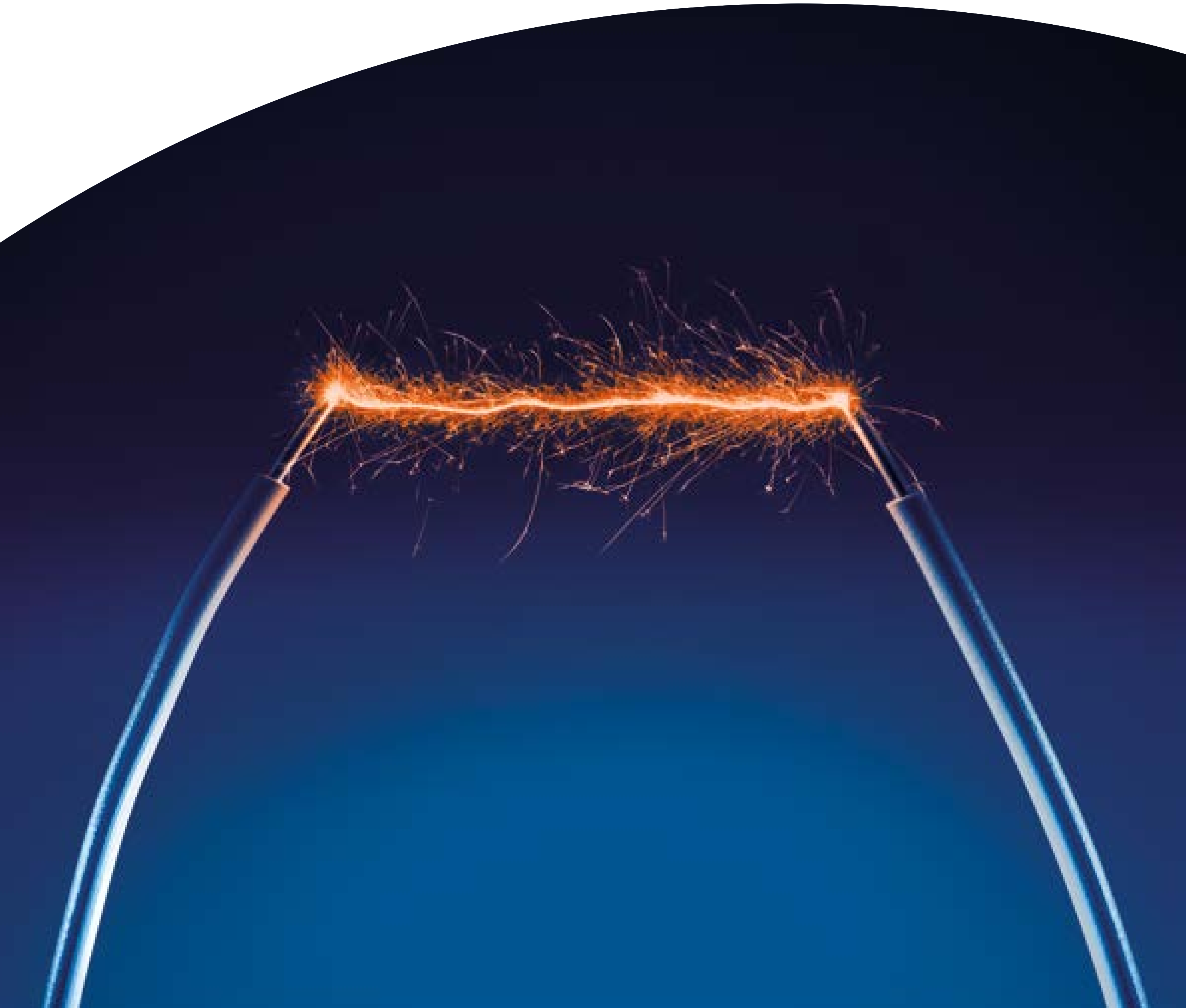
THE VALUE OF ACTIVE MINDS

JUPITER FUND MANAGEMENT PLC

ANNUAL REPORT AND ACCOUNTS 2020



THE VALUE OF ACTIVE MINDS

Jupiter is a specialist, high conviction, active asset manager.

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

WHAT'S IN THIS REPORT

2020 OVERVIEW

NON-FINANCIAL KPIs

We continued to deliver strong investment performance, with 70% of our mutual fund AUM outperforming the median over the three years to 31 December 2020. Net outflows from our funds for the year totalled £4.0bn.

70%

INVESTMENT PERFORMANCE AFTER ALL FEES
2019: 72%
(Change: -2%)

£(4.0)bn

NET FLOWS
2019: £(4.5)bn
(Change: +£0.5bn)

FINANCIAL KPIs

Net management fees increased by 4% to £384.0m, driven by higher average AUM following the acquisition of Merian. As a result, underlying profit before tax was 10% higher. Underlying earnings per share (EPS) were flat at 28.7p, due to the dilutive effect of the shares issued to fund the Merian acquisition.

£384.0m

NET MANAGEMENT FEES[1]
2019: £370.0m
(Change: +4%)

28.7p

UNDERLYING EARNINGS PER SHARE[1]
2019: 28.8p
(Change: +0%)

DIVIDENDS

Ordinary dividends for the year were 17.1p per share, unchanged on 2019. In addition, there was a special dividend of 3.0p per share (2019: nil).

20.1p

DIVIDENDS
2019: 17.1p
(Change: +18%)

1 Details of the Group's use of alternative performance measures are on page 27.

2020 was a challenging year for everyone, but it was also a significant one for Jupiter as we made progress towards a number of our strategic goals, despite the backdrop of the Covid-19 pandemic and its disruptive impact on stock markets and global business operations.

We successfully completed the acquisition of Merian Global Investors Limited (Merian), expanding our investment expertise and reinforcing our position as a market leader in the UK retail channel.

We continued to generate superior, sustainable investment performance for our clients, with 70% of our mutual fund assets outperforming over a three-year period.

We broadened our product range not only through the Merian acquisition but also through a number of selective fund launches and through our new partnership in the US with NZS Capital. Geographically, we expanded our distribution reach into both the largest and the fastest growing asset management markets globally, with an office in North America and a partnership in China.

Gross inflows in 2020 remained robust at £16.5bn (2019: £13.4bn). Despite three positive quarters of net flows from Jupiter strategies, we saw total net outflows in the year of £4.0bn (2019: £4.5bn) as market volatility weighed upon investor sentiment. Our assets under management increased by 37%, driven primarily by the Merian acquisition, and ended the year at a new high of £58.7bn.

Statutory profit before tax of £132.6m decreased 12% due to costs relating to the acquisition, but underlying profit before tax of £179.0m was up 10%. Underlying EPS of 28.7p was 0.1p lower than in 2019. Reflecting the dilution from the share issue that funded our purchase of Merian, basic EPS was down 23%. Our strong capital position, robust balance sheet and careful management of our financial resources enabled us to both maintain the ordinary dividend at 17.1p and pay a special dividend of 3.0p.

OUR PURPOSE AND PRINCIPLES

Jupiter has a clear purpose and set of principles, underpinned by our belief in the value of active minds and the importance of keeping our clients at the heart of everything we do.

THE VALUE OF ACTIVE MINDS

We believe that generating sustainable long-term outperformance for our clients, in a complex and challenging world, requires diversity of thought and mindset in all its aspects. The ability to be agile, entrepreneurial and adaptable to help solve problems is a human quality. This is why our approach fosters real diversity of thinking, accountability, collaboration and a willingness to be challenged. We seek to be flexible and change as circumstances and our environment evolve around us.

We believe that a combination of experience and creativity, as well as a commitment to keep listening and learning across all of our business, enables us to make a positive difference in the world and deliver for our clients.

We call this advantage "the value of active minds".

OUR PURPOSE

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

CLIENTS

At Jupiter, our clients are our focus and our priority. We are dedicated to serving our clients and put their interests at the heart of our business.

We have deep relationships that enable us to understand what our clients want from us and we engage continuously with them to ensure we are delivering on their expectations.

Our commitment to active asset management is a driving force. Our fund managers have the freedom to pursue their own investment style within a collegiate environment with a shared commitment to sustainability.

Our distinct, entrepreneurial culture encourages independence of thought and individual accountability so that they can follow their convictions and seek those investment opportunities that they believe will ensure the best outcome for our clients.

SOCIETY

Our value to society lies in being responsible stewards of our clients' assets, increasing the value of their savings and carefully deploying capital. We understand that active fund management is not only about financial results, but also about successfully identifying sustainable businesses that create value for both society and shareholders. We believe these companies have better long-term growth prospects, ultimately benefiting our clients.

Our fund managers engage with our investee companies to help drive improvement in governance and encourage initiatives that could be beneficial for both the firm and broader society.

Our fund manager led approach to stewardship differs by strategy and asset class, but is always centred on improving client outcomes. As long-term investors, our fund managers create sustained and effective relationships with company management, and this enables more meaningful and relevant engagement.

OUR CULTURAL PILLARS

We believe in a set of guiding principles, which underpin the way we do business.

EMPLOYEES

We believe that our value is in our people, whatever their role in the organisation. We encourage collaboration, debate and diversity. We give our employees the freedom and support they need to perform at their best, to challenge and be open to challenge.

When we recruit, we look for talented people and strive to build a workforce that is as diverse as the wider society in which we live and work. We consider diversity and inclusion at a company-wide level and firmly believe that fostering a culture which embraces differences among people creates a stronger and more sustainable business. Through this commitment to improving diversity, we actively promote independence of thought.

Jupiter is committed to developing its people through its talent and learning programmes. We strongly encourage employee share ownership and provided free Jupiter share awards to all staff in each of the last two years, aligning the interests of employees and shareholders that ultimately benefits our clients.

SHAREHOLDERS

Through our unwavering focus on meeting the needs of our clients and achieving superior investment performance, we believe that we will achieve top quartile net new money growth and drive the growth of the business.

Combining top quartile net new business growth with rigorous financial discipline will lead to strong financial performance. Along with a carefully managed capital base, this delivers strong total returns for our shareholders.

WE PUT CLIENTS FIRST

A focus on serving our clients and a commitment to delivering superior performance after fees is central to why we exist as a business.

WE VALUE OUR PEOPLE

Independence of thought and individual accountability define us. We believe that diversity in people and freedom to think and act differently will set us apart.

WE SUCCEED TOGETHER

Only collectively, by working together as one team, can we meet our individual and business goals.

WE CHALLENGE OURSELVES

We encourage open debate, innovation and continuous improvement.

HELPING OUR CLIENTS ACHIEVE THEIR LONG-TERM INVESTMENT OBJECTIVES

PROVIDING SUPPORT THROUGH COVID-19

Throughout the pandemic, Jupiter has remained focused on supporting our people, delivering for our clients and helping local communities.

The impact of the Covid-19 pandemic has been significant for companies across the world and Jupiter has been no exception.

First and foremost however, this has been a public health crisis and our key focus has been on the health and wellbeing of our people and their families.

During this period, we have made no Covid-related redundancies, nor sought to take part in any government assistance schemes. We have not furloughed any of our employees and we have worked with our contractors to ensure their furloughed staff have been paid 100% of their wage. The Group, alongside senior management and our people, has also made contributions towards charities focused on helping those most impacted by the crisis.

As an active asset manager focused on stewardship, we recognise that we have a role to play in engaging with the companies in which we invest and supporting those companies with otherwise strong fundamentals who have faced challenges through the pandemic.

There are also lessons to be learnt from this period. Throughout this year we have embedded technological solutions across our business and have embraced new ways of working.

We have quickly learnt to engage with our clients and shareholders in new, digitally-led ways. We have relatively seamlessly moved towards remote working and embraced a more flexible approach to how we all go about our work.

The last year has also accelerated the long-standing trend towards sustainable investing. Jupiter has a long and storied history in this area and we have an important role to play in supporting ESG factors through our investee companies.

Communicating with our clients

Protecting our clients' interests during the pandemic was focused on two areas; providing effective, frequent and insightful communication and continuing to deliver investment outperformance.

Throughout any period of turmoil, effective communication is absolutely essential and the events of the last year have provided an opportunity to accelerate our existing shift towards communication through digital channels.

To facilitate this, we set up an in-house broadcasting studio and ran a series of well-attended and well-reviewed client events with our senior management and fund managers. This included a major client conference as well as the 'Big Picture' series, which covered our fund managers' views on a wider variety of topics including inflation, disruption, China and the US.

We also increased the volume and effectiveness of our written client content, through thought pieces and social media, and were one of the first UK asset managers to publish our analysis of the US presidential election. We saw engagement levels through our website increase fourfold as a result of these initiatives. For more information on this, please see 'Active Minds Stay Connected' on page 31.

Supporting investment management through technology

Operationally, the move to remote working had the potential to cause significant disruption as we effectively transitioned from working from one London headquarters to over 600 remote home offices.

However, the previous investments we had made in cloud-based technology enabled a smooth and seamless transition to remote working across the business. Our fund managers quickly and efficiently adapted and we found new ways to stay in touch with clients and colleagues.

Despite the market challenges we saw this year, we continued to deliver the same high level of investment performance. 70% of our mutual fund assets ended the year above median over three years and 42% were in the top quartile. More detail on our investment performance can be found on page 28.

Supporting our people

With our people required to work remotely for long periods of the year, we have been acutely aware of the potential impact on their mental health and wellbeing, particularly for those living alone or needing to balance caring responsibilities for family members or young children.

We have worked to identify where the challenges lay and to implement a number of initiatives to provide support. We provided up to £1,000 for all our employees to improve their technology and equipment for remote working.

Early in the year, we partnered with a leading psychological health provider to conduct a confidential survey on mental health, wellbeing and the impact of Covid. The responses were used to tailor our wellbeing programme to suit the needs of our people, as well as offering individual support where required.

We focused our efforts on seven key areas, with dedicated websites set up to support each. These areas were: working from home; remaining active; staying connected; giving back; looking after yourself; working with care responsibilities and keeping learning. As well as guidance and information, the sites hosted engaging wellbeing webinars to support our people.

To support our people's physical health, we increased access to private healthcare and launched a Covid-19 antibody testing programme.

TOGETHER, **ACTIVE MINDS** ARE AGILE AND RESPONSIVE

We also adapted a number of our existing policies, including a broader sabbatical programme, additional annual leave over the festive period with increased options to roll allowance over to the following year, increased volunteering leave, and provided a Parental Choice portal, broadening the benefits for those with caring responsibilities.

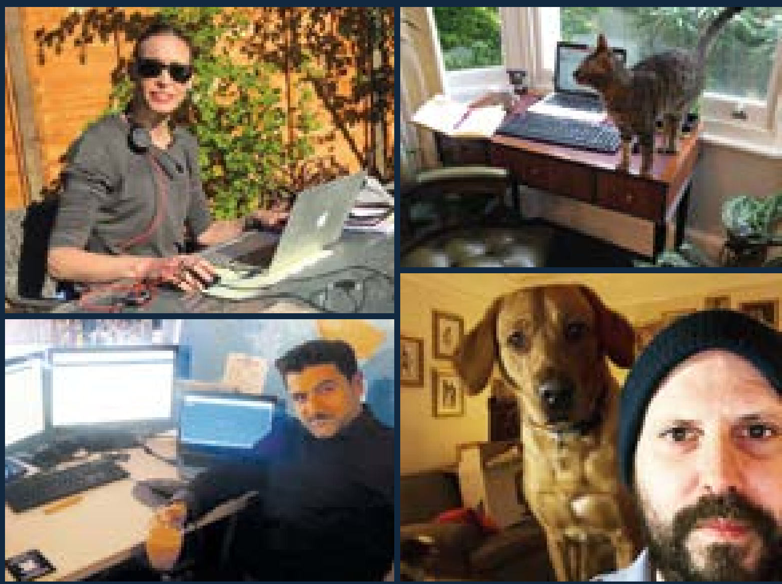
We recognised the vital importance of keeping our people informed and engaged throughout this challenging period. Members of the Executive Committee hosted regular webinars and virtual town halls. We regularly distributed all-staff communications relating to wellbeing, mental health and the importance of taking breaks, and we used World Mental Health day to communicate about wellbeing and the support Jupiter offers. We also trained a number of people in mental health first aid.

Supporting our communities

While we remained focused on our clients and our people throughout the pandemic, we also have responsibilities to wider society and the communities in which we operate.

The Group, alongside members of our Board, Executive Committee and Heads of Strategy, made substantial donations to national charities in the UK and local charities in our international locations that were contributing to the fight against Covid-19 and supporting local communities.

Our people were given the opportunity to contribute through our Give as Your Earn scheme. More information on our charitable donations and how we support local communities can be found on page 43.



"I have felt supported by Jupiter throughout the pandemic. I've been reassured that my safety has been taken seriously and reminded regularly that employees and their families are a priority."

Colette Warren, Group

"Jupiter assisted greatly in the transition to home working, ensuring that the lines of communication remained firmly open. I felt that Jupiter allowed me the freedom to be flexible with my time as we all adapted to a new way of working."

Katie Hill, Distribution

"I have been incredibly grateful for the support offered in 2020. The three days' volunteering allowed me to join my family making NHS gowns for our local hospital. The mental health and wellbeing webcasts have been superb and the ability to carry 10 days holiday over to 2021 was inspired."

Amanda Sillars, Investment

OUR BUSINESS

Jupiter actively manages £58.7bn of client assets, principally in mutual funds in the UK and continental Europe. Delivering growth for clients through investment excellence is at the heart of what we do.

WHO WE SERVE

CLIENTS

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

INVESTMENT MANAGEMENT

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

- Equities
- Fixed Income
- Multi-Asset
- Alternatives

Our investment teams are unconstrained by a house view, but are supported by the CIO office and specialists in ESG and data science.

PRODUCT

We offer a range of actively managed investment products.

Investments can be made through:

- Mutual funds
- Segregated mandates
- Investment trusts

We earn revenues by charging fees to our clients for the provision of investment management services, typically based on a percentage of the AUM. A number of funds and mandates also have the potential to earn performance fees.

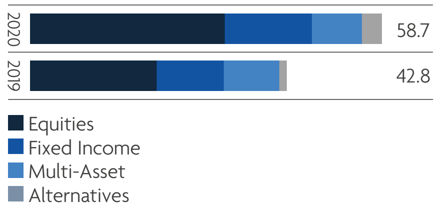
DISTRIBUTION

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

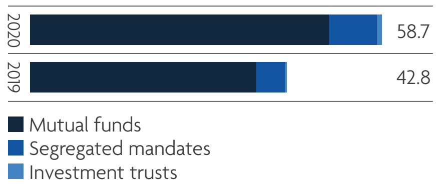
- Fund of funds
- Platforms
- Global financial institutions
- Advisers
- Wealth managers
- Life companies
- Private banks
- Institutional clients
- Consultants

SPLIT OF AUM

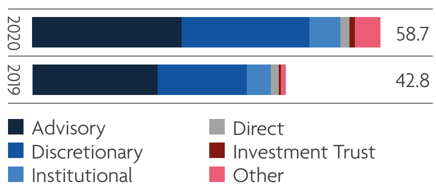
By asset class
£ billion



By vehicle type
£ billion



By distribution partner type
£ billion



HOW WE DO IT

- We enable talented individuals to pursue their own investment styles. Without the constraints of a house view, our fund managers can follow their convictions to deliver the best outcomes for clients.
- We have a single operating platform and continually invest in it to ensure our operating model is efficient and fit for purpose. This means we remain agile and able to adapt as market conditions evolve.
- We work together to innovate and deliver the products that clients want and need, providing the best outcome for both clients and shareholders.

100

INVESTMENT PROFESSIONALS
2019: 75

521

OTHER EMPLOYEES
of which 60 are located in continental Europe, the US and Asia, providing local presence for our international business growth.
2019: 452

WHERE WE OPERATE

Percentage of AUM by geographical location of client

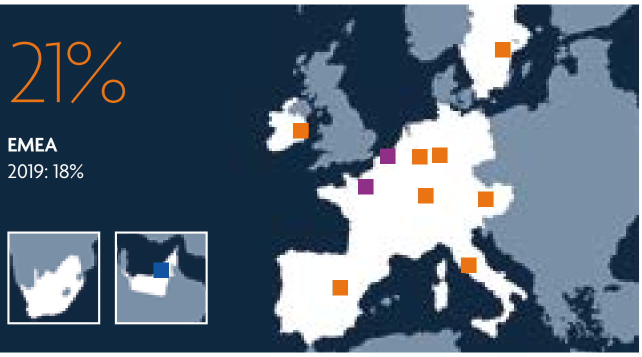
Jupiter office | Third party | Client service via local licensed distributors

72%

UK
2019: 74%

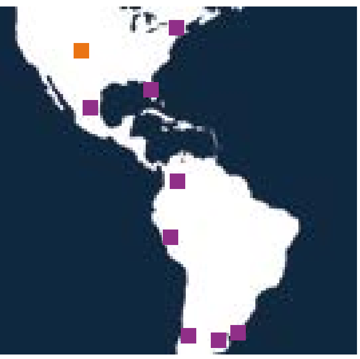
21%

EMEA
2019: 18%



3%

REST OF THE WORLD
2019: 3%



4%

ASIA
2019: 5%

CREATING VALUE FOR OUR STAKEHOLDERS

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

OUR CLIENTS COME FIRST

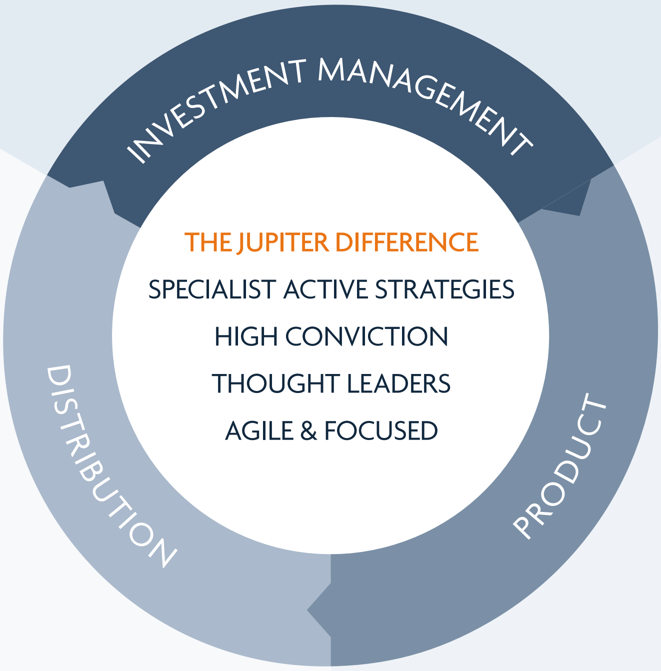
CLIENTS

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

THE JUPITER DIFFERENCE

- We are a specialist, high-conviction active asset manager
- We target investment outperformance after fees for clients
- We hold the companies we invest in to account, not only to drive financial results but also for societal benefits and a sustainable future

+ **Read more** on our investment capabilities on page 28 and our approach to stewardship on page 36.



