalents		**1.2**	**1.6**
Cash and cash equivalents at beginning of year		3.8	2.2
Cash and cash equivalents at end of year	6.5	**5.0**	**3.8**

Company statement of changes in equity for the year ended 31 December 2015

	Share capital £m	Own share reserve £m	Other reserve £m	Retained earnings £m	Total £m
At 1 January 2014	**9.2**	**(0.4)**	**8.0**	**294.8**	**311.6**
Loss for the year	–	–	–	(1.3)	(1.3)
Total comprehensive income	**–**	**–**	**–**	**(1.3)**	**(1.3)**
Vesting of ordinary shares and options	–	0.2	–	0.8	1.0
Dividends paid	–	–	–	(56.7)	(56.7)
Share-based payments	–	–	–	12.9	12.9
Purchase of shares by EBT	–	–	–	(11.6)	(11.6)
Current tax	–	–	–	–	–
Total transactions with owners	**–**	**0.2**	**–**	**(54.6)**	**(54.4)**
At 31 December 2014	**9.2**	**(0.2)**	**8.0**	**238.9**	**255.9**
Profit for the year	–	–	–	24.1	24.1
Total comprehensive income	**–**	**–**	**–**	**24.1**	**24.1**
Vesting of ordinary shares and options	–	0.1	–	0.6	0.7
Dividends paid	–	–	–	(112.1)	(112.1)
Share-based payments	–	–	–	13.7	13.7
Purchase of shares by EBT	–	(0.1)	–	(20.8)	(20.9)
Total transactions with owners	**–**	**–**	**–**	**(118.6)**	**(118.6)**
At 31 December 2015	**9.2**	**(0.2)**	**8.0**	**144.4**	**161.4**
Notes	4.1	4.2	4.2		

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 £24.1m (2014: £1.3m loss).

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

	2015 £m	2014 £m
At 1 January	150.5	137.6
Share-based payments	13.7	12.9
At 31 December	**164.2**	**150.5**

During 2015 and 2014, a number of subsidiary companies granted options to their employees over the shares of Jupiter Fund Management plc. This created an investment by the Company in those entities.

6.3. Related undertakings

The following information relates to the Company's operating subsidiaries. At 31 December 2015 and 2014, these were all indirectly held, with the exception of Jupiter Fund Management Group Ltd, whose shares were directly held by the Company. 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 in 2015 and 2014. All subsidiaries have been consolidated in the Group financial statements.

Name	Registered office	Principal activities
Jupiter Investment Management Group Limited	70 Victoria Street, London	Investment holding company
Jupiter Asset Management Limited	70 Victoria Street, London	Investment management
Jupiter Fund Management Group Limited	70 Victoria Street, London	Investment holding company
Jupiter Asset Management Group Limited	70 Victoria Street, London	Investment holding company
Knightsbridge Asset Management Limited	70 Victoria Street, London	Investment holding company
The Knightsbridge Trust Limited	70 Victoria Street, London	Dormant
Jupiter Asset Management (N America) Inc	1209 Orange Street, Wilmington, USA	Dormant
Jupiter Asset Management (Hong Kong) Limited	17th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong	Investment management
Jupiter Asset Management (Asia) Private Limited	30 Raffles Place, No. 11-00 Chevron House, Singapore	Investment management
Jupiter Asset Management (Switzerland) AG	Bahnhofstrasse 98-100, 8001 Zurich	Investment management
Jupiter Asset Management (Canada) Limited	45 O'Connor Street, Ottawa, Canada	Dormant
Tyndall Holdings Limited	70 Victoria Street, London	Investment holding company
Tyndall Investments Limited	70 Victoria Street, London	Investment holding company
Jupiter International Holdings Limited	41 Cedar Avenue, Hamilton, Bermuda	Investment holding company
Jupiter Asset Management (Bermuda) Limited	41 Cedar Avenue, Hamilton, Bermuda	Dormant
Jupiter Unit Trust Managers Limited	70 Victoria Street, London	Unit trust management

The following information relates to seed capital investments which are judged to be subsidiaries or associates of the Group at 31 December 2015.