- Basing our distribution structure around client types and geographies gives us a better understanding of investment objectives, product and service needs
- We build strong relationships with consultants, in line with our culture

+ **Read more** on product and distribution on page 30.

- Our product development and governance structure brings together our investment management and distribution teams, to ensure our product offering is aligned to client needs
- Our product development strategy is focused on innovation to meet clients' changing needs

+ **Read more** on product and distribution on page 30.

OPERATING AND RISK ENVIRONMENT

- We have a single operating platform across the Group, minimising complexity and supporting growth
- We drive efficiencies through a disciplined approach to investing in our platform
- We identify, monitor, manage and mitigate risk through a robust and clearly defined risk framework

+ **Read more** on principal risks and uncertainties on page 50.

PEOPLE

- We develop our people through a supportive culture, to prioritise and deliver for clients
- We promote and increase diversity and inclusion at all levels of the organisation
- We engage our people with a clear strategy, purpose and set of guiding principles

+ **Read more** on our people on page 32.

CAPITAL MANAGEMENT

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

+ **Read more** on our capital management on page 25.

THE VALUE WE CREATE

FOR CLIENTS

Investment performance after all fees

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

70%
MUTUAL FUND INVESTMENT PERFORMANCE

FOR EMPLOYEES

Individual development

We have a culture that attracts and develops talent. We support and challenge our people to develop their skills and careers.

84%
EMPLOYEE ENGAGEMENT

FOR SHAREHOLDERS

Total returns

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

20.1p
TOTAL DIVIDEND

FOR SOCIETY

Stewardship

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

230+
COMPANIES ENGAGED WITH ON ESG MATTERS

+ **Read more** on our stakeholders on page 46.

STRATEGIC REPORT

COMMITTED TO OUR STAKEHOLDERS

In what has been a very challenging year for all, we have increased our focus on client service and engagement and the wellbeing of our people.

DEAR SHAREHOLDER,

I am pleased to be writing my first Chairman's statement having been appointed in March last year. It has been an extraordinary year; the turmoil caused by Covid-19 has been felt across the globe and the impact on all of us has been significant. Shortly before I joined the Board, Jupiter announced the proposed acquisition of Merian and this, combined with the pandemic, has resulted in a highly unusual and busy start to my role.

I was able to complete my induction prior to lockdown which enabled me to meet many people across the organisation. Throughout this process I was struck by the quality and dedication of our people and the commitment to creating value, not only for our clients, but also for wider society through truly active fund management. By actively engaging with the companies we invest in, we can help to drive positive change within those companies. This benefits society as a whole but also helps to deliver sustainable returns for our clients and, in turn, our shareholders.

The pandemic has only increased our focus on delivering for our clients and looking after the well-being of our people. We have provided an uninterrupted service to our clients and increased our engagement with them throughout this difficult period. Our fund managers have navigated the market disruption well, demonstrating the value of active fund management and independent thinking. As at 31 December 2020 70% of our mutual fund AUM had achieved above median performance. We have put in place many initiatives to help support our staff with a focus on engagement, ensuring they have access to the right tools and support and, most importantly, their health and wellbeing. Further information on these initiatives can be found on page 4.

I have been impressed with Jupiter's resilience as an organisation; even during these challenging times the firm has not stood still. We have successfully completed the acquisition and operational integration of Merian. We have also made significant progress on our strategic relationship with NZS Capital and continued to expand our international presence. All of this has been undertaken primarily while in a remote working environment. This is a testament to our people, both from Jupiter and our new colleagues from Merian, and I would like to extend the Board's gratitude for the hard work and dedication this has taken.

Purpose and culture

Jupiter has a clear purpose: we exist to help our clients achieve their long-term investment objectives. This is supported by a strong culture centred around the strength of our individual employees who work collectively to deliver for our clients and other stakeholders.

One of the key attractions of the Merian acquisition was the strong cultural alignment between the two firms. Throughout the integration process, the Board and the Executive Committee have been focused on maintaining and developing this culture while operating in a remote working environment, which is more challenging than when people are working in the office together.

"I have been impressed with Jupiter's resilience as an organisation; even during these challenging times the firm has not stood still."

Strategy and performance

We are focused on delivering our long-term strategy and, in order to achieve this, we need to ensure that our resources are deployed in growth areas. This has included making some difficult decisions to restructure our business. We believe that these decisions will bring benefits to our stakeholders over the longer term by accelerating our growth and ensuring the firm remains agile and able to adapt to changing market conditions.

Whilst our underlying profitability has increased to £179.0m (2019: £162.7m) our statutory profit before tax fell to £132.6m (2019: £151.0m), primarily due to the exceptional costs incurred in the acquisition of Merian. Our net flows have remained disappointing with net outflows of £4.0bn over the year (2019: £4.5bn). This, and the market uncertainty caused by Covid-19, have been the primary drivers behind the fall in the Company's share price during 2020.

Capital management

Our progressive dividend policy targets an ordinary dividend pay-out of 50% of our underlying EPS or such that our ordinary dividend is no less than in the previous year. Accordingly the Board has agreed to maintain the dividend at the level paid in 2019 and will be recommending to shareholders at the AGM an unchanged final dividend of 9.2p per share. This will result in total ordinary dividends for 2020 of 17.1p per share which equates to 60% of our underlying EPS for 2020.

The Board has retained its policy to make additional returns of capital after retaining sufficient earnings for capital and growth. Following our acquisition of Merian, we did not declare a special dividend for 2019. We have carefully considered the Group's capital strength and future outlook, and following the strong financial performance in 2020, the Board has declared a special dividend of 3.0p per share. The ordinary dividends paid and proposed for the year ended 31 December 2020, along with this special dividend, equate to 70% of our underlying EPS for 2020. If approved, the final dividend for the year ended 31 December 2020 and the declared special dividend will be paid on 14 May 2021 to shareholders on the register at 16 April 2021.

Following the payment of this special dividend, the Board has concluded that we will resume additional returns of capital on a less frequent basis. It is our intention to consider the next additional return no earlier than for the year ending 31 December 2022. We anticipate future returns of capital will target at least 70% of underlying EPS, calculated as a percentage of the cumulative EPS in respect of the years since the last additional return, less ordinary dividends paid or payable in respect of that period. In line with our existing practice, additional returns will be determined after retaining sufficient earnings for capital and growth. During 2021 we intend to consult with shareholders on the form of the additional capital return, including whether this should continue to be paid as a special dividend.

Board changes

Liz Airey stepped down as Chairman in March 2020 and I would like to thank her, on behalf of all of our stakeholders, for her excellent stewardship of the firm. I would also like to extend my personal thanks for her time and support during my induction process. Bridget Macaskill retired from the Board and as Chairman of the Remuneration Committee at the conclusion of the 2020 AGM. We are grateful for her considerable contribution to the Company over her tenure.

In accordance with the terms of the acquisition of Merian, Chris Parkin was nominated to join the Board by TA Associates, who became a major shareholder of the Company upon completion. Belinda Richards was appointed to the Board in September 2020 but unfortunately, for personal reasons, had to step down shortly thereafter and it is regrettable that we did not have an opportunity to work together. Information on our search for a new independent Non-Executive Director can be found on page 71.

In October we announced that Edward Bonham Carter would step down at the Company's 2021 AGM. Edward has dedicated 26 years of service to Jupiter, including seven as CEO, and his contribution to the culture and growth of the Group has been immeasurable. We are delighted that Edward will continue to work with Jupiter as Director of Stewardship and Corporate Responsibility, which is an area of critical importance for us. We look forward to his continued support and contribution to Jupiter in his new role.

Jonathon Bond will also step down from the Board at the 2021 AGM. Jonathon was appointed in 2014 and became Senior Independent Director in 2017. He has made a significant contribution to the Company and I have greatly appreciated his support and counsel since my appointment. On behalf of all of our stakeholders, I would like to extend our thanks and very best wishes.

Outlook

Whilst the market environment remains uncertain there are reasons to be more optimistic. The roll out of the Covid-19 vaccine offers us all hope for a return to a more normal way of life. The UK and EU have agreed the core terms of their relationship and, in the US, greater clarity is emerging regarding the new US president's policies. These are examples of factors that should help to drive economic activity and improve client sentiment amidst a less volatile market environment.

The investment performance we have delivered for our clients has remained strong and a large number of our strategies offer significant growth potential. Most importantly, we have high calibre people who are focused on delivering long-term sustainable returns for our clients and shareholders. Whilst there are many challenges within the industry, we believe that the foundations laid this year will help to position us well for future growth.

I would like to take the opportunity to thank all of our stakeholders for their continued loyalty and support.

Nichola Pease, Chairman
25 February 2021

A YEAR OF STRENGTHENING THE FOUNDATIONS

This was a significant year for Jupiter, as we completed the acquisition of Merian Global Investors Limited and continued to deliver strong investment performance for our clients, while successfully managing the impact of Covid-19.

Every year brings with it its set of challenges, but some years can prove exceptional. 2020 was such a year, though it will also be seen as one in which we took important steps to secure the future prosperity of our company. Despite the Covid-19 pandemic, we successfully acquired and integrated Merian Global Investors Limited. We achieved this thanks to the commitment and hard work of our employees, who rose to the challenge of bringing these two businesses together in difficult circumstances.

It also points to our agility as a firm that we were able to adapt quickly to a global public health crisis, supporting our employees, but also continuing to serve our clients with little to no disruption.

Notwithstanding the many challenges, we end the year on a much more robust footing than when we came into it. With the Merian acquisition, we have broadened our product range and expanded our client base to create a market-leading specialist active asset manager in the UK retail channel while expanding our international reach. The end of the year saw the UK and European Union reach a trade agreement, which we hope will return a level of certainty to markets and an increase in clients' risk appetite, particularly in UK equities where our investment teams are regarded as some of the best.

Our strategy remains focused on delivering superior sustainable investment performance for our clients, through high-conviction active management. We will look to expand our product range, but our approach is not to attempt to develop coverage across all asset classes. Rather we will seek out specialist strategies where we believe we can really add value for our clients and differentiate ourselves from our peers.

As an active asset manager, one of our key roles is delivering sustainable returns through active engagement with the companies in which we invest. We have broadened our approach on sustainable investing this year, with specialist strategies, increased company engagements and data-driven proprietary tools.

While our strong investment performance did not always translate into net new business, we believe that there has been a shift in momentum, which we hope will deliver a pick-up in net client flows for 2021. In turn, this should drive an improvement in our financial performance.

We are also aware that we cannot stand still if we are to continue to drive future growth. As we pivot the business towards growth areas, we have made difficult but important decisions around our resourcing and have initiated a restructuring programme.

Supporting our people and clients through Covid-19

We responded quickly to the Covid-19 crisis. Despite the significant impact on stock markets in the early stages of the pandemic and the necessary switch to remote working to keep our people safe, we have been able to operate effectively for our clients. Investment performance remained strong and client engagement levels increased through the year.

Primarily, Covid-19 has been a public health crisis and the wellbeing of our people and their families has been our key priority. I have been immensely proud of how our people have reacted throughout this period. In often challenging circumstances, they have proved to be resilient and dedicated and have performed exceptionally well. More on the actions we have taken to support our clients, our people and our communities can be found on page 4.

Crises often stall progress, but Covid-19 has accelerated shifts that were already well underway. Looking across how we now use technology, how we interact with clients and how we have embraced new ways of working, we have all seen many years' rapid progress over the last 12 months.

Ongoing trends were hastened, with the market rewarding companies who had already embraced new technologies. There were significant valuation divergences between more traditional businesses and those which are part of the digital and networked economy. In turn, this provides opportunities for our investment teams, particularly those who are focused on digital disruption, such as our new partnership with NZS Capital.

Client take-up of digital communication formats such as webinars and online meet-the-fund-manager events grew exponentially, and digital engagement with clients will remain a key channel for us going forward.

The crisis has also highlighted the importance of agility. As the world speeds up and change comes at us more quickly, we have to ensure that our governance and operating models can adapt to new trends, whether that means faster decision making, empowering our people or swifter launches of new products.

The pandemic has also highlighted the power of technology, not just in remote working and client engagement, but in using tools to alert fund managers to changes in our environment. We have been building our data science capability in recent years and this will play an increasingly important role in how we manage our clients' assets in the years ahead. The transition to remote working was relatively seamless and has resulted in a new and successful way of working. We know this has many benefits for our people, from improved work-life balance to spending more time with families.

But we also know that our culture is one of collaboration and is built on spending time together. This is fundamental to the interactions that spark new ideas, challenge our preconceptions and help us outperform for our clients.

Our strong culture has helped us through this period but the time we have spent apart has drawn on our cultural reserves and we need to regularly replenish them. We therefore expect, when it is safe and appropriate to do so, to shift towards a hybrid working model, to benefit from teams working together face-to-face while giving our people greater flexibility about how they work at other times.

Integration of Merian

In my report to you last year, which was released shortly after we announced the proposed acquisition of Merian, I set out why we saw the transaction as so compelling for all our stakeholders.

The deal completed on 1 July 2020 and, despite all the challenges that this year presented, I am delighted to report that all of these strategic benefits have proved to be true and that we have made excellent progress towards complete integration.

It has broadened our product range, building scale in some areas (such as UK equities and Fixed Income) and expanded our investment expertise in others (such as alternative strategies, private assets investments and gold and silver). It has widened our institutional client base and extended our international footprint in a number of key markets, including in China.

We have welcomed around 100 talented colleagues, largely in Investment and Distribution, supporting our market-leading presence in the UK wholesale channel.

Although we have seen outflows from Merian funds this year, financially it has exceeded our expectations, delivering greater levels of synergies than initially expected and already contributing significantly to Group profits.

I look forward to working with our new colleagues through 2021 and beyond to fully realise this exciting growth potential.

Continuing to deliver for our clients

Jupiter has a clear purpose, which is to help our clients achieve their long-term investment objectives. Throughout the integration process and any Covid-related disruption, we maintained this singular focus and client-centric culture.

I am pleased to report that our investment performance remained strong in 2020, with 70% of our mutual fund assets under management being above median over a three-year period (2019: 72%). For more detail on investment performance, see page 28.

We also have a number of funds where we are particularly excited about the prospects for long-term growth, many of which have been nurtured and supported internally first. Although AUM in these funds are not yet significant, they are in areas of strong client demand, have strong investment performance and are approaching the key three-year track record.

A focused product offering

We have also strategically added to our product range in select areas where we believe we can add real value for our clients.

For example, we launched the Jupiter European Smaller Companies fund in the UK and internationally have strengthened our Fixed Income range.

We have also broadened our international offering. Our partnership with NZS Capital in the US is growing strongly, having already won three institutional mandates and with more than $500 million of assets within its first 12 months. We have opened a US office in Denver to support NZS Capital and to offer our own capabilities to the US institutional marketplace. We are also working to develop our relationship, inherited through Merian, with Ping An in China, one of the largest and fastest growing markets in the world.

A commitment to sustainability

As a high-conviction specialist asset manager, we are very aware that we are stewards of our clients' capital. We have a responsibility to actively engage with our investee companies across environmental, social and governance (ESG) issues. We have worked this year to ensure that ESG processes are embedded throughout both our investment strategies and our wider culture. We have expanded our ESG investment capabilities and restructured our sustainable product range, including Global Sustainable Equities, under a single leadership.

Our data science team has played a key role in the development of the Jupiter ESG Hub, a proprietary tool that enables us to take internal research and external data and map it against portfolios or potential investments. This gives us a granular insight into a portfolio's exposure to different ESG criteria and gives our clients greater understanding of how our portfolios are positioned.

We also believe that it is crucial that we hold ourselves to the same high standards which we expect from the companies in which we invest. We have made steps in improving our corporate responsibility, including a commitment to achieving net zero emissions by 2050 and alignment with the UN Global Compact. Details of our work in sustainability and corporate responsibility can be found on page 36.

Positioned for improved financial performance

Our strong investment performance through 2020 was not however reflected in our total net new business in what proved to be a challenging year. Gross inflows remained robust at £16.5bn (2019: £13.4bn) and Jupiter strategies generated positive net inflows in the latter three quarters of the year, driven by client demand for Fixed Income products. However, Merian strategies saw outflows in the second half and retail investor sentiment remained subdued throughout a year of market and economic uncertainty. We saw total net outflows of £4.0bn (2019: £4.5bn).

There were redemptions from funds where, as part of the integration, we have changed the manager and from others where investment performance has fallen short. UK and European-centric strategies have also been out of favour as concerns on Brexit weighed heavily on sentiment, regardless of performance, although we hope this will change as political risks diminish and more certainty emerges.

We are confident that we will gradually see a shift in momentum and hope to see an improved net flow performance in 2021.

Net outflows and lower markets for much of the year would have negatively impacted the revenues generated by a standalone Jupiter business. However, the addition of Merian meant we ended the year with AUM at a record high of £58.7bn, resulting in a 4% increase in net management fees to £384.0m. A number of strategies also generated significant net performance fees this year of £73.6m.

Although underlying profit before tax increased 10% to £179.0m, statutory profit before tax fell 12% to £132.6m, principally due to the integration and acquisition costs of Merian.

We are well placed to build on the foundations that are now in place and I look forward to seeing the results of this work come forth. More details on our financial performance can be found in the Chief Financial Officer's statement on page 20.

Our people

Following considerable change to our leadership team in 2019, we had a year of stability in 2020. Veronica Lazenby, who joined us in February as Chief Risk Officer, was the only new addition to the Executive Committee (ExCo). We have continued to develop our pool of talent beyond the ExCo, as members have expanded and developed their teams, broadening our strength in depth.

I would like to take the opportunity to welcome all of our new colleagues from Merian. I have already mentioned the highly complementary cultural alignment between both firms, but I look forward to working closely together and realising the growth potential of the wider group.

Finally, I would like to thank our colleagues across the whole Group for all of their hard work this year. In unusual and very challenging circumstances, I have been incredibly impressed with their commitment and dedication, without which none of the successes we have achieved this year would have been possible.

Positioned for future growth

As we move into 2021, we will continue the work that we started this year and look forward to realising the benefits of the actions we have taken. We will complete the integration of Merian and continue to support our people through the ongoing Covid crisis. We will retain focus on cost discipline, but selectively invest where we see opportunities for organic growth. But above all, we will continue our focus on delivering for our clients.

With the completion of the acquisition, a number of key funds reaching their three-year track records and an unwavering focus on delivering superior investment performance for our clients, the foundations are in place for strong performance going forward.

I look forward to working with my colleagues to drive this future growth and deliver positive outcomes for our clients, our people and our shareholders.

Andrew Formica, Chief Executive Officer

ADDRESSING INDUSTRY TRENDS

An increased focus on sustainability

Trend: Over recent years, clients have become increasingly focused not just on the returns from their investments, but the societal impact of these investments. The ongoing Covid-19 pandemic has accelerated this trend, as questions over companies' relationship with their clients, people and wider society have come to the fore.

Jupiter's response: As an active asset manager, we are ideally placed to engage with the companies in which we invest and, where necessary, drive changes on ESG factors. We have been managing funds focused on both sustainability and environmental issues for over 30 years. Active responsibility also means holding ourselves to the same high standard we hold our investee companies. More information can be found on page 36.

Changes in client demand

Trend: Ongoing social and demographic changes across the globe are impacting demand for investment products. Low interest rates and the necessity for greater personal responsibility for savings and pensions has led to a polarisation in client demand. Flows have increasingly been directed towards either high-conviction, truly active strategies or to low cost, index tracking passive funds.

Jupiter's response: Jupiter is committed to managing high-conviction active strategies. Our fund managers are focused on delivering superior investment performance and are not constrained by a house view. Our product range is designed to focus on areas where we can offer real value and differentiate ourselves from our peers. More information can be found on pages 28 and 29.

A changing regulatory landscape

Trend: Increased levels of regulation are an ongoing feature for the asset management industry. We are supportive of all regulation designed to enhance product suitability, strengthen client protections and ensure they receive value for money. However, this can have an impact on fees and increase compliance costs for asset managers.

Jupiter's response: In 2020, following the FCA's asset management market study we published our first Assessment of Value report for our UK Unit Trust range. This report found that more than 70% of our unit trust classes had either delivered value or consistently delivered value. More information can be found on page 31.

REFLECTIONS ON 2020 MARKETS

In an unprecedented year, market volatility was high in response to both Covid-19 and the strong economic medicine injected by central banks and governments. It was a lesson, if one were needed, of how unexpected events and markets can be, overturning preconceived ideas. It was also a year in which the actions of central banks and governments were decisive for market sentiment. It was a highly volatile year, but one in which strong investment returns were nevertheless made across many asset classes.

Stock markets in 2020 were dominated by Covid-19. After a calm beginning to the year, shares fell sharply in March as the coronavirus spread beyond China and across the globe. Restrictions imposed by governments slowed economic activity and increased unemployment. Despite this, and despite a regionally mixed picture, world stock markets in aggregate ended the year higher than they started it. The MSCI World Index gained 14.1% in USD terms during the year. The recovery was due to policymakers' strong response to the crisis, and to investors' belief that the economic damage, caused by an external shock, would be temporary.

Stock markets were also greatly encouraged by the aggressive stimulus measures taken by central banks and governments in response to the pandemic. The US Federal Reserve (Fed) acted swiftly and decisively, cutting interest rates to zero and pledging to buy unlimited US government debt. A stimulus package of US$2tn was approved by the US Senate in the first quarter. Towards the end of the year, news of vaccines further spurred the recovery.

The regional stock market picture was mixed during the year. While US and Asian stock markets recovered quickly, European stock markets were more sluggish, in aggregate failing to claw back by the end of the year all of March's losses. UK stock markets, under the cloud of Brexit, were a particularly weak spot, with the FTSE All Share Index ending the year down 12.5% in GBP terms, which proved to be a headwind for UK equities funds. Should sentiment improve in 2021, our broad fund range of UK equity products are well positioned to generate positive flows.

The effects of the lockdowns were especially severe in sectors such as travel and leisure. However, technology businesses were less damaged; indeed, the restrictions accelerated consumer uptake of online services, as people worked and shopped from home. Technology stocks outperformed during the year, and several of our funds benefited from our managers' early positioning for this trend.

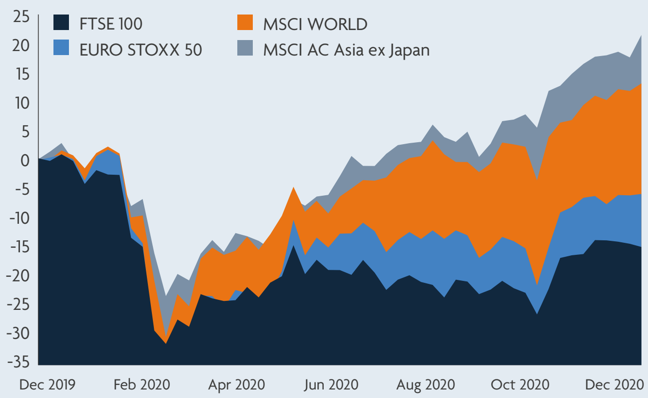
Government bonds rose strongly in response to the Covid-19 crisis, as investors saw them as safe havens in a storm. By contrast, high yield corporate bonds were hard hit by investors' risk aversion in March, although they subsequently recovered strongly. The Fed's establishment of a Corporate Credit facility greatly assisted liquidity, and its corporate bond buying encouraged the rally. The sudden moves in the bond market underscored the importance of active management. The assets under management of the Jupiter Dynamic Bond Fund grew from just under €8.3bn at the start of the year to more than €9.6bn by its end.

Gold enjoyed one of its strongest upwards moves in recent years, again in response to the crisis, but also due to the more subtle point that the aggressive stimulus measures undertaken by central banks could weaken the attractiveness of fiat currencies. The Gold & Silver Fund performed well, and was well supported by investors, increasing its assets under management to in excess of US$1 billion for the first time.

During the year there was increasing interest from investors in sustainability and in ESG, and Jupiter is well positioned for what we believe will be strong investor demand in years ahead. The Jupiter Global Sustainable Equities Fund demonstrates that putting the planet and people at the forefront is entirely consistent with seeking strong risk-adjusted returns.

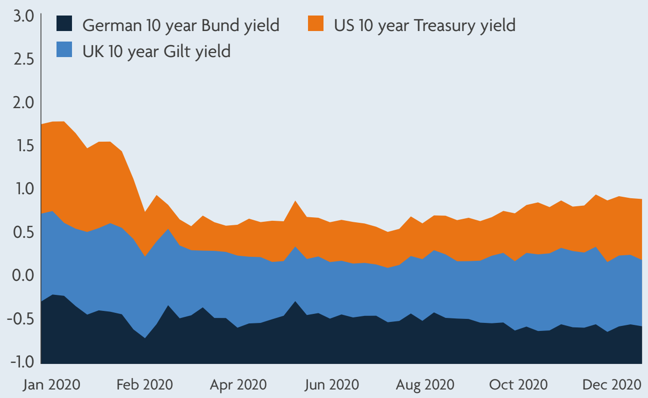
Jupiter's active philosophy empowers fund managers to invest according to their convictions and to thrive in a changing environment. We believe this approach enables us to be good stewards of clients' savings and means we are well placed in an increasingly competitive asset management industry.

Global equity markets in 2020
Price return (percent)



Price returns in local currency, rebased to zero as at 1 January 2020. Data to 31 December 2020.

Government bond yields



Data in local currency to 31 December 2020.

CONTINUING TO DELIVER ON OUR STRATEGIC PRIORITIES

Our strategic principles are designed to ensure that everyone in Jupiter is working to common objectives with our clients' interests at the heart of everything we do.

OUR STRATEGIC PRIORITIES

The following strategic priorities were defined in December 2019. Delivering these priorities is key to our long-term success.

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

OUR GOALS

By successfully achieving our strategic priorities, we will make progress towards the goals we aim to reach by 2024.

We will deliver superior investment performance after fees, across our strategies

We will achieve top quartile net new money growth

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

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

1 See page 18.

2 The Group's use of alternative performance measures is detailed on page 27.

WHY IT'S IMPORTANT	LINK TO KPIS[1]	OUR PROGRESS IN 2020
Investment performance is the lead indicator for our continued success and demonstrates our competitive advantage in delivering investment excellence to clients.	**Investment performance**	– Maintained high levels of investment outperformance after fees – Added new talent and capabilities to our investment team through the Merian acquisition and partnership with NZS Capital – Continued to embed data science and ESG considerations within our investment processes – See KPI for quantitative measurement of progress
Net flows are a lagging indicator of investment success, reflecting our ability to deliver investment performance that attracts client funds, and to grow our assets under management.	**Net flows**	– Substantially increased our AUM through Merian – Reinforced our leading position in UK retail and strengthened our presence in key international markets – Continued to generate net new business through Fixed Income strategies – Won institutional client mandates through newly-launched partnership with NZS Capital – See KPI for quantitative measurement of progress
Diversification of assets by client and product lowers the unsystematic risk we face and leads to a less volatile shareholder return.	**Net flows**	– Substantially increased the diversification of our fund range and added new client relationships through the Merian acquisition – Opened our first office in the US to support growth in the world's largest market – Selectively launched a small number of new products – Top 10 funds now account for 53% of AUM (2019: 65%) – See KPI for quantitative measurement of progress
Delivery of our goals will drive profitability, generating value for shareholders.	**Growth in:** **Net management fees[2]** **Underlying earnings per share[2]** **Dividends**	– Exceeded the expected initial synergies from integrating Merian – Generated significant performance fees – Continued our disciplined focus on cost control and preserved our strong capital position – Maintained our ordinary dividend – Commenced restructuring to pivot towards growth opportunities – See KPIs for quantitative measurement of progress

HOW WE PERFORMED IN 2020

Our key performance indicators (KPIs) enable us to monitor our progress.

FINANCIAL KPIs

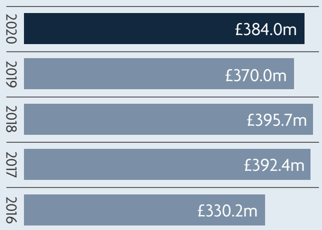
Net management fees[1]

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

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

Link to principal risks
1 3 5 6 7

Performance in 2020
£384.0m



Net management fees increased 4% to £384.0m. Through the Merian acquisition, average AUM increased by 8% to £47.8bn. Net management revenue margins also proved relatively robust at 79bps.

In addition, we generated £73.6m of net performance fees.

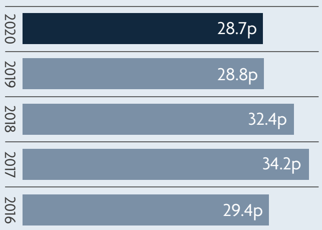
Underlying earnings per share[1]

Definition
Underlying profit after tax divided by issued share capital.

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

Link to principal risks
1 3 5 6

Performance in 2020
28.7p



Underlying EPS decreased by 0.1p in 2020 to 28.7p.

Although underlying profit before tax increased by 10% to £179.0m, this was diluted by shares issued as part of the Merian acquisition.

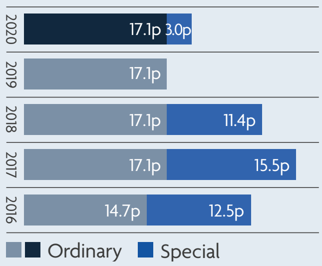
Dividends

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

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

Link to principal risks
1 5 6 11

Performance in 2020
20.1p



The total ordinary dividend for the year was unchanged from 2019 at 17.1p. There was an additional special dividend of 3.0p (2019: nil).

This represents a total payout ratio of 70%.

1 The Group's use of alternative performance measures is detailed on page 27.

Key to principal risks

1. Failure to deliver strategy
2. Ability to retain, attract, and develop (critical) staff
3. Ineffective investment strategy, client, and geographic diversification
4. Failure to effectively integrate Merian business
5. Sustained market decline readiness
6. Sustained fund underperformance
7. Challenges presented by major or local market shocks (previously challenges presented by Brexit)
8. Firmwide operational control environment
9. Failure of a critical outsource partner
10. Cyber crime
11. Regulatory & legal change

+ **Read more** on our principal risks on page 54.

NON-FINANCIAL KPIs

Investment performance

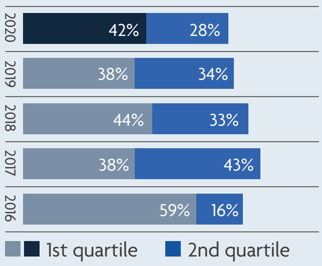
Percentage of our mutual fund assets under management above the median over three years.

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

Link to principal risks

1 2 6

70%



Investment performance remained strong in 2020 with 70% of mutual fund AUM outperforming their peer group over a three-year period (2019: 72%).

Over one year, 63% of AUM outperformed and over five years, the figure was 69%.

Net flows

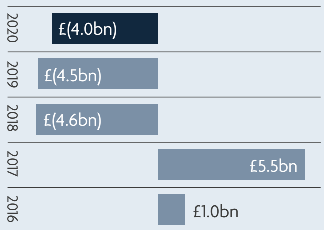
Net flows are the gross inflows to our funds less redemptions from our funds during the year.

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

Link to principal risks

1 2 3 6 7

£(4.0)bn



Despite robust gross inflows and three positive quarters of net flows from Jupiter strategies, we saw total net outflows of £4.0bn (2019: £4.5bn of outflows).

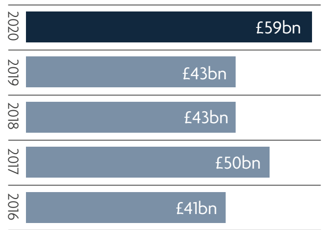
Retail investor sentiment remained 'risk-off' through a year of market uncertainty. We also saw outflows where there had been fund manager changes and where performance had not held up.

OTHER KEY METRICS

Assets under management

£ billion

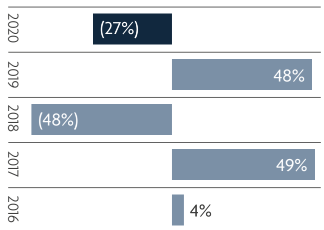
£59bn



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

%

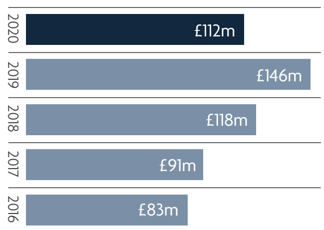
(27)%



Surplus capital over regulatory requirements

£ million

£112m



RESILIENT PERFORMANCE IN A CHALLENGING ENVIRONMENT

During a period of heightened uncertainty driven by the Covid-19 pandemic, we have made significant progress on our strategic goals and built a strong foundation for future growth.

We started 2020 with a challenging backdrop and a number of exciting opportunities for growth. Investment performance remained strong, a pipeline of new products were developing impressive track records, the acquisition of Merian Global Investors Limited had been proposed and we had launched our partnership with NZS Capital.

As we issued our 2019 results, there were early signs of the disruption that the Covid-19 global pandemic would bring to all our lives, businesses and financial markets. The extent of this became clearer in March and we have felt the impact upon the Group across the year.

Despite this challenging backdrop, and the resulting negative impact on investor sentiment, we delivered resilient financial results. Profit before tax and exceptional items was £179.0m, 10% higher than in 2019, of which the Merian business contributed £59.2m. Statutory profit before tax was £132.6m (2019: £151.0m), after the deduction of exceptional items of £46.4m (2019: £11.7m), almost all of which related to the acquisition.

We issued 95.4m new ordinary shares in July as consideration for the acquisition of Merian and underlying earnings per share was largely unchanged compared with 2019 at 28.7p (2019: 28.8p), including a contribution of 7.5p from the Merian business after dilution from shares issued. Basic statutory earnings per share were 21.3p (2019: 27.5p).

Assets under management (AUM) increased by 37% to end the year at £58.7bn (2019: £42.8bn).

We acquired £16.6bn of AUM through Merian on 1 July 2020 which, despite net outflows of £2.2bn, had increased to £17.0bn at the end of the year. Gross flows remained robust through the year at £16.5bn (2019: £13.4bn) and Jupiter strategies generated positive net flows in each of the latter three quarters of 2020. However, with depressed levels of retail investment sentiment, we saw total net outflows of £4.0bn across the business, with Merian flows included from 1 July 2020. These were partially offset by £3.3bn of investment returns for clients.

Movement in AUM by product (£bn)	31 Dec 2019	Acquisition	Net flows	Market/ investment alpha	31 Dec 2020
Mutual funds	37.6	13.9	(4.8)	3.2	49.9
Segregated mandates	4.8	2.4	0.7	–	7.9
Investment trusts	0.4	0.3	0.1	0.1	0.9
	42.8	**16.6**	**(4.0)**	**3.3**	**58.7**

Client demand was largely through the Fixed Income strategy, which saw £0.6bn of net inflows, driven by inflows into Dynamic Bond. These were partially offset by redemptions from the lower margin Merian Fixed Income products following changes in the fund managers.

NZS Capital also performed well during the year, winning three institutional mandates and generating over $500m of AUM. We experienced net outflows in the Systematic strategy, including the Global Equity Absolute Return fund which we acquired through Merian. We continue to see good gross inflows into these products and are working towards stabilising this business and returning to overall growth in the future. We also experienced net outflows across our other strategies, which were all impacted by investor demand during a period of global uncertainty.

Average AUM was £47.8bn, an increase of 8% on 2019, of which £8.2bn was in respect of Merian strategies.

Our net management fee margin reduced by around 6% or 5bps to 79bps. This was largely due to the change in business mix, driven by both the Merian acquisition, which had a lower average margin, and the impact of flows and markets on our existing business. We generated £73.6m of performance fees, of which £72.1m were delivered through the Merian strategies and £0.9m through NZS Capital. £10.0m of those performance fees have been recorded as exceptional items, as explained below.

We maintained our disciplined approach to cost management, focusing on delivering long-term operational benefits and growth. We targeted cost reductions through the acquisition and delivered a significant proportion of those in 2020. Along with ensuring we only took on necessary costs through the acquisition of Merian, we also identified opportunities to reduce costs in our existing business.

Some of those savings have been identified for 2021, with specific savings in our supplier costs targeted for 2022. Operational agility, value for money and investment for growth continue to be at the centre of our approach to cost management, as well as ensuring we attract and retain talented people and have a robust control environment.

We have also been focused on supporting our staff, both in terms of wellbeing and in their work from home needs. We recognise that Covid-19 has accelerated a number of trends in the ways in which we work and we are carefully considering how we adapt to this change.

As part of our focus on positioning the business for growth, we have been assessing our future resourcing requirements. This has unfortunately led to some restructuring, part of which was completed in 2020. We are managing this process carefully as it continues into the first half of 2021.

In 2020, as in the previous year, we have separately presented certain items as exceptional. These principally comprise costs relating to the Merian acquisition and integration, as well as costs that are linked to the purchase price and the amortisation of intangible assets. 2019 costs principally comprised accounting charges relating to the timing of expense recognition for deferred compensation awards.

	2020			2019
	Existing business (£m)	Merian[1] (£m)	Total (£m)	Total (£m)
Adjusted net revenue[2]	**328.7**	**119.1**	**447.8**	**379.1**
Of which performance fees[2]	*1.5*	*62.1*	*63.6*	*7.9*
Fixed staff costs	(67.1)	(9.0)	(76.1)	(59.4)
Variable staff costs	(50.7)	(35.1)	(85.8)	(70.7)
Other expenses	(90.7)	(12.5)	(103.2)	(86.7)
Administrative expenses	**(208.5)**	**(56.6)**	**(265.1)**	**(216.8)**
Other gains	3.3	–	3.3	4.1
Amortisation of intangible assets	(1.9)	–	(1.9)	(1.8)
Operating profit before exceptional items	**121.6**	**62.5**	**184.1**	**164.6**
Operating profit	**117.6**	**20.1**	**137.7**	**152.9**
Net finance costs[3]	(1.8)	(3.3)	(5.1)	(1.9)
Underlying profit before tax	**119.8**	**59.2**	**179.0**	**162.7**
Profit before tax	**115.8**	**16.8**	**132.6**	**151.0**
Underlying EPS on former Jupiter-only basis	21.2p	–	21.2p	28.8p
Underlying EPS foregone for share issue/gained from Merian acquisition	(2.0)p	9.5p	7.5p	–
Underlying EPS on actual basis	**19.2p**	**9.5p**	**28.7p**	**28.8p**
Reported EPS	**19.0p**	**2.3p**	**21.3p**	**27.5p**

1 Revenue from Merian-branded AUM and costs retained from the Merian business.
2 Excludes performance fees of £10.0m (2019: £nil) that have been used to reduce an exceptional cost (see APMs on page 27).
3 Includes interest and costs relating to the subordinated debt issued in connection with the acquisition of Merian.

The table on the previous page sets out the operating profit of the Group and the contribution from the Merian business. As Merian was acquired on 1 July 2020, the Group's results include the revenue and costs of the business from that date. This shows that the Merian business increased operating profit before exceptional items by 51% from £121.6m to £184.1m, and increased operating profits by 17% from £117.6m to £137.7m.

During this period of market uncertainty we have maintained a robust capital position. We have continued with our progressive ordinary dividend policy, maintaining our target pay-out ratio of 50% of underlying earnings per share across the cycle and holding the dividend at the same level as the previous year when we exceed that ratio. In line with this policy, we have proposed a final dividend of 9.2 pence for the year ended 31 December 2020. In addition, following high levels of performance fees, we are announcing a special dividend of 3.0p per share.

During 2020, along with issuing 95.4m new shares in consideration for the acquisition of Merian, we issued £50m of subordinated debt. This is repayable in April 2030 but with a call option, at the discretion of the Company, in April 2025. This subordinated debt is classified as regulatory capital and was issued to ensure we maintain a strong regulatory capital surplus, particularly during the uncertain outlook for financial markets. At 31 December 2020, our regulatory capital surplus after the final and special dividends was £112.2m.

The enlarged business is well positioned for future growth as well as being in a strong position to manage the ongoing uncertainty in financial markets, principally as a result of Covid-19. The following analysis provides more information on the results of the Group for the year ended 31 December 2020.

Net revenue

Net revenue (£m)	2020	2019
Net management fees	384.0	370.0
Net initial charges	0.2	1.2
Performance fees[1]	73.6	7.9
Net revenue[1]	**457.8**	**379.1**
Reclassified revenue	(10.0)	–
Adjusted net revenue	**447.8**	**379.1**
Revenue[1]	**500.5**	**419.3**

1 Includes performance fees of £10.0m (2019: £nil) that have been used to reduce an exceptional cost (see APMs on page 27).

The political and economic uncertainty of previous years continued into 2020 but became relatively insignificant compared to the global pandemic that took hold in the first quarter of the year and which has continued up to the year-end date and beyond. Markets were particularly volatile in the first quarter, with the fastest fall in global stock prices in recent history. Markets have recovered somewhat since 31 March 2020, but actions taken by governments globally to combat the effects of the virus have resulted in high levels of debt at both country and corporate levels.

In this extreme environment, different quarters of the year produced different impacts. The first quarter saw substantial outflows as well as market losses; a significant proportion of market losses reversed in the second quarter, with further positive returns in the third and fourth quarters. Client flows also began to stabilise, with Jupiter strategies generating small net inflows in the second, third and fourth quarters.

Quarter three and four flows for Merian strategies saw net outflows of £1.0bn and £1.2bn respectively, but these were at encouragingly lower levels than they had been in previous quarters prior to our acquisition.

Market returns reduced AUM in Q1, linked to the uncertainty caused by Covid-19. This began to recover in Q2 and by year end market returns were positive across the year.

Revenue in the year was £500.5m (2019: £419.3m), with net revenues of £457.8m (2019: £379.1m), of which Merian contributed £129.1m. Over the year, Jupiter average AUM, excluding the Merian business, was 11% lower than in the prior year which, along with reductions in management fee margins, led to a corresponding decrease in management fees.

Performance fees of £73.6m (2019: £7.9m) crystallised in the year, principally related to Merian UK equities and alternatives funds that delivered strong performance in the period.

We have reclassified £10.0m of the performance fees received as exceptional items in order to avoid a mismatch between this revenue and an exceptional acquisition-related cost. This is explained in the exceptional items section below.

The Group's net management fee margin for the period was 79bps, five points lower than in 2019. Of this, around three basis points resulted from the impact of Merian's lower margin business arising from its different product mix. The remainder of the decrease arises from the continuing strength of flows into the Group's Fixed Income strategy and important segregated mandate wins, which are at lower average revenue margins. The net result of higher overall average AUM at a lower average margin was an increase in net management fees of 4%.