Name	Registered office	Principal activities	Percentage of ordinary shares indirectly held by the Company
Jupiter Global Fund SICAV: Asia Pacific	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund	70%
Jupiter Global Fund SICAV: Global Emerging Markets Unconstrained	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund	79%
Jupiter Enhanced Distribution Fund	70 Victoria Street, London	Unit trust	72%
Jupiter US Small and Midcap Companies Fund	70 Victoria Street, London	Unit trust	22%

The following information relates to seed capital investments where the Group holds more than 20 per cent. of the shares in any single share class, but over which the Group neither has control nor significant influence.

Name	Registered office	Principal activity
Jupiter Global Fund SICAV: Dynamic 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 Emerging Markets Fund	70 Victoria Street, London	Unit trust
Jupiter European Feeder SICAV	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund
Jupiter Global Fund SICAV: European Opportunities	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund
Jupiter Global Fund SICAV: Global Financials	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund
JMF - Jupiter Merlin International Equities Portfolio	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund
Jupiter Global Fund SICAV: Strategic Total Return	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund

6.4. Trade and other receivables

	2015 £m	2014 £m
Amounts owed from subsidiaries	12.8	108.5
Trade receivables	0.7	0.7
Social security and other taxes	0.1	0.1
	13.6	**109.3**

6.5. Cash and cash equivalents

	2015 £m	2014 £m
Cash at bank and in hand	0.2	0.8
Cash held by EBT	4.8	3.0
	5.0	**3.8**

6.6. Cash flows from operating activities

	2015 £m	2014 £m
Operating profit/(loss)	24.3	(1.1)
Adjustments for:		
Decrease in trade and other receivables	95.7	74.7
Increase in trade and other payables	13.7	7.6
Cash inflows on exercise of share options	0.6	0.8
Cash generated from operations	**134.3**	**82.0**

6.7. Trade and other payables

	2015 £m	2014 £m
Accruals	0.2	0.2
Amounts due to subsidiary undertakings	21.2	7.5
	21.4	**7.7**

The amounts due to subsidiary undertakings are unsecured, interest free and are payable on demand.

6.8. Financial instruments

Financial instruments by category

The carrying value of the financial instruments of the Company at 31 December is shown below:

2015	Loans and receivables £m	Other financial liabilities £m	Total financial instruments £m	Non-financial instruments £m	Total £m
Investment in subsidiary undertaking	–	–	–	164.2	164.2
Current trade and other receivables	13.5	–	13.5	0.1	13.6
Cash and cash equivalents	5.0	–	5.0	–	5.0
Current trade and other payables	(21.2)	(0.2)	(21.4)	–	(21.4)
Total	**(2.7)**	**(0.2)**	**(2.9)**	**164.3**	**161.4**

2014	Loans and receivables £m	Other financial liabilities £m	Total financial instruments £m	Non-financial instruments £m	Total £m
Investment in subsidiary undertaking	–	–	–	150.5	150.5
Current trade and other receivables	109.2	–	109.2	0.1	109.3
Cash and cash equivalents	3.8	–	3.8	–	3.8
Current trade and other payables	(7.5)	(0.2)	(7.7)	–	(7.7)
Total	**105.5**	**(0.2)**	**105.3**	**150.6**	**255.9**

At 31 December 2015 and 2014 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 respectively. In 2015, Jupiter Fund Management Group Limited repaid the Company £108.5m (2014: £54.5m) of the intercompany loan.

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:

	2015 £m	2014 £m
Short-term employee benefits	1.7	1.2
Share-based payments	0.6	0.4
Post-employment benefits	0.1	-
	2.4	**1.6**

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.

Independent auditors' report to the members of Jupiter Fund Management plc

Report on the financial statements

Our 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 2015 and of the Group's profit and the Group's and the Company's cash flows for the year then ended;
- The Group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union;
- The Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- The financial statements 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.