Administrative expenses

Costs by category (£m)	2020	2019
Fixed staff costs[1]	76.1	59.4
Variable staff costs[1]	85.8	70.7
Other expenses[1]	103.2	86.7
Administrative expenses[1]	**265.1**	**216.8**
Exceptional items	47.0	11.7
Administrative expenses	**312.1**	**228.5**
Variable compensation ratio[1]	**31%**	**30%**
Total compensation ratio[1]	**35%**	**34%**
Operating margin[1]	**41%**	**43%**

1 Stated before exceptional items (see APMs on page 27).

Administrative expenses (before exceptional items) of £265.1m (2019: £216.8m) were 22% higher than in 2019, of which £56.6m or 26% of the increase represented costs taken on through the Merian acquisition. Excluding these Merian costs, administrative expenses were 4% lower, with increases in fixed staff costs of 13% and other expenses of 5% being offset by a 28% decrease in variable staff costs. Fixed staff costs increased by 28%, of which 15% was due to the acquisition of Merian. Average headcount for the Group increased from 529 to 593, including former Merian employees. However, alongside the increase in headcount, the increase in fixed staff costs reflects changes to the structure of our teams across 2019 and 2020. Other expenses of £103.2m (2019: £86.7m) increased 19%, which was mainly due to operating costs taken on through the Merian acquisition.

The Group's total compensation ratio increased from 34% to 35%, including payments to fund managers relating to performance fees generated. The Group's operating margin (before exceptional items) decreased to 41% (2019: 43%), but remained in line with our long-term expectation.

Variable staff costs (£m)	2020	2019
Cash bonus[1]	32.9	24.3
Other variable compensation[1]	53.8	49.4
Net gains on instruments held to hedge fund awards	(0.9)	(3.0)
Variable staff costs before exceptional items	**85.8**	**70.7**
Exceptional items	4.1	9.3
Variable staff costs	**89.9**	**80.0**

1 Stated before exceptional items (see APMs on page 27).

Variable staff costs before exceptional items increased by 21% to £85.8m (2019: £70.7m). The variable compensation ratio increased to 31% (2019: 30%). These variable staff costs include bonuses to former Merian employees accrued from 1 July 2020.

Cash bonus costs increased to £32.9m (2019: £24.3m), of which £9.1m (2019: £0.8m) was paid to fund managers as a result of performance fees earned. Excluding performance fees, cash bonus costs remained in line with those of 2019. This is despite average headcount increasing from 529 to 593, reflecting lower underlying bonus levels per employee as a result of lower underlying profitability, excluding performance fees.

Other variable compensation principally comprises deferred bonuses in the form of share-based and fund-linked awards. The equity-settled nature of previously awarded deferred bonus (as well as LTIP) schemes means that their costs are fixed at the time of grant and subsequently do not change if future earnings rise or fall, although social security costs vary with the Company's share price. Charges relating to deferred bonuses before exceptional items rose by 9%.

There were three main drivers to this movement. Firstly, amounts paid away to fund managers relating to shares of performance fee revenues, which resulted in an increase of £16.3m. This increase was partially offset by the other two drivers, being a £5.1m reduction in deferred bonus awards in 2020, in line with the decrease in profitability excluding performance fees, and the 31% decrease in the Group's share price in 2020 producing a credit on the national insurance charge in the year on deferred awards of £2.5m.

Deferred bonuses in the form of fund-linked awards are a significant part of the variable compensation model. Such awards link fund manager remuneration with the returns on the funds they manage, maintaining alignment between the interests of clients and the individuals with direct responsibility for managing their assets. The awards are remeasured to the value of the underlying fund at the balance sheet date. At 31 December 2020, we held £45.1m (31 December 2019: £27.1m) of investments in our own funds to hedge this obligation.

Gains and losses from investments held to hedge fund-based awards are matched with gains and losses arising from the awards themselves within staff costs to reflect their purpose of eliminating market risk volatility from compensation costs.

Exceptional items

Exceptional items are items of income or expenditure that are significant in size and which are not expected to repeat over the short to medium term. Such items have been separately presented to enable a better understanding of the Group's financial performance. Where appropriate, such items may be recognised over multiple accounting periods. Exceptional items were £46.4m in 2020 (2019: £11.7m) and relate mainly to the acquisition of Merian, including transaction and integration costs and certain other costs.

	2020 (£m)	2019 (£m)
Acquisition related		
Transaction costs	12.7	–
Integration-related costs	26.6	–
Transaction and integration costs	**39.3**	**–**
Amortisation of acquired intangible assets	9.4	–
Deferred compensation costs related to the acquisition	3.7	–
Performance fee offset	(10.0)	–
	42.4	**–**
Non-acquisition related		
Redundancy programme and other compensation costs	4.0	11.7
Exceptional items	**46.4**	**11.7**

Acquisition-related exceptional net costs mainly comprise transaction and integration costs of £39.3m. This includes the cost of various requirements relating to the issue of equity and debt prospectuses and other work required to complete the transaction. The majority of the operational integration took place in 2020. We do not expect to recognise any significant further expenditure relating to the acquisition in 2021.

The Group incurred certain acquisition costs in the form of deferred earn out awards to certain former shareholders. These are required to be treated as compensation costs as they include employment criteria and will be charged over a period of between three and five years.

Up to £10.0m of this award would be funded by TA Associates (the DEO obligation) in the absence of the equivalent amount of performance fee profits. The Group recognised performance fee profits in excess of this amount in 2020 and, as a result, £10.0m of performance fees have been recorded as exceptional items to reflect that they are expected to fund this cost. Due to accounting recognition requirements, £6.7m of the DEO obligation cost will be charged in future years.

The acquisition terms also included a Purchase Price Adjustment (PPA) which would require a payment from TA Associates if minimum AUM targets are not met at 31 December 2021. If such a payment became due, it would be reduced by any net performance fee profits crystallising between the acquisition date and 31 December 2021. Any further performance fee profits over and above the PPA amount are required to be set off against the DEO obligation as referred to above. Further information is set out in Note 5.4 to the accounts.

Part of the purchase consideration is required to be allocated to acquired intangible assets which represents value attributable to the client book excluding gross inflows. This asset of £75.0m is amortised over four years.

In December 2020, the Group incurred redundancy and other compensation costs of £4.0m as part of an ongoing restructuring programme. These costs related to actions taken in the final quarter of the year as the Group embarked on a post-integration review of its structures, systems and processes. The programme will complete in the first half of 2021, with related costs being recognised in 2021.

Exceptional items in 2019 of £11.7m related to certain variable compensation awards, of which £9.3m related to accelerated accounting charges for deferred employee awards and £2.4m to a separate redundancy programme.

The treatment of redundancy costs as exceptional items is kept under close review and, following the completion of the current programme, no further redundancy costs are expected to be reported as exceptional in the foreseeable future.

Other income statement movements

Other gains of £3.3m (2019: gains of £4.1m) principally comprised a £3.7m gain (2019: £nil) on a forward contract taken out to hedge share-based compensation awards to staff and losses of £0.4m (2019: gains of £4.1m) on seed investments, net of hedges, and including dividend income. Seed investments are hedged for beta risk, usually by taking a short position on a fund's benchmark, where it is possible to do so. Gains and losses therefore generally arise from under or overperformance against a fund's benchmark. In 2020, we recognised gains across a range of seeded funds, particularly in respect of our Flexible Macro and Pan European Smaller Companies funds. Gains and losses relating to the hedging of fund-based awards are reported within staff costs.

Finance costs

Finance costs of £5.1m (2019: £2.0m) have increased by £3.1m principally as a result of the issue of £50m subordinated debt in April bearing an interest rate of 8.875%.

Profit before tax (PBT)

Statutory PBT for the year decreased by 12% to £132.6m (2019: £151.0m). Underlying PBT increased by 10% to £179.0m (2019: £162.7m) mainly as a result of significant levels of performance fee income, partially offset by a higher cost base relating to performance fees and the acquisition of Merian.

Tax expense

The effective tax rate for 2020 was 20.6% (2019: 18.7%), marginally above the headline UK corporation tax rate of 19.0% (2019: 19.0%). The difference is due principally to increases in disallowable exceptional costs related to the Merian acquisition. Our published tax strategy is available from our website at: **www.jupiteram.com**.

Earnings per share (EPS)

The Group's basic and diluted statutory EPS measures were 21.3p and 20.8p respectively in 2020, compared with 27.5p and 26.8p in 2019.

Underlying EPS

Underlying EPS, defined as underlying profit after tax divided by the weighted average number of shares in issue (see page 27), was down 0.1p at 28.7p (2019: 28.8p).

	2020	2019
Statutory profit before tax	132.6	151.0
Exceptional items	46.4	11.7
Underlying profit before tax	**179.0**	**162.7**
Tax at average statutory rate of 19%	(34.0)	(30.9)
Underlying profit after tax	**145.0**	**131.8**
Weighted average issued share capital	505.4	457.7
Underlying EPS	**28.7p**	**28.8p**
Basic EPS[1]	**21.3p**	**27.5p**

1 See Note 1.10 to the accounts.

Cash flow

The Group generated positive operating cash flows after tax in 2020 of £104.6m (2019: £149.8m), representing 99% (2019: 122%) of statutory profit after tax. Net inflows from investing activities of £63.9m (2019: net outflows of £41.9m) principally constituted Merian cash balances acquired. Consideration for the acquisition was almost entirely share-based (see Note 5.4 to the accounts). Outflows from financing activities of £159.8m (2019: £130.2m) included two acquisition-related items, being the Group's repayment of Merian's loans and borrowings of £111.0m on acquisition date, net of the issue of subordinated debt, realising proceeds of £49.0m. In addition, dividend payments of £83.9m were made to shareholders and £10.7m of shares were purchased by the Employee Benefit Trust (EBT) to hedge deferred compensation awards to employees in the form of Jupiter shares. The net increase in cash in the period was £8.7m (2019: £22.3m decrease).

Assets and liabilities

The Group's cash position at the year-end date was £188.1m (31 December 2019: £179.4m), as net cash receipts from trading profits, which excluded most performance fees for which payment was not received before the year end, and proceeds from the debt issue were offset by dividend payments to shareholders, the repayment in full of Merian's outstanding borrowings and payments to the EBT.

The issued debt of £50m is repayable in April 2030 or, at the Group's option, from April 2025. The revolving credit facility (RCF) was increased from £50m to £80m with effect from 1 July 2020, providing additional access to liquidity for the enlarged Group. The facility has a three-year life and was not drawn in the year. Payment for Merian was principally share-based, with the issue of 95.4m shares on 1 July at a valuation of 256.2p per share. Note 5.4 to the accounts lists the assets and liabilities acquired by the Group as part of the Merian transaction. The largest impacts on the Group's consolidated balance sheet, apart from the increase in share capital and premium, were the capitalisation of goodwill of £229.4m and an intangible asset of £75.0m, the latter in respect of customer relationships acquired. This will be amortised over a four-year period.

The Group repaid Merian's existing loans and borrowings of £111.0m out of cash reserves immediately after the acquisition.

Seed investments

We deploy seed capital into funds to support their growth, to ensure an effective launch and to accelerate the process of raising assets over critical size thresholds. As at 31 December 2020, we had a total investment in Jupiter funds of £138.3m (31 December 2019: £128.7m) at fair value.

Capital management

The Group remains profitable. Capital also increased as a result of the issue of share capital, net of costs, of £244.0m as part of the Merian acquisition consideration. These increases were partially offset by distributions made to shareholders, in line with our dividend policy, and funding of the EBT. The net movement in total shareholders' equity was an increase of £274.4m to £886.1m.

Capital and regulatory position

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

The Group's indicative surplus over regulatory requirements was £179.7m at 31 December 2020 (2019: £189.1m) excluding provision for ordinary and special dividends. After allowing for the proposed and declared dividends, qualifying capital was £238.4m against a requirement of £126.2m, giving an indicative surplus of £112.2m (2019: £147.0m). We are focused on ensuring that we have an appropriate surplus over the regulatory capital requirement. This is monitored regularly by the Board.

The parent company of the Group, Jupiter Fund Management plc, has distributable profits of £221.3m (2019: £243.7m). As a result, the payment of dividends by the Group is limited by its regulatory capital and liquidity requirements. The Group seeks to maintain a balance between providing returns to shareholders and maintaining sufficient capital and cash reserves to support its business activities. As well as providing sufficient liquidity to be able to meet all its liabilities as they fall due, the Group's working capital provides funding for seed investments to support both new and existing fund products and strategies.

Dividends

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

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

The Board proposes an unchanged full-year ordinary dividend for the year of 9.2p per share. This results in a total ordinary dividend for the year of 17.1p, the same as 2019, representing an ordinary dividend pay-out ratio of 60% of underlying earnings.

The Jupiter Board's priority continues to be to maintain its capital strength, including a robust surplus over regulatory capital requirements and it remains committed to returning surplus regulatory capital in excess of needs to shareholders, aligned to the Group's capital allocation framework. Following the recognition of exceptionally high levels of performance fees in the second half of the year, the Board are pleased to announce a special dividend of 3.0p per share, representing a pay-out of a further 10% of underlying earnings, bringing the total pay-out for the year to 70%.

In previous years, the Board has declared interim dividends only, which do not require a shareholder vote. In a change to that approach, in order to promote accountability to our shareholders, the Board has proposed the full-year dividend as a final dividend and seeks approval for this payment at the AGM on 6 May 2021.

Liquidity

The Group's liquidity comprises cash available for use in the business, supported by an undrawn RCF of up to £80m. The Group maintains a consistent liquidity management model, with liquidity requirements monitored carefully against the existing and longer-term obligations of the Group.

Statement of viability

In accordance with provision 31 of the 2019 Corporate Governance Code, the Directors have assessed the prospects of the Group over a longer period than the 12 months required by the Going Concern provision.

The Directors confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities, as they fall due, at least until 31 December 2023. The Board's viability assessment is based on information known today and with reference to the Group's current position and strategy, the Board's risk appetite, the Group's financial plans and forecasts, and the Group's principal risks and how these are managed, as detailed in the Strategic report.

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

The rolling financial plan incorporates both the Group's strategy and principal risks and is reviewed by the Board at least annually when the budget for the following year is approved.

In exceptional circumstances, the Board reviews and approves structural changes to the budget intra-year. These formal approval processes are underpinned by regular Executive Committee and Board discussions of strategy and risks, in the normal course of business.

Details of the principal risks faced by the Group, and the strategies in place to mitigate exposure to them can be found in the Risk and Risk Management section of the Strategic report, beginning on page 50. This section also sets out the specific risks facing the Group as a result of the Covid-19 global pandemic in terms of impact on strategy, investment performance and operations, and how we seek to mitigate them.

Pages 4 and 5 also set out details of how the Group responded to Covid-19 in terms of providing support for its employees and its local communities as well as changing the way it has engaged with its clients to maintain communication and delivery. Focus on maintaining the Group's operations during periods of lockdown was reinforced by an increase in the frequency of meetings of the Executive Committee and the formation of an Operational Resilience Committee.

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

In the most recent ICAAP, approved by the Board in November 2020, all stress scenarios modelled used Covid-19 impacted data from July 2020 as their starting point, and incorporated further stresses on top of this data.

Scenarios include:

- sustained market downturn (modelled on the Covid-19 fall in markets), combined with two operational risk events and a significant loss in the seed portfolio;
- the loss of discretionary distribution providers; and
- the failure to deliver the Group's investment strategy.

Primary management actions to relieve stresses on the Group's ability to operate during these scenarios are reducing returns to shareholders, reductions in variable compensation costs and disposal, where possible, of seed investments to provide additional liquidity.

The Group also considers the correlation between different levels of AUM and profitability, modelling the impact of and sensitivity to market movements which directly affect the value of AUM and therefore the Group's revenues.

Prior to the Merian transaction, we considered various stress scenarios in relation to the acquisition to assess its impact on our liquidity and capital position before recommending the acquisition to shareholders.

This included the significant one-off costs, increased operational risk requirements and the recognition of intangible assets which are not allowable for the purposes of measuring capital.

These were then rerun following the completion for the Group's combined ICAAP using updated market conditions for the severe market downturn. Our analysis indicates that, following expected management responses to the stresses involved, for both scenarios, the combined Group will continue to maintain a capital surplus.

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

The use of alternative performance measures (APMs)

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

APM	Definition	Reconciliation/ data sources	Reason for use
Adjusted net revenue	Net revenue after the deduction of net revenue classified as exceptional items	Page 22	A
Exceptional items	Items of income or expenditure that are significant in size and which are not expected to repeat over the short to medium term	Page 23	B
Fixed staff costs before exceptional items	Staff costs (excluding variable items such as bonus awards, LTIP, SAYE and SIP) before redundancy costs	Page 22	B
Net management fee margin	Net management fees divided by average AUM	Page 22	A
Net management fees	Management fees less fee expenses	Page 22	A
Net revenue	Revenue less fee and commission expenses	Page 22	A
Operating expenses (before exceptional items)	Administrative expenses (before exceptional items) less Variable staff costs before exceptional items	Page 22	B
Operating margin (before exceptional items)	Operating profit (before exceptional items) divided by Adjusted net revenue	Page 22	B, C
Operating profit (before exceptional items)	Underlying profit before tax before Finance income and Finance costs	Page 24	B
Ordinary dividends per share	Interim and full-year dividends (does not include any special dividends)	Page 25	B
Total compensation ratio	Fixed staff costs before exceptional items plus Variable staff costs before exceptional items as a proportion of Net revenue	Page 22	C
Underlying EPS	Underlying profit after tax divided by weighted average issued share capital	Page 24	B, D
Underlying profit after tax	Underlying profit before tax less tax at the weighted average UK corporation tax rate	Page 24	B
Underlying profit before tax	Profit before tax less Exceptional items	Page 24	B
Variable compensation ratio	Variable staff costs before exceptional items as a proportion of Net revenue less Operating expenses before exceptional items	Page 22	B, C
Variable staff costs before exceptional items	Variable staff costs, excluding Exceptional items	Page 23	B

Changes in the use of APMs

In 2020, but not in the prior year, exceptional items include an item of revenue. As a result, in order to show revenue both before and after this item, we have introduced a new APM for Adjusted net revenue. Two financial ratios use this measure (Total and Variable compensation ratios); we have amended their definitions accordingly.

Our reasons for using APMs

A. To draw out meaningful subtotals of revenues and earnings, together with ratios derived from such measures, commonly used by asset managers after taking into account items such as fee expenses, including commissions payable, without which a proportion of the revenues would not have been earned, and administrative expenses which often have a direct link to revenues through the use of compensation ratios to set remuneration.

B. To present users of the accounts with a clear view of what the Group considers to be the results of/distributions from its underlying operations, enabling consistent period-on-period comparisons and making it easier for users of the accounts to identify trends.

C. To provide additional information not required for disclosure under accounting standards. The information is given to assist users of the accounts in gauging the level of operational gearing and efficiency in the Group.

D. Used by the Board to determine the Group's ordinary dividend and as a consistent measure of profitability. Also used in the measurement of one of the criteria for share-based awards to senior staff with performance conditions.

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

The Strategic report found on pages 1-57 has been duly approved by the Board and signed on its behalf by:

Wayne Mepham, Chief Financial Officer
25 February 2021

INVESTMENT MANAGEMENT

Delivering investment excellence that creates value for our clients after all fees is at the centre of what we do.

"The addition of Merian makes Jupiter a leader in UK equities, with one of the largest and strongest teams in the market and significant scale and experience across key areas such as large cap, small cap, value and growth."

We are committed to running actively-managed high-conviction portfolios in specialist strategies where we can differentiate ourselves from our peers. We do not have a house view and allow our fund managers the autonomy to follow their convictions to deliver the best outcomes for clients.

We will continue to selectively and strategically expand our product range, not with the aim to provide coverage across all asset classes, but to focus on those areas where we can deliver real value for our clients.

Throughout 2020 markets provided a number of challenges for our investment teams as the global pandemic led to market volatility and client uncertainty. Despite this, investment performance after fees remained strong.

We had a successful year welcoming our new colleagues after the Merian acquisition into our collaborative and high-performance environment, giving us strength in depth and adding new investment capabilities, including a greater range, which have the potential to generate performance fees.

We have maintained our focus on stewardship and sustainable investing, both through the active engagement in companies in which we invest and through strategies specifically focused on sustainability.

We have continued to invest in data science. Our expanded team uses alternative sources of information to challenge our fund managers' views, give them a different perspective and allow them to ask different questions of company management.

Deeper investment expertise

A key feature of the year has been the integration of Merian's investment team with Jupiter's, which has increased the size of the combined investment team by nearly 50%. The former Merian team has a strong cultural fit with Jupiter, based on putting clients first, a dedication to high-conviction portfolios and giving autonomy to individual fund managers.

Maintaining and building on this complementary culture fit will be a focus throughout the coming year.

The addition of Merian makes Jupiter a leader in UK equities, with one of the largest and strongest teams in the market and significant scale and experience across key areas such as large cap, small cap, value and growth.

The acquisition has also added new capabilities, including Gold and Silver, a highly-regarded active systematic capability and the Chrysalis strategy, which invests in private assets. Other areas have been reinforced, such as absolute return, emerging market equities and emerging market debt.

Despite the operational challenge of remote working, the new fund ranges were seamlessly migrated onto Jupiter's platform by the end of the third quarter.

We have also expanded our capabilities with key hires in UK Growth, European Growth and Global Value strategies to support our existing teams.

Top 10 largest funds by AUM

	AUM (£bn)	3-year quartile ranking
Dynamic Bond	8.6	1
European	4.6	1
Strategic Bond	4.4	2
UK Mid Cap	3.5	1
Merlin Income	2.1	2
North American Equity	2.0	3
Merlin Balanced	1.9	2
UK Special Situations	1.8	4
Merlin Growth	1.7	2
Income Trust	1.3	4

Strategic priorities

1 3 4 7

+ Read more on our strategic priorities page 16

Principal risks

1 2 3 5 6 7

+ Read more on our principal risks on page 50

Continued investment excellence

Despite the disruption and volatility caused by the pandemic through 2020, we again delivered strong investment performance for our clients.