What we have audited

The financial statements, included within the Annual Report and Accounts 2015 (the "Annual Report"), comprise:

- The Consolidated and Company balance sheets as at 31 December 2015;
- The Consolidated income statement and Consolidated statement of comprehensive income for the year then ended;
- The Consolidated and Company statements of cash flows for the year then ended;
- The Consolidated and Company statements of changes in equity for the year then ended; and
- The notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Our audit approach

The scope of our audit and our areas of focus

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)").

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" in the table below. This year's areas of focus exclude the one off gain on sale of the private client contracts which took place in 2014. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Our audit approach - overview

Materiality

- Overall Group materiality: £8.2m which represents 5 per cent. of profit before tax.

Audit scope

- We conducted an audit of the complete financial information of Jupiter Asset Management Limited and Jupiter Unit Trust Managers Limited because they each represent more than 15 per cent. of the profit before tax of the Group.
- We also audited the complete financial information of Jupiter Investment Management Group Limited as a number of balances, including investments, are material to the Group financial statements.
- We also performed audit procedures on the Group consolidation, including consolidated Jupiter funds, and the financial statement disclosures.
- Taken together, our audit work accounted for more than 95 per cent. of Group revenues and Group profit before tax.

Areas of focus

- Revenue recognition
- Share based payments expense
- Impairment of goodwill
- Current and deferred tax

Area of focus	How our audit addressed the area of focus
Revenue recognition *Refer to Note 1.1. Net revenue and Note 5.1. Basis of preparation and other accounting policies.* Revenue is the most significant balance in the Consolidated income statement. Revenue is made of a number of streams including: – Gross management fees, £370.1m; – Performance fees, £14.6m; – Initial charges and box profits, £18.8m; and result from the business activities of the Group. We focused on a number of aspects of revenue as follows: Gross management fees – 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 AUM of the funds managed by the Group. Assessing the AUM of these funds involves judgement as it is correlated to the market value of a range of financial instruments held by these funds. Various valuation methodologies are used to value those instruments, some straightforward and some more complex and judgemental, which leaves room for manipulation of the fund AUM and as such the gross management fee; – The revenue from segregated mandates/investment trusts is manually calculated as a percentage, per Investment Management Agreements ('IMAs'), of the segregated mandates/investment trust holdings. The value of the holdings is provided by either the administrator or the segregated mandates/investment trusts, which are clients of the Group. Given the manual process in valuing these holdings the risk of misstatement through the manipulation of the valuations is increased; and – Rebates are calculated by a combination of in-house systems and external parties mandated by the Group to sell units/shares of funds it manages, with the outputs of both processes being monitored and stored on spreadsheets which increases the risk of error. Performance fees – Performance fees are often one-off or infrequent and involve complex calculations and this increases the risk of error. Initial charges and box profits – Initial charges vary per different client and contractual terms and the calculation of these fees are thus more susceptible to the risk of error; and – Box profits vary from one transaction to another and are quite complex due to the various different terms and pricing in place and as such there is an increased risk of error.	We understood and evaluated the design and implementation of key controls, including relevant Information Technology systems and controls, in place around revenue. This included both in-house and outsourced activities at HSBC Security Services UK Limited (HSBC), J.P Morgan Bank Luxembourg S.A (JP Morgan), J.P Morgan Chase Bank N.A (JP Morgan) and International Financial Data Services Limited (IFDS). To obtain audit evidence over the key controls, both in house and at the outsourced providers, supporting the calculation and recognition of revenue, we either: – Performed testing of key controls to obtain evidence of operational effectiveness throughout the year; or – Assessed the control environment in place to the extent that it was relevant to our audit. This assessment of the operating and accounting structure in place involved obtaining and reading the reports issued by the independent auditor of the third party providers in accordance with generally accepted assurance standards for such work. We then identified those key controls on which we could place reliance to provide audit evidence. Where the controls reports we relied on were not prepared as at 31 December 2015, we obtained a bridging letter and assessed the period not covered. We found that the key controls on which we placed reliance for the purposes of our audit were designed, implemented and operating effectively. The specific audit evidence over each revenue stream is summarised below: Gross management fees – For the Unit Trusts we obtained evidence over the valuation of AUM by identifying those key controls in the HSBC control reports and in-house controls and performed detailed testing which included repricing and existence testing over investments to corroborate the AUM valuation; – For the SICAVs we obtained evidence over the valuation of AUM by identifying and relying on those key controls in the JP Morgan control report as mentioned above; – We obtained AUM and management fee evidence direct from JP Morgan and HSBC. We then reconciled management fees either calculated by the administrators or recalculated by us to amounts included in the Group financial statements; and – We reconciled a sample of management fee rates to the prospectuses published on Jupiter's website or other supporting documentation.