At 31 December 2020, 70% (2019: 72%) of our mutual fund assets under management across the Group delivered above median performance over three years, with 42% achieving top quartile performance. Over one year, 63% delivered above median performance and over five years, the figure was 69%.

The chart on the previous page shows the three-year investment performance of our 10 largest funds, which represent 53% of our total assets. The acquisition has improved our diversification at the fund level, with 13 funds now above £1bn of AUM, compared with 10 prior to the transaction. We carefully monitor our funds' performance and take action on those which may have underperformed over a period of time.

We also have a number of funds which we expect to generate good growth in the coming years. Although relatively small today, they are in areas of client demand, have good performance and are approaching their three-year track records. This includes strategies such as Global Sustainable Equities and those managed by NZS Capital.

A focus on stewardship

As an active asset manager that takes high-conviction positions in our investee companies, we believe that we have an important role to play in engaging with these companies to drive better outcomes from ESG perspectives.

Embedding these ESG considerations into our investment processes has been a key focus for us over recent years. We believe that through active engagement and being responsible stewards of our clients' capital, we can help companies become more sustainable and ultimately drive better outcomes for our clients.

Our approach is not to impose a house view, but rather to enable our fund managers to understand and evidence the footprint of their portfolios and articulate their position to clients. More information on our stewardship activities and ESG philosophy can be found from page 36.

ACTIVE MINDS EMPOWERED BY DATA INSIGHTS

The Data Science team was founded in late 2018 and started as a team of one. Two years later, the team of data scientists and engineers now numbers seven, with additional key hires to be made in 2021 as we continue to invest in this important area of strategic growth.

Despite the rapid growth, the mission of the team has not changed; to integrate data science across the organisation by empowering everyone to become data citizens. For us, that means enabling our people to make better data-driven decisions through access to clean data, proprietary tooling and dashboards, and machine learning-powered insights.

The team does not directly manage assets themselves, but works to provide our fund managers with analysis and insight from complex and often unstructured data sets that traditional, fundamental research can not provide. This is designed to help to improve investment importance and ultimately deliver better outcomes for our clients.

Last year was a busy year for the Data Science team, as we implemented a number of new technologies, from both third-party providers and developing our own propriety tools, such as our ESG Hub web app and our backtesting toolset. We loaded over 100 billion rows of data, including almost a dozen core datasets. We designed and deployed more than 20 analytical dashboards and executed numerous alpha backtests, using a variety of both machine learning and traditional econometric techniques.

We considered, trialled and invested in a range of datasets from the alternative data landscape, including tracking the aggregated movement of society in response to the Covid-19 pandemic through access to geolocation data, understanding the impact of controversies and the implied shock to brand sentiment, and forecasting organic growth rates using aggregated transaction data.

We will continue to invest in the team through 2021, as we further encourage responsible innovation and empowerment, with increased focus on alpha research. ESG research will continue to flow through much of what we do with a number of enhancements planned to the ESG Hub, an internal proprietary toll that presents ESG risk data from third-party providers combined with our in-house holdings data. More details on the ESG Hub can be found on page 39. We are also working on tools to deliver the output of our data analysis directly into our fund managers' processes. We are also designing an alternative data catalogue, helping fund managers gain insight into the more than 1,500 datasets available.

As a truly active manager, we need to consistently find ways to invest more intelligently, in order to deliver the best possible results for our clients. We will succeed by seeking an informational and insight edge over our competitors. Our continued investment in talent, tech and data with our Data Science Team is demonstrable evidence of our continued competitive investment.

PRODUCT AND DISTRIBUTION

Through 2020 we continued to evolve our product range and distribution footprint, focusing on those areas we believe we can deliver value for our clients.

We greatly increased our presence in our UK home market through the acquisition and integration of Merian. Our partnership with NZS Capital in the US has seen strong early growth and provides access to UK, US and international institutional markets. We have also selectively expanded our product range through a number of fund launches.

Strategic priorities

2 3 4 5 6 7

+ Read more on our strategic priorities page 16

Principal risks

1 2 3 7

+ Read more on our principal risks on page 50

A broader product range through Merian acquisition

We had identified investment in our core UK retail business as a key strategic priority for 2020, which we delivered through the acquisition of Merian. It has added significant depth to our distribution, both in the UK and internationally, and has resulted in Jupiter now being one of the largest wholesale asset managers in the UK market.

It has brought valuable additions to the product range. This includes areas where we have added strength in depth, such as UK equities and Fixed Income, and investment expertise complementary to our existing capabilities, such as strategies investing in Gold and Silver, private asset investments and, in particular, a highly-regarded active systematic capability.

We are delighted to have been joined by our new colleagues this year and former Merian employees now hold a number of senior positions including Heads of Marketing, Institutional & International, Institutional Client Service and a regional head in Germany and Austria.

At the start of 2021, we have also launched our refreshed brand, with messaging that reinforces our commitment to high-conviction active management, and brought Merian's fund ranges under the Jupiter brand.

In Latin America and US offshore, we continue to grow our AUM. We have expanded our team, in part through Merian, and are working closely with our distribution partners to further develop our presence.

We continue to enhance our approach to the institutional market, both in the UK and globally. We have newly appointed Heads of Institutional & International, and Institutional Client Services, who both joined us from Merian. Our global team is led from the UK but with strong regional representation in the US, Middle East and Africa.

Opportunities outside the UK

We continue to see opportunities for growth outside of our home market of the UK. However, with our focus this year being primarily on strengthening our position in the UK wholesale market, we have taken a measured and calculated approach to international expansion.

In most cases, we have primarily looked to deepen our presence and resources in markets in which we already currently operate, such as in Germany and Italy.

Where we see significant opportunities for growth we have acted upon this, including opening a distribution office in the US for the first time. This allows us the opportunity to distribute a number of products to the US market, including through our partnership with NZS Capital.

In Asia, Merian has provided us with a new office with scale in Taiwan, as well as strong relationships in mainland China, which is one of the world's largest and fastest growing markets. We see these as important opportunities and areas of focus going forward.

We have also had a successful year across Latin America, having expanded our team and working with distribution partners in Chile, Peru, Colombia and Brazil.

Ambitions in the institutional channel

We have evolved our focus in the institutional channel this year, both in the UK and overseas. Over £5 billion of our assets under management are from institutional clients, which represents 9% of our business.

Our new client service function for Institutional clients is based around a centre of excellence in the UK, supported by a team of regional heads. This approach gives a high degree of autonomy in developing institutional business in each jurisdiction, implementing an approach that best suits the needs of local clients.

ACTIVE MINDS STAY CONNECTED

Delivering value for money

We remain committed to delivering value for money for our clients. In 2020, following the FCA's asset management market study, we published our first Assessment of Value (AoV) report for our UK Unit Trust range.

The assessment found that 64 of 91 unit classes had either delivered value or consistently delivered value. The remaining 27 had demonstrated value but not always on a consistent basis and, in each of these cases, we had already taken action to drive improvements.

Our AoV report was reviewed and assessed by the Fund Board Council (FBC) and received the highest FBC Assessment of Value Analyser scores. The FBC has rated over 190 AoV reports on a number of criteria including board accountability, report access, the overall AoV process and the extent to which the report addresses client-centric remedies.[1]

An optimised product range

We continued to diversify the business by product in 2020, with the launch of European Smaller Companies funds in the UK and internationally. We also launched a Global Sovereign Fund, giving us a new offer in fixed income.

We also see strong growth prospects for a number of our products, which are in areas of client demand, have strong performance and, in many cases, are approaching their three-year track record.

As Merian brought a significant number of new funds into Jupiter, the primary focus of our product strategy was on consolidating and rationalising the product range, to ensure we have the right products in the right jurisdictions. This work will continue in 2021.

1 Rating as at 3 December 2020. The FBC is a professional members organisation that supports good governance on fund boards in the UK and across Europe. Jupiter is a founder member of FBC.

Transforming our client engagement during Covid-19

When the Covid-19 pandemic took hold, we recognised that our clients were searching for answers about how their world might change. In response, we significantly stepped up our engagement, to keep clients up to speed with what our fund managers were thinking.

With face-to-face engagement impossible, we accelerated our use of digital communications, under the overall theme of 'Stay connected'. For example, we were one of the first UK asset managers to publish our thoughts after the US election, leading to a quadrupling of engagement through our already highly popular website.

A particular success was our series of five 'Big Picture' virtual events, through which some of our leading fund managers discussed and challenged each other about major topics arising from the pandemic.

These professionally filmed discussions included the prospects for inflation, the risks and opportunities of generating income in a highly indebted world and whether Covid-19 would change or accelerate disruptive trends.

To promote the events, we made full use of digital channels, including email, online advertising, social media and content platforms. We translated the promotional materials into numerous languages, reflecting our global audience. Nearly 1,000 clients watched the events live, with attendees from every region where we operate, and more than 400 viewing on-demand through our dedicated content hub.

The feedback from clients showed they appreciated the insights we provided, demonstrating the value of active minds. We have continued with the series in the first quarter of 2021.

"One of the more refreshing and insightful discussions that I've seen for some time. Perspectives were original, coverage was comprehensive. Well done and I look forward to more such talks from Jupiter in the future."

Jupiter client, 2020

"Forthright opinions and views which covered all areas of the market. The subject matter was very relevant."

Jupiter client, 2020

OUR PEOPLE AND CULTURE

Diversity of thought is welcomed and valued, emerging talent is recognised and nurtured, and open debate and collaboration are encouraged.

THE VALUE WE CREATE

We put our clients first.

We value our people.

We succeed together.

We challenge ourselves.

This year was dominated by two key areas – the integration of our new colleagues from Merian and supporting all of our people through the Covid-19 pandemic.

Supporting our people through Covid-19

We value our people because they drive the success of our business. As the Covid-19 pandemic took hold, we made supporting and safeguarding our employees an absolute priority.

We acted quickly to protect their physical and mental wellbeing, closing our office and moving overnight to a 'work from home' model. Under the leadership of our Executive Committee, our HR, Technology and Facilities teams spearheaded our response, providing extensive support and practical help to employees as they adapted to the new working arrangements.

Thanks to the combined efforts of these teams, and the resilience of our employees, we were able to continue to service our clients, with little or no disruption. The full details of the measures and initiatives we took to support our employees can be found on page 4.

Integration of Merian

The strength of our culture also underpinned the response of our employees to the firm's acquisition of Merian Global Investors Limited.

We always ask our people to strive to challenge themselves, and they did this ably as they rose to the task of integrating Merian into the business. Both companies have a similar investment philosophy and culture, built on independence of thought and individual accountability. This shared DNA, a key consideration in the acquisition of Merian, helped smooth the integration process. It was also important to us that we treated the Merian employees who did not join us both fairly and compassionately.

The majority of our new colleagues are in the investment management and distribution teams, while around 50 support staff joined us until the end of the year to work on the integration. Everyone who has joined us has been successfully onboarded, although the disruption caused by the Covid-19 pandemic has meant we have not been able to have all our people in the office at the same time.

We will therefore continue to work through 2021 on embedding our new colleagues into their teams.

We have also taken this opportunity to review our existing business to ensure how resources are properly focused towards areas of future growth. As a result, we have made difficult but important decisions around our resourcing and have initiated a restructuring programme.

Culture

Our culture is the glue that binds us all in our common purpose to put our clients first and help them achieve their long-term investment objectives.

In 2020, it was thanks to the strength of our culture and the value we put on our people that we were able to successfully navigate the challenges of a pandemic and a significant acquisition. All the elements of our culture came into play: the passionate focus on client needs; the need for teamwork combined with individual responsibility; the benefits of challenge, innovation and continuous improvement. It is a culture that reflects our core beliefs as a business. More information can be found in Our Purpose and Principles on page 2.

We recognise however that culture needs to be continually monitored and nurtured and that events such as the Covid-19 pandemic can affect this, by changing our working practices and our people's experience of being at Jupiter. Acquisitions can have a similar impact.

Strategic priorities

3 4

+ Read more on our strategic priorities page 16

Principal risks

1 2

+ Read more on our principal risks on page 50

ACTIVE MINDS WORKING TOGETHER

While Merian's culture was highly complementary to Jupiter's, the addition of a significant number of new people to the Group inevitably has an impact on the culture in place.

To ensure we understand the status of our culture throughout the business, we have continued to develop our culture dashboard during 2020. This dashboard measures key components of our culture and is based on industry best practice and aligned to the culture framework developed by the Investment Association and Latham & Watkins. The structure and content of the dashboard was approved by the Board. Every six months, relevant ExCo members produce a culture dashboard for their department, comprising key culture metrics and a qualitative narrative describing the culture in their area in the respective reporting period, along with any key deliverables during the period. The departmental submissions are then aggregated into a firm-wide dashboard, which is reviewed by ExCo and reported to the Board.

Employee engagement

Our corporate culture can only thrive if we fully engage with our people. Our Senior Leadership Group and Connections Forum helps to drive engagement at all levels of the business. The Connections Forum, which is our employee communications forum, engages with our people through regular 'pulse checks', seeking views on strategy, people, culture and facilities. The Chairman of the Forum provides updates to ExCo and the Board and the Forum acts as the Board's formal workforce advisory panel.

Jupiter has a well-defined culture, which reflects the importance of our clients and people, the need for teamwork combined with individual responsibility, and the benefits of challenge, innovation and continuous improvement.

In July, we welcomed over 100 new talented colleagues as part of the integration of Merian. The strong cultural alignment between the two groups was one of the reasons why the acquisition was so attractive. Both shared a focus on striving consistently to achieve superior investment performance for clients, a commitment to independent, active asset management and to giving their fund managers the freedom to make their investment decisions unconstrained by a house view.

Even with shared cultural values, successfully combining two businesses requires a great deal of thought, care and effort. Doing so in the midst of a global pandemic has not made the task any easier. However, thanks to the hard work of all involved, the integration has run smoothly and efficiently. New colleagues have been working to build new relationships with each other, albeit predominantly over video-conferencing platforms.

A driving force behind the success of the integration thus far has been a shared commitment to putting our clients first, taking best practice from both organisations to provide a level and quality of service that we believe to be greater than the sum of its parts.

"Joining a new firm in the middle of strict Covid restrictions was initially a cause for some trepidation, but the welcome from Jupiter as a whole and from individual colleagues has been fantastic. It's a very friendly place to work, and it is clear that everyone is determined to pull together to deliver the best outcomes we can for our clients."

"I was really impressed by the lengths to which Jupiter went to enable those of us joining the business to settle into our new – largely virtual – environment as quickly as possible. Introductory calls with fund managers from both firms provided an effective way to get up to speed with our products and the business more generally, while a welcome video, virtual sessions with members of the ExCo, excellent IT training and the general warmth and receptiveness of our new colleagues all made us all feel very much included as a single, combined business right from the outset. It feels, very much, like a genuine meeting of minds."

OUR PEOPLE AND CULTURE

"We need people with different ways of thinking, who can challenge each other and bring fresh ideas and creativity. As we embrace diversity and inclusion, we will establish a workforce that is diverse in all aspects, whether that is gender, ethnicity, disability, education, social and economic background or other factors."

The table below analyses the gender diversity of our people at the year end:

	2020		2019	
At 31 December	Female	Male	Female	Male
Board	2	7	3	6
Senior management	20	84	18	74
Other employees	203	302	172	249
Total	**225**	**393**	**193**	**329**

We also carry out regular engagement surveys, to understand in detail how our people experience working at Jupiter, where we are doing well and what we can do better. Given our focus on the Merian integration and managing the impact of the pandemic, the survey we would normally have launched towards the end of 2020 was instead conducted in the first quarter of 2021.

The results show an engagement score of 84%, which is ahead of the financial services benchmark. The details of the survey will be analysed and any areas for improvement will receive focus throughout the year.

The 2019 survey showed an engagement score of 85% and among the areas for improvement identified was the desire for greater communication from the Executive Committee (ExCo) members, which we have addressed through our enhanced communication programme during Covid-19.

We strongly encourage wide employee share ownership and to help increase our people's engagement and their alignment with Jupiter's shareholders, we announced for the second year to grant all eligible employees a free share award under the Company's Share Incentive Plan (SIP). Our first free share award was granted in April 2020 and as a result, nearly all of our UK-based permanent employees are shareholders.

"Our corporate culture can only thrive if we fully engage with our people."

Diversity and inclusion

We believe that businesses with a diverse workforce and an inclusive culture are stronger and more sustainable. For Jupiter, cognitive diversity is key. We need people with different ways of thinking, who can challenge each other and bring fresh ideas and creativity.

As we embrace diversity and inclusion, we will establish a workforce that is diverse in all aspects, whether that is gender, ethnicity, disability, education, social and economic background or other factors. We consider diversity and inclusion company-wide, by region, by function and by team, as well as at varying levels of seniority.

The Group has a Diversity and Inclusion (D&I) Forum, made up of employee representatives, a member of ExCo, and a member of HR who is responsible for inclusion. We have also established Ethnicity, Faith, Pride and Women in Technology employee resource groups.

However, we acknowledge that we have more to do to ensure we have a truly diverse workforce. This includes continuing to develop our culture, so we make sure it is more supportive and understanding of each other, more giving, fully educated on cultural differences and that it helps the constant evolution of the organisation. We also recognise that we can only be a diverse and inclusive company if everyone plays their part. To support this, all our people managers will have D&I goals from 2021 and these will also be clearly stated in the objectives of our Executive Directors and ExCo members.

We will also introduce diversity training for senior management, the sales function, investment professionals and people managers, and ensure we have increased representation of people from under-represented groups across our external facing materials. Other key actions for the coming year will include enhancing maternity support, including coaching and manager training, and introducing eligibility for full bonus during the first six months for those on maternity or paternity leave.

We continue to take part in Investment20/20, which is an industry initiative founded by our CEO, Andrew Formica and Chairman, Nichola Pease, to bring more diverse talent into all aspects of investment management. Our 2020 intake are pictured above.

The programme offers young people a fixed-term contract of 12 months or more. Our next intake will arrive in 2021. We will continue to work with organisations that will help us to broaden our talent pipeline in the area of gender, socioeconomics, disability, and BAME talent.

Sourcing and developing talent

In recent years, we have looked to increase the proportion of new hires that we source directly. In 2020, 56% of our hires were sourced directly or internally and, to help build a diverse talent pipeline, we use anonymous applications for entry level talent and monitor diversity data during the recruitment process. However, we also recognise that we need to balance direct recruitment with the benefits of using agencies who can ensure we have diverse shortlists of candidates.

Going forward, we will continue to encourage greater diversity of applicants by ensuring all roles are advertised in places that will help to attract more applications from under-represented groups, for example, women or people with disabilities.

Developing our people is key to helping them fulfil their potential at Jupiter. One of our intentions for 2020 was to refresh our internal training programmes. However, the necessity of managing Covid-19 required a change in approach, with our emphasis instead being on enabling our people managers to manage virtual teams and helping individual employees to cope with their new circumstances and get the best from themselves. Enhancing our employees' skills will remain a key focus going forwards.

56%

OF NEW HIRES WERE DIRECT

"It was thanks to the strength of our culture that we were able to successfully navigate the challenges of a pandemic and a significant acquisition."

ACTIVE RESPONSIBILITY

Integrating material Environmental, Social and Governance (ESG) considerations into our investment decisions forms part of our active management philosophy.

At Jupiter, we have a long history of delivering investment performance for our clients through sustainable investing. We believe sustainable companies that create value for all stakeholders, including for wider society, have better long-term growth potential. The principles of sustainability and responsibility are embedded into Jupiter's culture.

Client and societal expectations continue to grow. Our clients are increasingly focused not solely on the returns of their investments, but also the impact of these investments.

The principles of good governance have always formed a key part of our investment philosophy and we were early entrants into sustainable investing with the launch of our Ecology fund over 30 years ago.

As a specialist, high-conviction, active asset manager, Jupiter has an important and broad role to play. We believe that we have a duty to engage actively with companies on a range of issues, which will lead to better outcomes not only for our clients, but also for wider society. We are committed to taking a data-driven approach to our stewardship responsibilities, which was aided this year by the creation of the ESG Hub by our data science team. This capability is explained on page 39.

Active responsibility also means holding ourselves to the same high standards which we apply to our investee companies, through careful analysis, assessment and improvements of our ESG policies.

To ensure that we have a consistent approach across the Group, this year we announced that our Executive Vice Chairman, Edward Bonham Carter, would take over chairmanship of both the Stewardship and Corporate Social Responsibility committees. The Stewardship Committee has permanent members from our Global Sustainable Equities, Global Emerging Markets, Ecology, Fixed Income and Merlin investment teams who make regular submissions. The work of both committees is summarised in the table below.

Early in 2021, we have taken further steps to reinforce our commitments across these areas, including making a commitment to achieving net zero emissions by 2050 across our full range of investments and operations.

	Stewardship committee	CSR committee
Topics covered through first half	– Update from Absolute Return strategy – Discussed actions regarding climate-related collaborative engagement with BHP and Anglo American – Approved acquisition of climate datasets – Discussed new elements of the Stewardship code – Approved membership of FAIRR, an investor coalition addressing ESG issues in protein supply chains – Discussed climate engagement activities with respect to TCFD commitments – Update on EU ESG regulations – Approval of collaborative investment communication from the IIGCC, calling for economic recovery measures and sustainable finance in the EU	– Worked with Carbon Intelligence to provide update on CDP score – Update from Head of Facilities on Jupiter's progress towards becoming operationally net zero – Update from HR on diversity & inclusion initiatives – New Stewardship code commitments & Barclays shareholder proposal – Discussed FCA Climate Financial Risk Forum which Jupiter attended – Reviewed potential project with thinktank to promote stewardship – Reviewed feedback on Jupiter Pride Network event
Topics covered through second half	– Update from UK Growth and European strategies – ESG and integration of new colleagues from Merian – Update on Fixed Income ESG – Update from Data Science on internal ESG data and benchmarking tools – Update from Gold & Silver and Fixed Income – Discussion on Chrysalis Investments ESG policy – Discussed Net Zero Asset Managers initiative	– Update on engagement strategy on Boohoo.com plc – Update on company engagement during lockdown – HR update on harnessing cognitive diversity – Facilities update on Jupiter's work supporting suppliers during lockdown – Discussion on proposal to join the UN Global Compact – Facilities update on carbon offset proposal – Discussion on updated diversity & inclusion strategy

As high-conviction active managers, Jupiter has a role to play and is in a position to make capital allocation decisions to help support distressed companies, which face extreme challenges despite otherwise robust fundamentals.