Area of focus	How our audit addressed the area of focus
	Segregated mandates/investment trusts – HSBC are appointed the administrator for segregated mandates unless the client specifies otherwise. For those in our testing sample administered by HSBC we obtained evidence over the AUM as explained above. For clients in our sample where Jupiter are not responsible for administration, the AUM information came from third parties; – For the investment trusts we obtained evidence over the AUM through confirming the operating effectiveness of key controls through evaluating the JP Morgan control report; – We reperformed the management fee calculation over a sample of invoices agreeing a sample of the key inputs back to source documentation including the IMA and compared to amounts booked; and – Manually recalculated a sample of management fees. **Rebates** – We used data auditing techniques on the underlying data to recalculate the SICAV rebates computed by the fund administrators. We relied on controls at JP Morgan for the value of the holdings and pricing, agreed a sample of rates to discount forms signed by the clients of the Group and reconciled the amounts back to the general ledger; – We used data auditing techniques to recalculate the Unit Trust rebates computed by IFDS or Jupiter's rebate calculator system. We relied on controls for the value of the holdings and pricing and agreed a sample of rates to discount forms signed by the clients of the Group; and – We agreed the classification of amounts between rebates and renewal commissions by confirming for a sample whether the discounts had been paid to end investors or to intermediaries. To do this we looked at the discount forms signed by the investors and at the agent websites. **Performance fees** – For a sample of performance fees we assessed whether the fee had crystallised and hence had been recognised in the appropriate year; – We reperformed the computation of performance fees for that sample to check that it had been calculated in accordance with the signed IMAs; and – To test for completeness we assessed whether a sample of eligible but unearned performance fees should have been earned in the year. **Initial charges and box profits** – We used data auditing techniques to recompute initial charges calculated by Jupiter's calculation system and box profits calculated by IFDS's calculation tool and reconciled the results back to the general ledger; – Based on work over controls explained above we relied on key controls at IFDS; and – Agreed the rate and terms to the discount forms for a sample of clients paying initial charges. Based on our work: – Revenue has been appropriately measured and recognised in accordance with the various contractual agreements in place with customers and service providers; and – The judgements made by management were supportable and reasonable in the context of materiality.