We also announced that we are aligning with the UN Global Compact (UNGC). All investment decision-making will be guided by the principles of the UNGC and all investee companies will be expected to abide by the Compact's principles, committing to meeting fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption.

We are also pleased to become a member of the Good Work Coalition, a ShareAction initiative focused on workplace inequality.

In the following pages, we review our progress across our stewardship and corporate responsibility activities, including sustainable investing, climate and the environment, supporting our local communities, and acting with integrity.

Sustainable investing

Our approach to stewardship

At Jupiter, the integration of ESG considerations within our investment processes forms part of our active management philosophy.

It is a fund manager led approach which, working with the governance and sustainability team, involves both direct and collaborative engagement with companies and, where relevant, using our influence to affect change.

We believe that this ESG integration allows us to become better investors, helping to protect and enhance our clients' interests.

Active engagement is a crucial part of our stewardship approach, through which we seek to build relationships with companies to understand factors that impact long-term value. Holding companies' boards to account is an important responsibility and our approach is driven by proactive engagement and not only reacting to problem scenarios.

Our approach to engagement does not solely rely on separate ESG teams or outsourcing these responsibilities away from the investment decision makers, but provides specialist expertise to support fund managers. This results in engagement that is constant, ongoing and fully integrated with the investment process from end to end.

A long history of sustainable investing

As well as ESG being an important and evolving part of our investment philosophy, Jupiter has managed equity funds focused on environmental issues and sustainability for over 30 years.

In 1988 we launched one of the UK's first green unit trusts, the Jupiter Ecology Fund, and have been at the forefront of investing in this sector. Over the following years, we have launched a further five funds, all of which seek to invest in companies that are responding positively to the challenge of environmental and social sustainability.

In 2018, we launched a new equity fund, the Jupiter Global Sustainable Equities Fund. The fund aims to generate positive investment returns by investing in companies which stand to benefit from the transition to a sustainable economy and those which are considered to be aligned to the challenges identified by the UN Sustainable Goals for 2030 Agenda. The fund will reach its three-year track record in April 2021 and is one of a number of funds which we have highlighted as having the potential to drive future growth.

The impact of Covid-19

One of the many impacts of the ongoing Covid-19 crisis is that it has greatly accelerated the trend towards sustainable investing. Companies are thinking more deeply about the sustainability of their business model, their methods of working and their approach to employee relations. More fundamental questions are also being asked of companies' societal contract and their relationship with clients, employees and wider society, leading to a deeper consideration of their overall purpose.

As a specialist high-conviction active asset manager, we have a role to play and are in a position to make capital allocation decisions to help support distressed companies, which face extreme challenges despite otherwise robust fundamentals.

Investment opportunities have also become apparent through our engagement process. As government restrictions eased at times through the year, companies became more confident in asserting their growth strategies. Some had gained clarity on the external environment or had parts of their businesses which had benefited from the global situation. Others sought capital to take advantage of future growth opportunities. We also engaged regularly with boards during lockdown to understand how companies were coping with the pandemic challenges and supporting their employees, clients and other stakeholders.

Voting and engagement in 2020

Voting at company general meetings is an important part of exercising our stewardship responsibilities. In 2020, we voted at 315 meetings in the UK and 958 overseas. We voted against management on at least one resolution at 50 UK meetings and 270 overseas meetings.

Through 2020, factors relating to Covid-19 have unsurprisingly dominated our conversations with investee companies. Many companies faced challenging situations this year and our engagement approach focused on how we could provide support. These engagements included the following topics:

- Operational resilience
- Protection and wellbeing of employees
- Governmental & regulatory factors
- Shareholder distributions
- Balance sheet management
- Stakeholder priorities across clients, suppliers and communities

We have also actively engaged on remuneration matters during this period. We consider each case on its merits and work with companies to support outcomes that align the interests of management, shareholders and other stakeholders. It has been challenging for companies to set long-term targets in these circumstances and we have had open debates on appropriate remuneration structures.

Engagement with wider stakeholders

In addition to direct engagement with companies, we also engage with our peers, regulators and specialist industry bodies to contribute to wider ESG policy discussions.

In 2020, this included working with the Asset Management Taskforce to contribute to a report on stewardship across the sector, and collaborating with the Investment Association to input to a project on rebuilding a sustainable economy following the Covid-19 crisis.

KEY ENGAGEMENTS WITH INVESTEE COMPANIES

Examples of some of our key engagements with companies held in our portfolios can be found below.

- One of our most high-profile engagements this year was with Boohoo.com plc as the group became their largest independent shareholder through the Merian acquisition. In July, they were named in the press due to allegations of malpractice regarding employee conditions within their supply chain. Reflecting our stewardship responsibilities, our objective was to use our significant holding to engage constructively and influence the company to bring about positive change.

  We engaged with the company's senior leadership to deliver clear objectives with respect to corporate governance changes, supply chain leadership and remuneration reforms. We have also engaged with other shareholders, industry bodies and campaign organisations, to obtain alternative perspectives to aid our analysis. More details on this issue can be found in our Stewardship report at: jupiteram.com/stewardship.
- Soon after the first lockdown, we engaged with BT Group as they sought to renew their remuneration policy, including the adoption of a restricted share plan. Following discussion with the Remuneration Committee chair, we supported the proposal as it aligned management interests over the long term during a period where the company needed to make significant investments and satisfy multiple stakeholders. The proposal also reduced the overall pay quantum.

  The Committee Chair also discussed the challenges of maintaining the country's communications infrastructure in these extreme circumstances. We obtained valuable insights about how the company was keeping employees safe and working with the government and key stakeholders.
- There has been scrutiny surrounding health & safety standards at meat processing plants given the reports of Covid-19 outbreaks. JBS is the world's largest meat processing company and it was important to understand how the business was responding to these risks. We participated in a collective investor engagement which was led by the Interfaith Center on Corporate Responsibility and our partners at the FAIRR foundation, which is an organisation focused on ESG within the protein industry.

  We spoke to the CEO of the US business and discussed the company's actions to protect employees. This centred on procuring PPE from China at an early stage in the crisis, instituting temperature checks, and hiring over 500 people in the US to increase cleaning and sanitation and install UV filtration systems.
- In February 2020 we initiated a collective engagement with other members of the Investor Forum, seeking to resolve long-standing governance issues at Playtech plc. The objective was to encourage the Board to deliver on the commitments it had made regarding Chair succession, by the time of the 2020 AGM. The company recognised the importance of meeting its commitment to succession and appointed a new interim Chair prior to the company's AGM. The group also committed to make a permanent appointment in line with shareholder expectations.

A data-driven approach

There is a close relationship between Jupiter's Data Science and the Governance and Sustainability teams, who have worked in partnership through 2020 to create the ESG Hub.

This internal, proprietary tool is an online platform that gathers, sorts and presents ESG risk data from third-party providers together with in-house holdings data. This allows fund managers to consider ESG scores on companies and monitor any controversies or deviations from accepted global norms, such as the UN Global Compact.

The platform also allows our investment teams to assess ESG risk data across their portfolios in an efficient manner. Concurrently, it serves as a management tool for the CIO office to oversee fund managers, including the annual review sessions.

We have invested in new datasets throughout the year, which will allow us to compare the ESG profile of our portfolios against the relevant benchmarks and assess climate-specific risks across funds. The ESG Hub is a proprietary tool and therefore completely customisable to best suit the needs of our fund managers. For example, we recently incorporated new country risk data, specifically tailored to provide analysis for our recently launched sovereign debt fund.

While the initial aim for the ESG Hub is to channel third-party data, the next development will be to tailor metrics in accordance with fund management preferences. The long-term goal will be to use machine learning to predict future ESG performance.

Developing our capabilities

We have made progress in a number of areas this year to enhance our investment and stewardship capabilities.

In July, we welcomed our new colleagues from Merian, who share Jupiter's fund manager-led investment philosophy and had a strong cultural alignment with respect to ESG integration.

Our philosophy on sustainable investing is not limited only to equities, but across our Fixed Income and Merlin Multi-Asset franchises too. During the year, we have increased our capabilities across both of these asset classes and both have seen improved ratings from the UN Principles for Responsible Investing (PRI) reporting assessment.

Our multi-manager Merlin team conducts periodic engagement with the underlying managers. This entails the assessment of the managers' voting data and commitment to responsible investment codes, as well as a thorough ESG review based on the underlying managers' engagement policies and outcomes.

The Fixed Income team is developing an ESG template which outlines material issues across all sectors that require analyst feedback and engagement.

Through the acquisition, we also now offer high-quality investment expertise in the alternatives space. The Gold and Silver team has an established responsible investment charter and the Chrysalis team, who focus on private asset investments, has been working with the Governance and Sustainability function to develop a strategy-specific ESG policy.

We have now included stewardship objectives in all of our fund managers' and Executive Directors' appraisals and we will be rolling this out across our new investment teams through the coming year.

This process was further refined this year, with the creation of internal rankings of ESG integration for each fund manager. These rankings feature in the 2020 year-end reviews and are based on selection criteria, stewardship, transparency and assessment of climate risks. Through 2021, we will implement the same rankings across our new investment teams and improve engagement data capture across the fund management department.

Climate & environment

The impact of climate change is one of the key issues facing our society and one which impacts all companies. At Jupiter, we are acutely aware of our responsibilities in engaging with companies on their response to climate change, to protect the value of our clients' portfolios and to minimise our own direct environmental impact.

This section details our progress on climate-related and environmental issues in accordance with the Task Force on Climate-related Financial Disclosures (TCFD). We have reported across their four pillars of governance, strategy, risk management and metrics & targets, detailed our plans to fully implement the recommendations by 2022 and described our work to reduce the Group's impact on the environment. Jupiter has supported TCFD since 2017 and its principles are integrated across all of our operational activities, engagement with investee companies and work with partner organisations. Improvements in activities and disclosures have been externally recognised with an A- assessment in 2020 (2019: B) under the new Carbon Disclosure Project (CDP) Financial Services questionnaire.

In early 2021, we took a significant step by joining the Net Zero Asset Managers Initiative. As members, we commit to support the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5°C. We also commit to support investing aligned with net zero emissions by 2050 or sooner, prioritising the achievement of real economy emissions reductions within the sectors and companies in which we invest. This commitment will determine the metrics and targets we set across our portfolios and brings us closer to fully implementing the TCFD recommendations. These targets will be disclosed in next year's Annual Report.

Further disclosures and more detail are available in our annual CSR report, Stewardship report and via our participation in the CDP Climate Change programme.

Governance

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. The Chief Executive Officer, supported by the Executive Committee, is responsible for implementation of Group strategy and has a specific focus on corporate responsibility and climate-change related issues.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Climate-related risks	Climate-related opportunities
Emerging regulation: we manage funds that invest in companies which contribute to global carbon emissions, via their operational emissions and/or via the life cycle emissions of their products. Should global governments and supply chains aggressively step up attempts to combat climate change by substituting renewable energy sources for fossil fuels, the financial performance and future earnings capacity of these companies could be drastically affected.	Products & services: Jupiter has managed environmental solutions funds investing in equity markets for over 30 years. Increased demand for these products and services could result in increased revenues.
Emerging regulation: we market and manage funds on behalf of clients in the EU via our SICAV range and also manage funds on behalf of institutional clients, including UK pension funds. These clients are subject to evolving regulatory measures on climate risk.	Products & services: we manage environmental solutions funds which invest in fixed income markets. Demand for and issuance of environmental fixed income is forecast to continue to exhibit significant growth and this presents an opportunity for Jupiter to increase assets under management of strategies which invest in the asset class.
Acute physical: investee companies within our portfolios may be exposed to physical risks relating to climate change.	Products & services: we invest in renewable solutions such as wind and solar. Increasing fuel and energy taxes and regulations would increase the cost of energy and therefore increase the competitiveness of renewable technologies.
Current regulation: compliance risk of reporting inaccurate greenhouse gas emissions and reputational risk associated with failure to improve emissions performance year-on-year.	Products & services: we invest in other sectors which may benefit from changing consumer preferences relating to climate change. Growing consumer awareness related to the environmental impact of food and dietary habits presents an opportunity for segments of the market that can evidence a lower environmental and climate impact, such as aquaculture operators whose products are less GHG intensive than ruminant meat.

Under joint leadership, both the Stewardship Committee and the CSR Committee oversee Jupiter's implementation of the TCFD recommendations. The Stewardship Committee considers climate risks and opportunities within our investment strategies and reviews engagement across the different asset classes in which we invest. The CSR Committee considers the sustainability of Jupiter as an institution and coordinates with the Stewardship Committee, to ensure a consistent approach.

Strategy

Jupiter is not a significant producer of GHG emissions and we consider our direct climate-related impacts to be limited. However, as stewards of our clients' capital, we have a role to play in the transition to a low-carbon economy.

The key aspects of climate change that have been identified and have influenced the business strategy are the climate change risks and opportunities associated with the assets we manage. We can influence these most effectively through active engagement in the companies in which we invest and through partnerships and collective engagement with peers and industry bodies.

Within our annual CDP Climate Change response, we identified four risks and four opportunities related to climate change, which are deemed most material to our corporate strategy. These are summarised in the table on page 40.

In order to fully implement TCFD, our next step in 2021 will be to develop a baseline portfolio carbon footprint for our assets under management, and invest in tools which will support the CSR Committee and the Board to identify and assess material climate risks and opportunities to our business.

Active engagement

As a high-conviction active asset manager, our ability to mitigate climate risks depends on our fund managers' ability to understand which companies may benefit from the transition to a sustainable economy, and which may be unable to adapt. This strategic responsibility influences our approach to ESG integration and active ownership.

We actively engage with investee companies to gain insights about their exposure to climate risks, to encourage them to implement the TCFD recommendations and successfully navigate the transition to a low-carbon economy. Core considerations in this dialogue include a company's potential exposure to stranded assets, transition risks and physical risks of climate change, and whether management has a credible strategy to adapt to the energy transition.

Where we consider companies are highly exposed to energy transition risks or are systemically important carbon emitters, we expect management teams and boards to develop credible, Paris-aligned transition plans to mitigate these risks. Our assessment of company transition plans is aligned with Climate Action 100+'s Net Zero Company Benchmark.

Partnerships and collective engagement

In 2019, Jupiter became a member of Climate Action 100+, an investor initiative which seeks to target collective action around a selection of the world's highest emitting companies and coordinate shareholder engagement with this subset.

Climate Action 100+
Global Investors Driving Business Transition

Joining Climate Action 100+ allows us to play a lead role in collective engagement with investee companies on climate matters.

We have also announced our commitment to achieving net zero emissions by 2050 across our investments and the Group and are aligning our strategy propose and principles with the UNGC.

Risk management

We have a formal framework for risk management which is designed to identify and quantify all risks to our business, including climate-related risks. We collate our global environmental data and produce quarterly reports on our direct environmental impact, allowing the identification of climate change risks and opportunities related to our direct operations.

> "In order to fully implement TCFD, our next step in 2021 will be to develop a baseline portfolio carbon footprint for our assets under management, and invest in tools which will allow the Board (via the CSR Committee) to identify and assess material climate risks and opportunities to our business."

Potential material climate risks in our portfolios are identified by a variety of sources including the governance and sustainability team, third-party ESG data, and the Stewardship and CSR committees. Climate is also included as a formal aspect of stewardship within the annual review process conducted by the CIO Office.

We continue to work alongside our industry partners to encourage TCFD and develop reporting techniques which capture transition risks and opportunities more broadly. Through 2021, we will work towards developing our own approach to scenario analysis. We particularly value the methodology provided by Transition Pathway Initiative, a global, asset-owner led initiative, as a forward-looking tool to assess the preparedness of carbon intensive companies for the transition to a low carbon economy.

Metrics & targets

Reducing emissions across our portfolios

We measure the relative and absolute financed emissions of our portfolios. We also recognise the importance of including Scope 3 emissions in our analysis, to consider the total value chain emissions of our companies.

We are in the process of enhancing our approach to climate risk identification and have selected a third-party data provider to enable us to develop detailed climate impact reports for our broader fund range. These fund-level reports, issued to clients, will focus on the emissions attributable to the underlying portfolio companies, a review of other environmental risks within the portfolio, and opportunities and alignment with climate goals. The reports will be made available to clients in 2021.

The data will also be used to estimate a baseline carbon footprint for Jupiter's portfolio emissions and form the basis for the Board to assess the resilience of our corporate strategy to climate change.

By aligning ourselves with the UNGC, we commit to align our portfolios with the goals of the Paris Agreement. The decision to join the initiative was taken after we participated in the IIGCC's Paris Aligned Initiative which developed the methodologies which form the basis of the net zero framework. Jupiter participated in the working groups for equities and corporate bonds and our involvement drew on the expertise and input of relevant fund management teams.

As part of the initiative, we have committed to:

- Work in partnership with asset owner clients on decarbonisation goals, consistent with an ambition to reach net zero emissions by 2050 or sooner across all assets under management;
- Set an interim target for the proportion of assets to be managed in line with the attainment of net zero emissions by 2050 or sooner; and
- Review our interim target at least every five years, with a view to ratcheting up the proportion of AUM covered until 100% of assets are included.

We will disclose further details on our net zero commitment including coverage, milestones and targets within the next 12 months.

COLLECTIVE INVESTOR ACTION ON CLIMATE

Barclays

In March 2020, we were the first significant shareholder of Barclays plc to publicly announce our support for a climate-related resolution filed by a coalition of Barclays shareholders, led by ShareAction. This called on the bank to phase out financing of fossil fuels over a timeline consistent with the goals of the Paris Agreement. The decision to support the resolution was taken after we engaged with the proponents and the Board of Barclays. In response to the resolution, the bank disclosed a new climate policy which included an ambition to be 'net zero' across Scope 1, 2, and 3 emissions by 2050. We believe the bank will be more resilient to climate risk as a result of the new strategy.

BP

BP is one of our largest equity holdings. Collective action by institutional shareholders, including Jupiter, has played a critical role in the company's decision to fundamentally alter its approach to climate risk. In 2019, we acted with other members of the Climate Action 100+ investor coalition by filing a shareholder resolution, passed with near unanimous shareholder support, which required BP to disclose how its business strategy is consistent with the goals of the Paris Agreement. In February 2020, the new CEO unveiled a radical new climate strategy to achieve net zero emissions by 2050. Our expectations is that BP's business mix will shift over time towards fuels with lower carbon intensity, and towards renewables and energy solutions.

Investor letter to EU leaders

In June 2020, following the publication of the EU's proposed post-Covid strategy, Jupiter and other leading global investors wrote to European leaders highlighting the need to ensure the economic response to the Covid-19 pandemic delivers a sustainable recovery. The letter stressed the need to ensure an accelerated transition to a net zero emissions economy in line with the Green Deal and the Paris Agreement, and warned that recovery plans that overly exacerbate climate change would expose investors and national economies to escalating financial, health and social risks in the coming years.

Reducing our corporate impact

We strive to raise environmental standards, seeking to reduce our impact and to use resources as efficiently as possible. Since 2011 we have worked with our sustainability partner, Carbon Intelligence, to measure and verify our operational carbon footprint, and we participate in the CDP Climate Change programme each year, where we strive to improve performance year-on year.

Jupiter's environmental policy statement (jupiteram.com/environmental-policy) guides our approach to managing our carbon footprint, use of natural resources such as water and energy, and waste.

We also invest in emissions reduction activities, including our move in 2015 to a new BREEAM Excellent rated building, the investment in a sustainable fit-out (SKA Gold rated) and our commitment to the RE100 initiative, committing us to sourcing 100% of the energy from renewable sources in our offices with over six employees.

We have an ongoing target to reduce overall Scope 1 and 2 emissions year-on-year by more than 1%, in addition to our commitment to achieving net zero emissions by 2050 across our full range of investments and operations.

Overall, our Scope 1 and 2 emissions decreased by 11% in 2020, primarily due to our offices being at lower rates of occupancy throughout the year due to the Covid-19 pandemic. Our Scope 3 emissions, which largely comprise corporate travel, declined by 67% in the year for the same reason. Going forward, we will review our corporate travel policy as we continue to embrace new technologies and ways of working. Overall, our total carbon emissions reduced by 44% in the year.

Our chosen GHG methodology (Defra's Environmental Reporting Guidelines) takes the operational control approach. We have applied a materiality threshold of 5% for the purposes of reporting GHG data, in line with market practice for similar firms. As a result, locations with six or more staff are defined as material and included in the disclosure.

We also took steps this year to actively offset some of the carbon produced by the Group's activities. We entered into a partnership with Forest Carbon in order to plant more than 10,000 trees over 7 hectares in the UK, which are estimated to absorb over 2,000 tonnes of carbon over their lifetime. Planting will begin in 2021.

Notwithstanding the disruption caused by Covid-19, business travel accounts for a significant proportion of our operational GHG emissions. Jupiter encourages its employees to cycle to work and has introduced an increased cost limit for the cycle to work scheme. In 2020, the CSR Committee reviewed our travel policies.

Further measures to reduce our business travel emissions will be considered in 2021, taking into account lessons from the remote working environment in which most employees have operated during the year.

Supporting communities

We believe that we have a responsibility to contribute positively to the local communities in which we operate, through both direct activities and through empowering our people to provide support.

At the start of 2019, we introduced an employee volunteering scheme, allowing our people up to two days' leave per annum to support their local communities through volunteering activities. In 2020, we increased this allowance to five days' leave per annum.