Area of focus	How our audit addressed the area of focus
Share based payments expense *Refer to the Audit and Risk Committee report, Note 1.5. Share based payments and Note 5.1. Basis of preparation and other accounting policies.* The share based payment expense is judgemental in nature, including management determination of the fair value of the awards using a pricing model, which involves estimating performance, service conditions and leaver rate. Also involved is the interpretation of complex terms in the scheme agreements, the number of schemes in operation, the required record keeping and the manual nature of the calculations. During the year Jupiter Fund Management plc issued a special dividend which led to a non-beneficial modification of the current share schemes in existence. If the modification was classed as beneficial, this would have changed the accounting treatment and we therefore focused on this classification.	We understood and evaluated the design and implementation of the control environment in place over the share based payment expense and performed the following to address the risks identified for each type of share based payment transaction: – Obtained and read the Deeds of Grant for new and amended awards in the year; – Tested each of the new awards in the year by checking that they were appropriately authorised, consistent with scheme plans, classified correctly as equity or cash settled and used an appropriate share price; – Obtained and read valuation reports for new schemes and grants made in the year and tested those valuations by agreeing key inputs used to source documentation and independently recalculated the value of the award using an industry accepted pricing model; – For cash settled parts of the awards, for example, national insurance, we calculated current charge for the year based on year end share price information; – Assessed the reasonableness of the estimates in relation to performance conditions and/or service conditions for existing awards. The key assumptions in calculating the share based payment expense are the leaver rate and performance conditions. We assessed the reasonableness of management's judgements by examining historical data and performing sensitivity analyses; – Tested a sample of options exercised during the year to check they were exercised in accordance with the terms of the grant, recorded at the correct value and appropriately authorised; – Obtained details of all outstanding awards and checked that the charge was spread in accordance with the appropriate period of the award; – For the modification in relation to the special dividend we assessed whether the modification had been applied to the schemes correctly and accounted for in line with IFRS2; and – Assessed whether all disclosures required by IFRS 2 'Share based payment' had been made and appropriately reflected the scheme agreements and the calculations and estimates made. Based on our work, the treatment and disclosures relating to the schemes, and changes made to schemes in the year, were determined to be consistent with the requirements of IFRS 2. Furthermore, we found that the pricing model used to value the awards was in line with accepted market practice and that the assumptions made by management were appropriate.

Area of focus	How our audit addressed the area of focus
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 are 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 have used the fair value less costs to sell approach under IAS 36. They have calculated this via a discounted cash flow, dividend growth model and market capitalisation. As they have not identified any impairment they have not considered value in use. The impairment review involves a number of significant judgements to be made by management such as forecasts and discount rates.	We obtained, understood and challenged management's impairment review and checked that it was in compliance with the requirements of IAS 36 by performing the following: – We evaluated the discounted cash flow, dividend growth and market capitalisation calculations, checking the relevant inputs to supporting documentation, this included challenging management on key assumptions within the calculations. In particular we compared the cash flow forecasts to the 3 year Board approved budget; – We evaluated the sensitivity analysis performed and discussed with management the likelihood and impacts of such changes; – We determined that there was reasonable headroom in management's fair value less costs to sell calculations under all three calculations; and – We also read and assessed the disclosures made in the financial statements and determined that they were sufficient. Based on our work, we found that management's goodwill impairment review was consistent with the requirements of IAS 36 and that all appropriate matters had been considered by management as part of that review.
Current and deferred tax *Refer to Note 1.10. Income tax expense, Note 3.5. Deferred tax and Note 5.1. Basis of preparation and other accounting policies.* The manual processes and judgements involved increase the risk of misstatement and as such, we have considered current and deferred taxation to be an area of focus. 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 establish provisions where appropriate on the basis of amounts expected to be paid to tax authorities. Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. This risk related to the recoverability of the deferred tax assets recognised. 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, deferred bonuses, the spreading of initial charges and commissions.	In assessing the current and deferred tax, we: – Assessed whether management had reflected appropriately the changes in UK corporation tax in their current and deferred income tax calculations; – Obtained and read tax working papers for the Group's material legal entities and obtained evidence in relation to positions taken; – Obtained the deferred tax calculations and assessed the recoverability of the deferred tax assets. We evaluated whether the temporary difference will reverse in the future and whether there is sufficient taxable profit available against which the temporary difference can be utilised; and – Tested whether the tax disclosures and presentation in the Annual Report complied with IAS 1 'Presentation of financial statements' and IAS 12 'Income taxes'. We also evaluated whether the Group had met its compliance obligations for the material territories in which the Group operates, and as such we: – Evaluated the tax reporting and compliance position of the Group including consideration of ongoing or new tax audits being undertaken by fiscal authorities in the UK; and – Assessed the conclusions reached by management in relation to the current transfer pricing arrangements, worldwide debt cap, changes to the Group structure and controlled foreign companies' position. Based on our work performed above, management's assumptions and judgements in respect of the Group's current and deferred tax positions are in line with available evidence. The tax disclosures presented within the financial statements are in line with IAS 1 and IAS 12.

Independent auditors' report to the members of Jupiter Fund Management plc
continued

How we tailored the audit scope
We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account the geographic structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group is structured along a single business line being investment management. The Group is composed of the Company, incorporated in the United Kingdom, and subsidiary entities in the United Kingdom and abroad, and certain consolidated Jupiter funds. The Group is operated centrally from the UK.

We performed an audit of the complete financial information of Jupiter Asset Management Limited and Jupiter Unit Trust Managers Limited because they are financially significant to the overall group financial statements, each representing more than 15 per cent. of the profit before tax of the Group. We also performed an audit of the complete financial information of Jupiter Investment Management Group Limited because there are a number of balances within this company, including investments, which are material to the Group financial statements. We also performed audit procedures on the Group consolidation, including consolidated Jupiter funds, and the financial statement disclosures.

Taken together, our audit work accounted for more than 95 per cent. of Group revenues and Group profit before tax.

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 on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall Group materiality	£8.2m (2014: £6.6m).
How we determined it	5 per cent. of profit before tax. This is a change from 2014 where we used adjusted profit before tax to take into account the sale of the private client contracts. In 2013 we used 5 per cent. of profit before tax.
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.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £0.4m (2014: £0.3m) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern
Under the Listing Rules we are required to review the Directors' statement, set out in the Directors' report, in relation to going concern. We have nothing to report having performed our review.

Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to the Directors' statement about whether they considered it appropriate to adopt the going concern basis in preparing the financial statements. We have nothing material to add or to draw attention to.

As noted in the Directors' statement, the Directors have concluded that it is appropriate to adopt the going concern basis in preparing the financial statements. The going concern basis presumes that the Group and Company have adequate resources to remain in operation, and that the Directors intend them to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the Directors' use of the going concern basis is appropriate. However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Group's and Company's ability to continue as a going concern.

Other required reporting
Consistency of other information

Companies Act 2006 opinions
In our opinion:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement with respect to internal control and risk management systems and about share capital structures is consistent with the financial statements.

ISAs (UK & Ireland) reporting

Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:

• information in the Annual Report is: – materially inconsistent with the information in the audited financial statements; or – apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group and Company acquired in the course of performing our audit; or – otherwise misleading.	We have no exceptions to report.
• the statement given by the Directors in the Directors' Responsibilities and Compliance Statements, in accordance with provision C.1.1 of the UK Corporate Governance Code (the "Code"), that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for 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 acquired in the course of performing our audit.	We have no exceptions to report.
• the section of the Annual Report in the Audit and Risk Committee report, as required by provision C.3.8 of the Code, describing the work of the Audit and Risk Committee does not appropriately address matters communicated by us to the Audit and Risk Committee.	We have no exceptions to report.

The Directors' assessment of the prospects of the Group and of the principal risks that would threaten the solvency or liquidity of the Group

Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to:

• the Directors' confirmation in the Directors' Responsibilities and Compliance Statements section of the Annual Report, in accordance with provision C.2.1 of the Code, 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.	We have nothing material to add or to draw attention to.
• the disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.	We have nothing material to add or to draw attention to.
• the Directors' explanation in the Directors' report section of the Annual Report, in accordance with provision C.2.2 of the Code, 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 material to add or to draw attention to.

Under the Listing Rules we are required to review the Directors' statement that they have carried out a robust assessment of the principal risks facing the Group and the Directors' 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 Code; and considering whether the statements are consistent with the knowledge acquired by us in the course of performing our audit. We have nothing to report having performed our review.

Adequacy of accounting records and information and explanations received
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
- 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.

Directors' remuneration
Directors' remuneration report – Companies Act 2006 opinion
In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Other Companies Act 2006 reporting
Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Corporate governance statement
Under the Companies Act 2006 we are required to report to you if, in our opinion, a Corporate Governance Statement has not been prepared by the Company. We have no exceptions to report arising from this responsibility.