Key Performance Indicator	2020	2019	% change
Direct emissions (Scope 1)[1]	87.8tCO_2e	96.3tCO_2e	-9%
Indirect emissions (Scope 2): location-based	346.4tCO_2e	389.3tCO_2e	-11%
Indirect emissions (Scope 2): market-based[2]	0.0tCO_2e	0.0tCO_2e	–
Other relevant indirect emissions (Scope 3)[3]	235.8tCO_2e	711.0tCO_2e	-67%

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

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

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

Charitable contributions

In 2020, we donated over £250,000 to charitable causes, through both donations to Covid-related charities and our Give As You Earn scheme operated by the Charities Aid Foundation. The latter is designed to enable our employees to support causes of their choice and allows us to support a wider range of good causes. Under this scheme, employees donate a set amount each month, which is then double matched by Jupiter. During 2020, we increased the upper limit on employee donations that are matched by Jupiter.

We typically nominate a partner charity each year, which is chosen based on nominations from employees. In May 2020, as a result of the pandemic and following consultation with the Jupiter Charity Committee, the Executive Committee approved a donation of £100,000 to specifically support charities focused on helping those most impacted by the pandemic.

We are aware that we are fortunate to work for a company in a strong financial position, and in an industry which is disrupted but not derailed by the current crisis. By participating in this initiative we were proud to help those who were not so fortunate. The donations were divided as follows:

- £50,000 to the National Emergencies Trust Coronavirus Appeal
- £25,000 to Cascaid's campaign for the NHS Charities Together Covid-19 Appeal
- £25,000 divided between a number of local charities suggested by our overseas offices

Staff were also able to donate to some of these appeals through Jupiter's Give As You Earn scheme. Members of our Board, Executive Committee and senior management made personal donations totalling in excess of £100,000.

During lockdown, our Facilities Management team provided catering support to organisations local to our central London headquarters, who provide support for homeless people. During the integration of Merian, we also donated unneeded furniture and other office equipment to local schools and charities.

Acting with integrity

The principle of acting with integrity is embedded within our corporate values and applies to all aspects of how we conduct ourselves.

In early 2020, we joined the UN Global Compact, a commitment to implement and maintain the principles of sustainability across the Group. The compact focuses on human rights, labour, environment and anti-corruption within the heart of our sustainable business practices.

The strength of our work across these areas has been externally recognised by inclusion within the FTSE4Good Index. FTSE4Good is an index of companies adjudged to have scored highly in terms of transparency and quality of ESG policies, across environmental sustainability, relationships with stakeholders, attitudes to human rights, supply chain labour standards and the countering of bribery.

We have also recently joined the Good Work Coalition this year. This is an initiative run by ShareAction, focusing on workforce issues such as the Living Wage, diversity and inclusion and insecure working practices.

We pay a London Living Wage to all our direct employees and all contracted staff, including our caterers and cleaners. During the Covid-19 related restriction, we did not furlough any of our employees and we worked with our contracting companies to ensure that any furloughed staff received full pay and benefits.

Human rights and modern slavery

Upholding human rights across our business model is embedded in our culture. This includes both how we treat individuals and how we encourage individuals within the Group to interact with each other.

We protect the rights of our employees through our employment policies and practices, which prohibit discrimination and promote inclusivity. At Jupiter, we support full cognitive diversity and believe that this drives innovation and better decision making. It is a key priority for our stakeholders and an area of focus for the Group. Jupiter has a very inclusive culture and we have a number of initiatives to help drive diversity across the organisation and wider industry (see page 32). More details on our policies around our employees can be found on page 45.

Jupiter began participating in the Workforce Disclosure Initiative (WDI) in 2019. The WDI survey has been designed to gather information on the issues most crucial to decent work and human rights in the workplace, such as evidence of efforts to improve health and safety standards, policies and practices related to employee wellbeing, and actions relating to supply chain management. In 2020, we were proud to become an investor signatory to WDI, signalling our commitment as investors to ensure that our companies are transparent and equitable employers. Members of our fund management department attended a workshop on modern slavery in order to deepen our understanding of this complex issue and our ability to spot potential abuses at investee companies. Further collaboration and engagement is planned for 2021.

We have due diligence procedures in place to ensure our suppliers uphold human rights both in their own organisations and, in turn, in those of their suppliers. We have worked to enhance our ability to assess any emerging risks of modern slavery or potential human rights abuses anywhere within our supply chain. This will continue to be a focus through 2021, as we seek to undertake even greater levels of due diligence and audit activity for areas of high risk. This will inform any decisions around supplier acquisition and subsequently ongoing engagements, to ensure we operate with suppliers that maintain an equivalent standard to ourselves.

Working with regulators and state authorities

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

All entities within the Jupiter Group deal with its regulators and state authorities in an open and cooperative way. The Group discloses to its regulators and state authorities anything relating to the Group of which that regulator or state authority would reasonably expect notice.

As an investment firm our policies and procedures designed to combat financial crime are of material importance to our business. Financial crime includes money laundering, terrorist financing, bribery and corruption, tax evasion and fraud. We have numerous policies and procedures designed to reduce the extent to which Jupiter's products could be used in connection with financial crime and a dedicated Financial Crime team within Compliance. More details on our policies and how these are implemented can be found on page 45.

£100k

SUPPORTING COVID-19
The Executive Committee approved a donation of £100,000 to Covid-19 charities

£50k

to the National Emergencies Trust Coronavirus Appeal

£25k

to Cascaid's campaign for the NHS Charities Together Covid-19 Appeal

£25k

split between a number of local charities suggested by our overseas offices

> "We were proud to become an investor signatory to WDI, signalling our commitment as investors to ensure that our companies are transparent and equitable employers."

Taxation

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

We seek to manage our tax affairs in a straightforward way, which means that we comply with our tax filing, reporting and payment obligations in all jurisdictions in a timely manner.

Our corporate structure and operating model ensure that our tax affairs are transparent to the tax authorities. Our approach is governed by a Board approved tax strategy. We ensure this strategy, and the procedures and controls which underpin our approach, are appropriate, monitored and fully implemented.

NON-FINANCIAL INFORMATION

The non-financial information required to be disclosed under the Companies Act is detailed below and certain information is included by reference to the following locations in the Annual Report and Accounts:

Non-financial information	Section	Page
Business model	Our business model	8
Principal risks	Risk section	50
Key performance indicators	Key Performance Indicators	18

Jupiter has a number of policies and statements which are in place to support the effective governance of the organisation. For the purpose of the non-financial reporting requirements these include, but are not limited to:

Clients	
Treating Customers Fairly	This policy is to ensure that the Group consistently embeds the principle of treating customers fairly, which includes commitment to dealing with investors in its products and its discretionary clients honestly, openly, competently and with integrity.
Conflicts of Interest	This policy is designed to ensure that we operate to high standards and take all appropriate steps to identify and prevent or manage conflicts of interest that may occur between the interests of one client and another or between the interests of a Group company (or an employee) and clients.
Our People	
Diversity and Inclusion	There is a Diversity and Inclusion statement for both the Board and the wider Company which sets out our approach to promoting a culture of diversity and inclusion.
Conduct Rules	The Conduct Rules are high-level overarching requirements that apply to individuals on how they conduct themselves in relation to their activities at Jupiter and, where relevant, their personal conduct. They are designed to ensure our people act with integrity and uphold the highest standards of conduct.
Health & Safety	The policy is designed to protect the health, safety and welfare of our employees and to provide and maintain safe working conditions.
Whistle Blowing	The purpose of the policy is to outline the channels through which employees can raise issues or concerns about the activities of Jupiter or its employees. It has been adopted to foster a culture of openness and transparency and to encourage employees to raise concerns of suspected wrongdoing.
Environment and Society	
Environmental	This policy provides a commitment to mitigate the direct impacts of our activities on the environment wherever possible.
Stewardship	The stewardship policy details how we incorporate voting, governance and sustainability considerations into our investment management process to improve the outcomes for our clients.
Tax Strategy	This strategy ensures that we comply with our tax reporting and payment obligations in a timely manner and that we engage with tax authorities in a cooperative and transparent way.
Human Rights	
Human Rights	We strongly support the protection of individuals' human rights and this is embedded in our corporate values. Our employment policies and practices are designed to protect our employees' human rights.
Modern Slavery	Our modern slavery statement details the steps we have taken to ensure that there are no instances of modern slavery in our workplace or throughout our supply chain.
Data Protection	This policy is designed to ensure we protect any personal information that the Group may hold related to individuals.

Financial Crime	
Anti-Bribery and Corruption	This policy ensures that the Group operates to high ethical standards and complies with all applicable anti-bribery and corruption laws.
Anti-Money Laundering and Terrorist Financing	The Group's anti-money laundering (AML) framework is designed to ensure that it complies with the requirements and obligations set out in relevant legislation, regulations, rules and industry guidance and mitigates the risk of the Group being used to facilitate financial crime.
Anti-Tax Evasion	The Group is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates and implementing and enforcing effective systems to counter the facilitation of tax evasion.
Market Abuse	The purpose of this policy is to ensure Jupiter staff observe the proper standards of market conduct, protect the integrity of the markets in which we operate and do not obtain an unfair advantage from the use of inside information to the detriment of third parties who are unaware of such information.

Policy implementation

We ensure the effective implementation of our policies by:

– fostering a culture of integrity and accountability;

– clear communication of our policies through our employee induction, training, management briefings and our intranet, through which we make our key policies available to our people;

– our governance framework, including our Board, management and reporting committees, which provide us with a robust structure within which we oversee the implementation of the policies;

– workforce training programmes, covering areas such as anti-bribery and corruption, money laundering, market abuse and tax evasion, which employees and contractors are required to complete each year;

– our employee handbook, which assists with contractual terms, expected conduct and our policies; and

– reviewing the majority of our policies at least annually to ensure they are in line with best practice, meet our regulatory requirements and are updated with any changes required to ensure their effective implementation.

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

ENGAGING WITH OUR STAKEHOLDERS

Whilst the way we engage with our stakeholders has had to be adapted over the year, the importance and frequency of this engagement has become even greater. The table below details further information on why and how we engage with our stakeholders and the outcomes following the feedback received during the engagement process.

	CLIENTS	PEOPLE	SHAREHOLDERS
Why we engage	Our clients are the individuals and firms that invest in our funds and segregated mandates. Our whole purpose is to help our clients achieve their long-term investment objectives. We engage to help us understand their objectives and how these will evolve, which enables us to develop solutions to help them.	It is our people who enable us to deliver for our clients and make a positive difference in the world. We engage with them to ensure we can retain, develop, motivate and recruit talented individuals who are aligned with our culture.	Our shareholders own the Company and we rely on their support and engagement to help us deliver our long-term strategy. Understanding their views and providing regular updates to them on the performance of the business is of key importance to the success of the Company.
How we engage	We primarily engage with clients through our Distribution and Investment Management teams, who are responsible for building relationships with clients. In 2020 we have increased our engagement with clients through virtual events. We have also further developed our thought leadership programme with published pieces, webcasts and podcasts from our experts, and our weekly update 'Active Minds' providing a snapshot of our fund management thinking. These all help to keep our clients informed. Our CEO frequently meets with clients and provides updates to the Board, together with our Head of Distribution and his team who provide reports at each Board meeting. Clients have attended meetings of our Product Strategy Group and our Board.	Engagement with our employees has been critical in the remote working environment. This has been driven by strong leadership throughout the organisation, with managers increasing team meetings, briefings and one-to-one sessions with our people. We undertake an annual employee survey to better understand our employees views. We have held several virtual townhalls with our Executive Committee providing an update on our business and enabling employees to ask questions. Connections, our employee advisory panel, have sought feedback from our people and discussed this with management and the Board. The Chairman of Connections attended two Board meetings during the year and also met with only the Non-Executive Directors.	Our results presentations and roadshows with shareholders are a critical part of our investor relations programme and have continued during the year, notwithstanding the implications of Covid-19. We engaged with our shareholders on the proposed acquisition of Merian ahead of the shareholder vote. Our newly appointed Chairman met with major shareholders throughout 2020 to learn more about their views directly. The Chairman of the Remuneration Committee met with shareholders and proxy advisors to discuss our Directors' Remuneration Policy ahead of the 2021 AGM. We adapted our approach to the shareholder meetings held in 2020; to enable shareholders to listen to the presentations and ask questions before they were required to submit their proxy votes.
What are the outcomes	– Three new products launched to address client interest. – Achieved gross inflows of £16.5bn. – Ensured an uninterrupted service was provided to our clients throughout the pandemic and the Merian integration. – Tailored our thought leadership programme which has increased client engagement. Over 3,000 participants registered for our 'Big Picture' series and reviews of our insight content has grown by 269% from 2019. – Refreshed the visual identity of the enlarged Group incorporating client views.	– Following feedback from a firm-wide mental health wellbeing survey implemented tailored support programmes and individual assistance. – Provided staff with a work from home assistance package to the value of £1,000. – Continued to invest in our people through a comprehensive online training programme. – Increased our holiday roll over from 5 to 10 days and provided an extra 2 days holiday to be used over December 2020 and January 2021.	– Obtained high levels of shareholder support for the acquisition of Merian. – Sought feedback from our major shareholders on proposed changes to the Directors' Remuneration Policy, developing the proposal to be considered at the 2021 AGM. – Further developed our corporate social responsibility programme. – Reviewed and confirmed our policy on additional capital returns to shareholders, with further engagement on the method of those returns planned.
	+ Further information on page 30	+ Further information on page 32	+ Further information on page 60

BUSINESS PARTNERS

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

We have a Procurement Team who are responsible for central oversight of our suppliers and set the governance framework for managing these relationships. The day-to-day engagement and management is undertaken by the relevant business areas to which services are supplied. We have increased our engagement with our business partners to ensure their operational resilience throughout the pandemic. Our Distribution and Investment teams engage regularly with our distribution partners through meetings, briefings and thought leadership.

- Successfully engaged with key suppliers in order to integrate the Merian business onto Jupiter platforms within a short timeframe and in a remote working environment.
- Over 100 new partnerships with distribution platforms, arising from the Merian acquisition and our engagement with those platforms.
- Strengthened our relationships with suppliers and expanded the services provided by key strategic partners.

+ Further information on page 117

STATE AND REGULATORS

State authorities set the legal and tax frameworks within which we operate, and regulators are responsible for supervising their respective financial systems. They have an interest in ensuring we act with integrity, comply with legislation and requirements and are effective stewards of our clients' investments. By engaging constructively, we ensure our clients' best interests are served.

We engage with our regulators and state authorities in an open and transparent manner. In addition to regular filings and submissions, senior management meets with our regulators periodically to help them understand our business and strategy. We also engage with regulators, policy makers and trade associations to help develop and understand evolving regulatory requirements.

- Obtained approval for the acquisition of Merian from multiple regulators in different jurisdictions.
- Agreed the level of regulatory capital to be retained by the Group.
- Engaged with industry bodies on various regulatory developments, including ESG matters and Brexit.

+ Further information on page 44

SOCIETY

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

Our Investment teams, supported by our Governance and Sustainability team, regularly hold meetings with investee companies on ESG matters to help drive benefits for our clients and wider society.

We have direct engagement with our charitable partners, including through our volunteering partnership scheme and have a number of initiatives to support our local communities which were increased throughout the Covid-19 pandemic.

We participate in a number of initiatives and engage with partners and peers to help promote diversity and inclusion initiatives across Jupiter and the wider industry.

- Helped drive positive changes within investee companies on environmental, social and governance matters, including the support of a number of climate change resolutions.
- Made charitable donations of over £250,000, including £100,000 donated to Covid-19 related charities. Our Board and senior staff also made personal donations to Covid-19 related charities in excess of £100,000.
- Increased the numbers of days available to employees under the volunteering programme from 3 to 5.

+ Further information on page 43

STAKEHOLDER INTERESTS IN BOARD DECISIONS

SECTION 172 STATEMENT

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

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

Our stakeholder engagement report serves as our section 172 statement.

How does the Board engage with stakeholders?

The Board has direct and regular engagement with a number of stakeholders, including clients, employees and shareholders, and engagement is also undertaken at the operational level with regular reporting to the Board. Stakeholder considerations are clearly identified within Board papers to help facilitate an informed debate. Details of how we have engaged with our different stakeholder groups can be found on page 46.

Employee engagement

The Board has continued to engage with our employee advisory panel (Connections) to understand their views on all matters related to our business. The Chairman of Connections has attended two Board meetings and one Remuneration Committee during the year, as well as meeting with the Chairman of the Board, and the Non-Executive Directors only.

In addition, Connections regularly engage with the Executive Committee and senior managers. This engagement has resulted in a number of decisions made across the organisation to further support our employees, with a focus on supporting the well-being of employees throughout the global pandemic. Further information on these initiatives can be found on page 4. We have engaged with Connections in relation to the recent restructuring programme to ensure all of our people understand the reasons behind the decisions and are able to raise questions in a confidential manner. We undertake an annual and confidential employee survey to learn more about our employees views. The Board reviews the results of the annual survey and the action plans to address items raised by employees and progress thereon.

How are stakeholder interests considered?

We believe that, in order to be managed and considered effectively, stakeholder interests need to be embedded across all levels of the organisation. This means that decisions taken below Board level also consider the interests of our stakeholders and helps to ensure the appropriate escalation of stakeholder considerations through the Group's governance framework. Our values, governance framework, code of conduct and training all help to support this. At a Board level, the Board considers and discusses information from across the Group to understand the impact of its decisions. This includes regular reporting on the Group's performance, key risks, legal and regulatory compliance. Where decisions are taken, the impacts to different stakeholders are clearly identified within Board papers and discussed by the Board.

Stakeholders can have different and sometimes competing interests, priorities and views, and these need to be balanced with each other and within the wider duty for the Board to promote the long-term sustainable success of the Company. Not all decisions can deliver the desired outcomes for all stakeholders.

We have included some case studies overleaf to demonstrate how the Board considered the matters set out in s.172 in some key decisions taken during the year. Further information on Board activities during the year can be found on page 66.

Acquisition of Merian

The acquisition of Merian was the most important strategic decision taken during the year and progressed a number of strategic objectives previously agreed by the Board. The Board believes the acquisition will promote the success of the Company over the long term and in reaching its decision considered the impacts on a number of stakeholder Groups:

- **The impact on clients.** The acquisition enabled us to expand our product offering into a number of new strategies, improving the range available to our clients. We also enhanced our Distribution Team, further improving our service to clients. To ensure minimum disruption to clients of both firms, a detailed integration plan was prepared at a very early stage and has progressed well, even during the exceptional circumstances faced this year.
- **The impact on our shareholders.** The acquisition progressed a number of strategic objectives, including to diversify the business by client type and investment strategy, attract talent aligned with our culture, reinvest in UK retail and ensure consistent returns for our shareholders. Whilst the consideration for the acquisition was settled by the issuance of shares in Jupiter, and therefore had a dilutive effect on shareholders interests, the transaction was anticipated to be EPS accretive and to deliver those returns on completion. A number of protections for shareholders were built into the transaction, including lock-up agreements for key fund managers and a purchase price adjustment mechanism in the event AUM of certain key Merian strategies falling below agreed levels.
- **The impact on our employees.** One of the key attractions of the acquisition was the strong cultural alignment between the two firms, which was critical to the success of the acquisition. The Board and management also focused on ensuring clear and prompt communication with all employees in order to minimise the uncertainty such a transaction can cause. As with all transactions, there were a number of compensation and operational cost savings made. The long-term impact of these were considered and it was agreed these would be most likely to promote the long-term sustainable success of the Company and were felt to be in the long-term interests of the majority of stakeholders.
- **The impact on our business partners.** The acquisition enabled us to add scale to our existing operating platform and further developed our relationships with a number of key suppliers. We worked closely with our business partners to manage the integration of Merian onto our systems and processes, and ensure that there was no disruption to our clients or fund managers.
- **The impact on our regulators.** Our regulators' primary focus is to protect the interests of our clients and the financial markets they are responsible for regulating. We sought approval for the transaction from a number of regulators and management prepared business plans detailing how Merian would be integrated and how the enlarged Group would be managed and controlled to ensure minimum disruption to our clients and continued compliance with regulatory requirements.

Directors Remuneration Policy

Every three years the Company is required to seek approval from shareholders, of its Directors Remuneration Policy and this approval is being sought at the 2021 AGM. We have engaged with shareholders to understand their views on our remuneration structures and proposed changes thereto. Our Remuneration Policy is designed to promote the long-term sustainable success of the business, which is in the interests of all shareholders. In developing the policy the Remuneration Committee considered the pay and policies in operation for all employees, that there was alignment with the Company's culture and values and that the structures would not reward excessive risk taking.

A number of proposed changes to the policy are designed to further align Directors' remuneration with the interests of stakeholder groups:

- Within the strategic objectives for the Directors' bonus scorecard, specific targets relating to ESG and diversity and inclusion have been included. These are designed to further align Directors' interests with those of wider society and are reflective of the Group's focus on these key issues.
- The minimum shareholding requirement for Executive Directors has been increased, from 300% to 500% of salary for the CEO, and from 200% to 250% of the salary for other Executive Directors. In addition, Executive Directors have to hold these shares post their employment with the Company. Post employment, Directors must retain 100% of the shareholding requirement in the first year and 50% of the shareholding requirement in the second year.
- The revised policy enables Directors' to defer bonus amounts into certain funds managed by the Group, which is limited where an Executive Director has not yet met their minimum shareholding target. This provides greater alignment with our clients' interests and risk profile, whilst ensuring that Directors have alignment with shareholders through their substantive shareholding requirements.

OUR APPROACH TO RISK MANAGEMENT

Managing risk in a proactive and controlled manner provides the foundation for success.

The Board is responsible for managing the Group's risk profile and determining an appropriate risk appetite within which it must operate. In defining this, the Board ensures that it is aware of and, where appropriate, has taken steps to mitigate the risks that may have a material impact on the Group as it pursues its strategic objectives.