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to ten further provisions of the Code. We have nothing to report having performed our review.

Responsibilities for the financial statements and the audit
Our responsibilities and those of the Directors
As explained more fully in the Directors' Responsibilities and Compliance Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- Whether the accounting policies are appropriate to the Group's and the Company's circumstances and have been consistently applied and adequately disclosed;
- The reasonableness of significant accounting estimates made by the Directors; and
- The overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Jeremy Jensen (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

26 February 2016

(a) The maintenance and integrity of Jupiter Fund Management plc's website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

OTHER INFORMATION

Historical summary (unaudited)

For the year ended 31 December 2015

	2015 £m	2014 £m	2013 £m	2012 £m	2011 £m
Net revenue	329.5	303.0	288.5	244.5	248.5
Administrative expenses	(163.8)	(149.2)	(142.1)	(128.4)	(123.8)
Operating earnings	165.7	153.8	146.4	116.1	124.7
Other gains/(losses)	1.7	26.1	9.5	(0.9)	(1.2)
Amortisation of intangible assets	(3.2)	(20.2)	(39.7)	(39.7)	(39.9)
Operating profit before exceptional costs	**164.2**	**159.7**	**116.2**	**75.5**	**83.6**
Exceptional items	–	–	–	5.0	–
Operating profit	**164.2**	**159.7**	**116.2**	**80.5**	**83.6**
Finance income	0.6	0.5	1.0	0.5	1.0
Finance costs	(0.2)	(0.2)	(3.1)	(7.4)	(14.3)
Profit before taxation	**164.6**	**160.0**	**114.1**	**73.6**	**70.3**
Income tax (expense)/credit	(32.5)	(34.2)	(25.5)	(17.4)	(18.9)
Profit for the year	**132.1**	**125.8**	**88.6**	**56.2**	**51.4**
Earnings per share					
Basic (p/share)	29.4	28.4	21.1	14.9	15.6
Diluted (p/share)	28.5	27.2	20.0	14.2	15.0
Dividends per share					
Interim (p/share)	4.0	3.7	3.5	2.5	2.5
Final (p/share)	10.6	9.5	9.1	6.3	5.3
Special (p/share)	10.9	11.5	–	–	–
Total dividends paid out of current year profit	**25.5**	**24.7**	**12.6**	**8.8**	**7.8**
Assets under management at year end (£bn)	35.7	31.9	31.7	26.3	22.8
Average headcount (number)	436	459	455	432	409
Operating earnings to EBITDA reconciliation					
Operating earnings	165.7	153.8	146.4	116.1	124.7
Add: charge for options over pre-Listing shares	0.5	0.7	4.2	7.3	9.6
Add: depreciation	1.1	1.1	0.9	0.8	0.6
Add: office closure costs	0.8	-	-	-	-
EBITDA	**168.1**	**155.6**	**151.5**	**124.2**	**134.9**
Net cash/(debt) (£m)	259.4	251.0	160.8	69.0	7.4
Net cash inflows from operating activities (£m)	156.3	122.8	123.4	110.6	107.1
Underlying earnings per share (p)	29.2	26.4	25.2	19.0	19.1

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:

Capita 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: +44 020 8639 3399. 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@capita.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.capitadeal.com
For telephone purchases:
Tel: 0371 664 0445 (UK only) 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 and special dividends	10 March 2016
Record date for full year and special dividends	11 March 2016
Full year dividend payment date	8 April 2016
Trading update	13 April 2016
Annual General Meeting	18 May 2016
Interim results announcement	27 July 2016
Interim dividend payment date	26 August 2016
Trading update	13 October 2016

Company details and principal office

Jupiter Fund Management plc
The Zig Zag Building
70 Victoria Street
London SW1E 6SQ
Registered number: 6150195
Company Secretary
Adrian Creedy
Tel: 020 3817 1287

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

Glossary of terms

A

Act
Companies Act 2006
(as amended, supplemented or replaced from time to time)

AGM
Annual General Meeting

AIFMD
The Alternative Investment Fund Managers Directive

AUM
Assets under management

B

Bps
One one-hundredth of a percentage point (0.01 per cent.)

Board
The Board of Directors of the Company

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

C

CDP
Carbon disclosure project

CGU
Cash generating unit

CASS
The FCA's Client Asset Sourcebook rules

Code
UK Corporate Governance Code adopted by the Financial Reporting Council in 2014

Company
Jupiter Fund Management plc

CRD IV
The Capital Requirements Directive

CREST
The system for paperless settlement of trades in listed securities, of which Euroclear UK & Ireland Limited is the operator

D

DBP
Deferred Bonus Plan

E

EBITDA
Earnings before interest, tax, depreciation and amortisation is a non-GAAP measure which the Group uses to assess its performance. It is defined as operating earnings excluding the effect of depreciation and the charge for options over pre-Listing shares.

EBITDA margin
Represents EBITDA divided by net revenue

EBT
The Jupiter employee benefit trust established pursuant to a trust deed dated 22 April 2004

EPS
Earnings per share

EU
The European Union

F

FCA
Financial Conduct Authority of the United Kingdom

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

FCA Rules
The FCA Handbook of Rules and Guidance made by the FCA under FSMA for firms regulated by the FCA

FRC
Financial Reporting Council

FSCS
Financial Services Compensation Scheme

FSMA
Financial Services and Markets Act 2000, (as amended, supplemented or replaced from time to time)

FVTPL
Fair value through profit or loss

G

GAAP
Generally Accepted Accounting Principles

GHG
Greenhouse gas

GRI
Global Reporting Initiative

Group
The Company and all of its subsidiaries

I

IAS
International Accounting Standard(s)

IASB
International Accounting Standards Board

ICAAP
Internal Capital Adequacy Assessment Process

IFA
Independent financial adviser

IFDS
International Financial Data Services

IFRS
International Financial Reporting Standard(s)

IFRS IC
IFRS Interpretations Committee

IMA
Investment Management Association

ISA
Individual savings account

J

Jupiter
The Company and all of its subsidiaries

K

KPI
Key performance indicator

L

LIBOR
London Interbank Offered Rate

Listing
The Company's Listing on the London Stock Exchange on 21 June 2010

Listing Rules
Regulations subject to the oversight of the FCA applicable to the Company following Listing

LTIP
Long-term Incentive Plan for retention

M

MBO
The purchase by management and other parties in 2007 of the Group (as at that date)

MLRO
Money laundering reporting officer

Mutual funds
Collective investments where a group of investors pool their money (buying units or a portion of the mutual fund)

N

Net cash/(net debt)
Net cash/(net debt) is defined as the gross cash less bank debt outstanding and overdrafts

O

Overseas Regulated Entities
Jupiter Asset Management (Asia) Private Limited
Jupiter Asset Management (Hong Kong) Limited
Jupiter Asset Managers (Jersey) Limited
Jupiter Asset Management (Switzerland) AG

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

RDR
The FCA's Retail Distribution Review launched in June 2006

Registrar
Capita Asset Services

S

SAYE
Save As You Earn

SEDOL
Stock Exchange Daily Official List

Segregated mandates
An investment strategy run exclusively for institutional clients

SICAV
Société d'Investissement à Capital Variable; an open-ended collective investment scheme that derives its value by the number of participating investors

SIP
Share Incentive Plan

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

W

WAEP
Weighted average exercise price

MIX
Paper from responsible sources
FSC® C005739

This report has been printed on paper made from 50% post-consumer waste and 50% virgin wood fibre sourced from fully sustainable forests and has been made without the use of elemental chlorine (ECF). Both manufacturing mills and the printer are FSC® certified and have been accredited with ISO14001 environmental management system.

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www.jupiteram.com

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JUPITER FUND MANAGEMENT PLC

JUPITER