Approach to risk management

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

Our Risk Management framework clearly defines the roles and responsibilities for risk management and provides a process for escalation through our governance structure, which enables ongoing and robust oversight by the Risk & Finance Committee (RFC), Audit & Risk Committee (ARC) and the Board.

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

Some risks are deliberately assumed to support the business plan, such as market risk relating to seed investment in funds. Other risks are inherent in routine business activities, such as the risk of fraud. The differing risks faced by the Group are managed through the Group's control framework in line with risk appetite.

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

As an asset management firm, Jupiter's most material risk exposures are in the strategic, investment, and operational (including regulatory risk) categories. However, our exposure to capital adequacy, liquidity, market and credit/counterparty risks are also monitored to ensure they are managed on a prudent basis and remain within regulatory requirements and Group risk appetite.

In addition, the Group is also exposed to both conduct and reputational risks.

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

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

RISK GOVERNANCE & RESPONSIBILITIES

The Group operates a three-tier risk governance framework, generally known as the Lines of Defence model, which distinguishes between risk management and oversight. This approach provides clear and concise separation of duties, roles and responsibilities. The Board delegates responsibility for certain aspects of risk management and control activities to the ExCo and to the ARC.

LINES OF DEFENCE

FIRST LINE
RISK & CONTROL MANAGEMENT

The business functions and line managers across the Group are responsible and accountable for the identification, assessment and management of the individual risks and associated controls within their respective areas of responsibility.

SECOND LINE
RISK & CONTROL OVERSIGHT

Risk & Compliance supported by additional control and oversight functions provide independent oversight and challenge with respect to the first line's management of their risks, and provide assurance that the Group's regulated activities are undertaken in accordance with regulatory requirements.

THIRD LINE
INTERNAL AUDIT

Internal Audit is an independent provider of assurance over the effectiveness of the Group's processes and governance with regards to risk and internal control, assessing whether they are adequately controlled and challenging Management to improve their effectiveness.

RISK & FINANCE COMMITTEE (RFC)

The RFC provides support to the ExCo on the establishment, implementation and maintenance of adequate risk management and risk policies and procedures. In particular, it recommends to the ExCo the maximum level of risk to be tolerated (risk appetite) and it advises the ExCo on the Group's actual risk profile relative to risk appetite and the effectiveness of risk management processes across the business.

EXECUTIVE COMMITTEE (EXCO)

The ExCo is responsible for implementing the strategy and objectives set by the Board and communicated by the CEO, and to ensure the assessment and implementation of a sound system of internal governance, control and risk management. It is also responsible for implementing the Group's culture, values and standards, and monitoring of the markets in which it operates, including the regulatory framework of such markets.

AUDIT & RISK COMMITTEE (ARC)

The ARC is responsible for overseeing the integrity and effectiveness of the Group's financial reporting, testing and effective operation of the Group's internal controls. The ARC is also responsible for overseeing the relationship with the Group's Internal Audit function.

OUR APPROACH TO RISK MANAGEMENT

Risk management framework

Our risk management framework enables us to identify the most material risks that we face.

In 2020, a number of initiatives have been undertaken to enhance our risk management framework and the way we manage risk. These include:

- Combining the Risk and Compliance functions under the leadership of the Chief Risk Officer.
- Developing our internal operational risk taxonomy.
- Enhancing our Risk and Control Self Assessments (RCSA) process.
- Enhancing our Operational Risk Scenario Analysis process.
- Increasing our Liquidity Stress Testing capability.
- Improving the process and delivery of the 2020 AAF assurance reports.
- Continuing to develop our use of climate risk data to enable us to further assess risks across our funds and better understand our exposure to climate-related risks and opportunities.

Emerging risks

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

Risk reporting

Risks that we believe could have a material impact on the Group, our principal risks, are reflected in our top-down risk assessment. This view of the risk profile of the Group is included in our regular reporting to ensure it receives an appropriately high level of senior management and Board attention. The Board takes action where these risks are deemed to be outside of risk appetite.

RISK MANAGEMENT FRAMEWORK TOOLS

TOP-DOWN RISK ASSESSMENT

The Board's consideration of risks is informed by proposals and commentary from the Risk and Compliance function, the RFC, the ARC and the ExCo and also other risk management information such as the output from the bottom-up Risk and Control Self Assessment (RCSA).

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

RISK APPETITE

The Group's risk appetite defines the level and type of risk that the Group is prepared to accept in pursuit of its strategic objectives and business strategy, taking into account the interests of its clients and shareholders, as well as capital and other regulatory requirements. As a business, we have a relatively low appetite for risk, particularly for those risks that could lead to negative conduct or reputational outcomes.

An important part of the Board's remit is to determine the Group's risk appetite, taking into account our strategic plans, the business environment and the current and likely future condition of our business and operations.

BOTTOM-UP RISK ASSESSMENT

The detailed, bottom-up identification and assessment of operational risk is performed by individual organisational units via an RCSA. The assessment identifies and monitors material risks and associated key controls by considering the operating environment, processes, roles and responsibilities, as well as risk incidents that have occurred. Risks are assessed on both an inherent and residual basis with ratings determined for potential impact and likelihood. Where processes or controls are seen to be insufficiently robust, line management is required to take appropriate action and define improvements to the operating environment to ensure they pose a minimal (or acceptable) level of risk to the Group. Risks that exceed risk appetite are escalated through our governance structure.

OPERATIONAL RISK SCENARIO ANALYSIS

Operational risk scenario analysis is a forward-looking assessment of exposures to severe but plausible operational risk events. It is used by the Group to identify and quantify the material risks that have the potential to impact Jupiter, based on the experience and opinions of internal SMEs. These are collated via a series of workshops and are further supported by internal and external event histories. A variety of scenarios differing in nature, severity and duration are used to estimate the impacts of events on capital requirements. The Group also uses scenario analysis to ensure that we understand our exposure to high-severity events and implement mitigating actions, in line with our risk appetite.

INCIDENTS

Incidents including near misses are reported and investigated to determine root causes, potential impacts (e.g. financial losses, regulatory/legal breaches, etc.) and ensure appropriate remediation work is completed to enhance the process, improve the control environment, and also make good any negative outcomes that have resulted from the failure. Incidents are monitored and captured across the business on an ongoing basis and independently reviewed to ensure completeness and accuracy of the details. Analysis of the information is undertaken, the results of which are used to support the development of RCSAs and operational risk scenarios and introduction or improvement of appropriate controls.

Risk heat map

We regularly assess the principal risks faced by our business. Risks across the strategic, investment and operational risk categories, as shown in the heat map, are seen as the most material due to the potential impact and likelihood of them crystallising. In addition to these risks we also monitor risks associated with capital adequacy, liquidity, market and credit/counterparty through our risk framework.

During 2020 a number of our principal risks reflected a decrease in both the impact and likelihood of them crystallising when compared to the 2019 position. The assessment considers the impact of our strategic activities which have brought greater diversification and breadth to our offering and our operating environment, which has remained stable despite the impact of Covid-19 and Merian integration activity, and in which we continue to invest.

Our people continue to be our most significant asset and are critical to our success. During challenging times they have continued to deliver for our clients.

Our assessment as to the likelihood of cyber crime and failure of a critical outsourcing partner has increased from 2019. This is in part due to the impact of Covid-19 in placing additional strain on our providers to continue to provide a consistent and stable standard of service and an increase to what was already an evolving cyber threat.

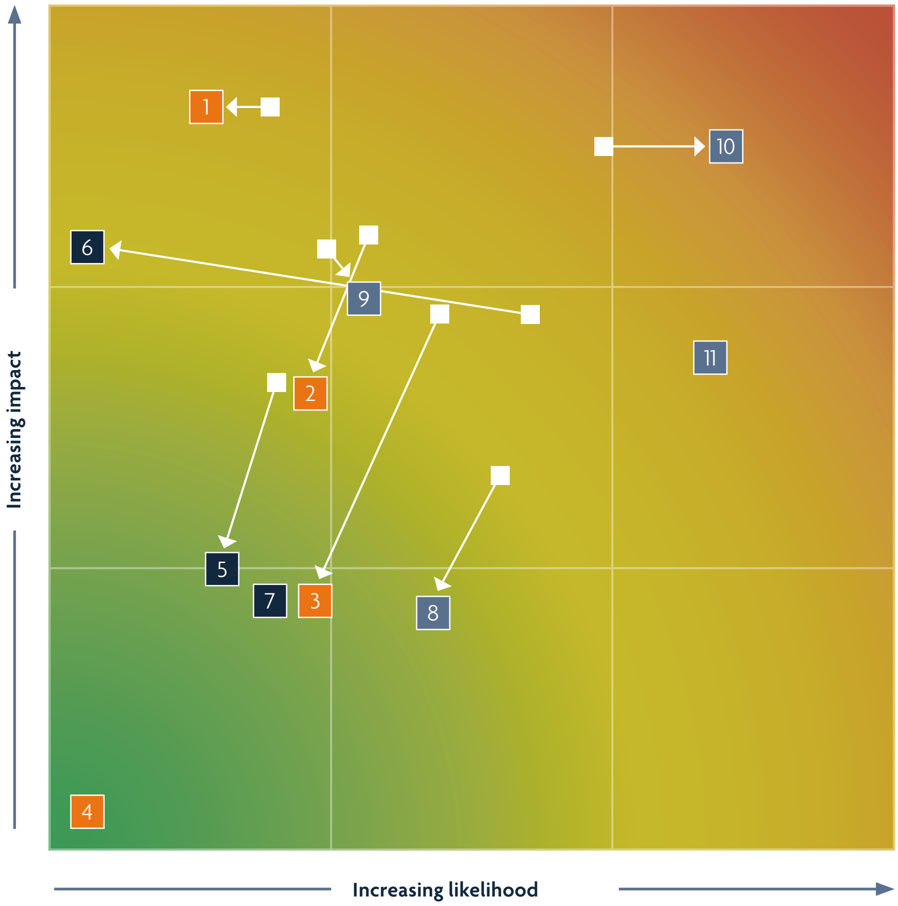
The risk of regulatory and legal change is stable, remaining one of our most material risks. The firm's regulatory footprint continues to evolve in line with our strategic activity, increasing in both complexity and geography.

Further details on the assessment of each risk are included in the tables on the following pages.

PRINCIPAL RISKS

The heat map illustrates the relative impact and likelihood of a risk crystallising on a residual basis which is considered to be the risk exposure post the application of existing mitigating controls. We continue to enhance this process by recalibrating the definitions of impact and likelihood.

Principal risks



Strategic

1. Failure to deliver strategy
2. Ability to retain, attract, and develop (critical) staff
3. Ineffective investment strategy, client, and geographic diversification
4. Failure to effectively integrate Merian business

Investment

5. Sustained market decline readiness
6. Sustained fund underperformance
7. Challenges presented by major or local market shocks (previously challenges presented by Brexit)

Operational

8. Firmwide operational control environment
9. Failure of a critical outsource partner
10. Cyber crime
11. Regulatory & legal change

STRATEGIC REPORT

PRINCIPAL RISKS & MITIGATIONS

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.

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

	1. FAILURE TO DELIVER STRATEGY	2. ABILITY TO RETAIN, ATTRACT & DEVELOP (CRITICAL) STAFF	3. INEFFECTIVE INVESTMENT STRATEGY, CLIENT & GEOGRAPHIC DIVERSIFICATION
Risk	The risk of failure to achieve our strategic objectives, through internal or external factors, which could impair our ability to deliver value to our stakeholders.	The risk of failure to attract or retain the people critical to successfully delivering investment outperformance to our clients and all other aspects of our strategy.	The risk that our product range, distribution partnerships, client type or geographic diversification are ineffective at growing AUM, particularly in light of continued change and disruption in the competitive landscape.
Mitigation	– The Board sets the strategy and is responsible for ensuring the Group has the right structure, leadership and culture to execute it. – The Board and the ExCo regularly review the strategic options, opportunities and threats. – Plans, budgets and targets are set to be aligned with delivery of the strategic goals. – Progress is monitored and, where necessary, corrective action is taken.	– Our culture is a key differentiator for us, enabling us to attract, motivate and retain talented individuals, which in turn drives outperformance. – We give autonomy coupled with personal accountability, and encourage independence of thought and challenge. – Our investment function is arranged around our strategies, providing a framework for repeatable performance, but the teams themselves are small and nimble. – This culture and structure gives us clarity of purpose and helps us to attract and retain the best active fund managers. – We actively manage succession and transition.	– We continually analyse our markets to ensure we maintain a diverse product suite that appeals to existing and potential clients. – In response to the rising demand and supply of passive investment products, we focus on the clear differentiation of our active strategies and routes to markets where active solutions are in strong demand. – Our well-defined product development process enables us to deliver new products or enhancements, so we can target client groups in a timely and efficient way.
2020 update	– In line with the wider asset management industry, challenging market conditions, largely due to the Covid-19 pandemic, brought significant negative effects to the global economy and global financial markets and, as a result, a negative impact on our AUM during the early part of 2020. However, as financial markets began to stabilise through the second half of 2020 and the Merian acquisition was completed, strong investment performance has remained a feature of our business with 70% of mutual fund AUM above median over three years. – The acquisition and operational integration of Merian, strategic partnership with NZS Capital and newly opened entity in the US will enhance our investment capabilities and further contribute to our wider client and geographic diversification as we move into 2021.	– Through the Merian acquisition and strategic partnership with NZS Capital, we have a broader bench of fund managers and greater diversification in our strategies which we feel will be advantageous in both retaining and attracting staff. – Covid-19 has brought challenges for our staff but the transition to remote working has been smooth and well managed and with a number of initiatives in place to support them.	– The Merian acquisition has brought a broader product range and added significant depth to our distribution. – We continued to diversify the business by product in 2020, with the launch of funds in the UK and internationally and a Global Sovereign Fund, which has provided a new offer in Fixed Income which has historically been an advantageous product during times of stress. – Strong growth prospects for a number of our products are expected in 2021 which are in areas of client demand, have strong performance and, in many cases, are approaching the key three-year track record.

INVESTMENT RISK

The risk of underperformance of funds managed by the Group relative to benchmarks, objectives or competition or in other ways failing to meet investors' objectives.

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

	4. FAILURE TO EFFECTIVELY INTEGRATE MERIAN BUSINESS	5. SUSTAINED MARKET DECLINE READINESS	6. SUSTAINED FUND UNDERPERFORMANCE
Risk	The risk that we fail to integrate the Merian business from a legal and operational perspective.	The risk of a severe market and economic downturn which affects all fund managers and all asset types across all geographic markets.	There is a risk that our clients will not meet their investment objectives, due to poor relative performance by one or more of our funds over a prolonged period.
Mitigation	– Cultural alignment has been an advantage, mitigating some of the challenges of integrating in a largely remote working environment. – Prior to completion, we maintained a productive relationship with Merian allowing for positive engagement so we could prioritise client needs. – A number of Merian staff were retained either permanently or for a fixed period helping to provide stability while operating model changes were made and knowledge transferred to permanent teams.	– Our investment philosophy allows our fund managers to pursue their own investment styles and the flexibility to adjust strategies as far as possible to retain value during unfavourable market conditions. – We have a broad range of investment strategies which enables us to offer products suitable for different market conditions. – We regularly review our discretionary expenditure and cost base to ensure sustainability. – Our strong capital position and relatively low cost base means we are well placed to cope with this risk.	– Jupiter maintains a diversified range of flexible investment products, and aims to deliver long-term value to our clients across different market conditions. – Our investment process seeks to meet investment objectives within clearly stated risk parameters. – Our Investment Risk team works closely with fund managers to challenge fund risk profiles, assess the risks across the portfolios and further develop our capabilities.
2020 update	– The most significant activity undertaken by Jupiter in 2020 was the acquisition of the Merian business. – Legal completion was achieved in July and operational integration successfully delivered in September. – Activity to create further synergies and efficiencies remains both from a processing and structural perspective, but this is in plan, being well managed and is currently on track to deliver in 2021.	– Greater diversification brought about by the acquisition of Merian and the NZS Capital investment will ensure that our portfolios are less sensitive to market volatility. – We have an increased exposure to fixed income assets which have historically been an advantageous product during times of stress. – The uncertainty around Brexit has been largely resolved and we need to ensure we stay agile to market movements.	– The Merian acquisition further diversifies our product range with new asset classes and additional investment styles and processes. This has diluted the dependency on flagship strategies. – The additional strategies and the flexible range have provided management with the opportunity to explore and utilise a number of solutions if prolonged underperformance is evidenced through our formal governance structure.

PRINCIPAL RISKS & MITIGATIONS

INVESTMENT RISK continued

OPERATIONAL RISK

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

	7. CHALLENGES PRESENTED BY MAJOR OR LOCAL MARKET SHOCKS[1]	8. FIRMWIDE OPERATIONAL CONTROL ENVIRONMENT	9. FAILURE OF A CRITICAL OUTSOURCE PARTNER
Risk	Uncertainty regarding the UK's future relationship with the EU following the UK's withdrawal from the EU, as well as resulting legal and regulatory changes following the end of the transition period, could have an adverse effect on the business. The impact on markets of the Covid-19 pandemic has also been considered through this risk.	We could suffer a material error executing a key business process, or from our systems or business premises being unavailable.	The failure or non-performance of a third-party provider who we rely on for business processing may lead to us failing to deliver the required service to our clients and/or regulatory non-compliance.
Mitigation	– Throughout the current period of uncertainty, we have been closely monitoring communications from and developments with respect to the UK and EU governments and regulators to ensure we remain aware of and responsive to the latest industry guidance with the support of specialist experts.	– We have efficient and well-controlled processes and maintain a comprehensive risk management framework which enables the business to focus its efforts on key activities. – We have continuity and business resumption planning in place to support our critical activities. – We have implemented remote working for all our staff if they cannot travel to our offices. If our normal business systems or premises become unavailable, we have alternative premises including a dedicated office suite equipped with all of our critical business systems.	– We subject all third parties who provide us with critical services to a high level of ongoing oversight, through our established Supplier Management framework, giving us assurance that they meet our required standards. – Jupiter has formal guidelines for managing and overseeing all third-party relationships, ensuring they receive a level of scrutiny that reflects their potential risk to our business.
2020 update	– Global markets were impacted by Covid-19. While markets are now less volatile, uncertainty remains. – Greater diversification brought about by the acquisition of Merian and the NZS Capital investment will ensure that our portfolios are less sensitive to market volatility.	– The transition to a full remote working model in 2020 due to Covid-19 was well managed with minimal disruption and control changes required, resulting in increased confidence in our abilities to operate in this manner. – The operating environment has remained stable and the integration of Merian onto the Jupiter framework has been conducted efficiently and effectively with minimal impact on delivery of service or heightened risk. – We have made enhancements to the oversight of our control environment and continue to invest in enhancing our controls. – We have seen a reduction in losses arising from incidents.	– We continue to enhance our oversight of our critical outsource providers based on key risk principles defined within our supplier management framework. This ensures an appropriate level of scrutiny is given to those suppliers and services that are critical to the Group. – Each of our critical suppliers has continued to provide a consistent and stable service during the Covid-19 pandemic with no material disruptions seen. However, we are aware of the additional strain to maintain performance brought about by Covid-19 on what is an increased suite of suppliers that have come on board as part of the Merian acquisition.

1 Previously challenges presented by Brexit.

Sources of risk: Jupiter is necessarily exposed to operational risk in the execution of its business and we seek to manage this within risk appetite. The failure of a control or a human error when undertaking a process are examples of how an operational risk can crystallise.

	10. CYBER CRIME	11. REGULATORY & LEGAL CHANGE
Risk	The risk that a successful cyber attack or fraud attempt could result in the loss of clients' assets or data or cause significant disruption to key systems.	The risk that changes in regulation or legislation restrict or impact our ability to do business or that we fail to implement changes required to meet new regulatory requirements.
Mitigation	– We commit considerable human and technological resources to preventing a cyber security incident. Our server environments are housed in two data centres provided by a specialist third party and offer fully resilient and secure facilities. – We have established a security awareness programme to extend knowledge and understanding within the business. Jupiter applies best practices from the ISO 27001 controls framework with additional reference to SANS Critical Security Controls in order to prioritise our technology defences. – We have produced an extensive Cyber Security Incident Response plan to ensure departmental heads can adequately respond to the growing threat of cyber crime.	– We continually monitor regulatory developments to assess potential business implications. We invest in the expertise, systems and process change necessary to enable compliance with regulatory requirements by the required dates. – We maintain a robust compliance culture and require all relevant employees to undertake training on regulatory matters. – Our Risk & Compliance function supports the business in implementing and maintaining appropriate regulatory controls.
2020 update	– We have continued to invest in our IT infrastructure and employee training and awareness initiatives to ensure our resilience to a potential cyber attack remains robust. This is complemented by the use of external cyber security specialists and our participation in industry and regulatory-led forums so that we are aware and able to respond to the latest threats and industry trends. – The Covid-19 situation has provided an opportunity for criminals to target individuals and firms to exploit vulnerabilities using phishing and cold calls in an attempt to extract sensitive information for financial gain. Jupiter recognised this increased threat early on and has taken appropriate steps to address it. Despite this, we are aware that the threat of a cyber attack continues to grow.	– The regulatory environment continues to develop with increased focus on areas such as ESG. – There continues to be a high volume of regulatory change activity across the industry. – Our regulatory footprint has evolved through the Merian acquisition and investment in NZS Capital, increasing in complexity and geography, resulting in enhanced regulatory interest.

CHAIRMAN'S INTRODUCTION TO GOVERNANCE

"As an active fund management firm, we must hold ourselves to the high governance standards we expect of our investee companies."

DEAR SHAREHOLDER,

Effective governance is critical to the long-term success of a business; it is the process by which the organisation is run and how decisions are made. For Jupiter, as an active fund management firm, we must hold ourselves to the high governance standards we expect of our investee companies. This report details how our governance structure operates and how it has been applied throughout the year.

Effective leadership

The Board is responsible for agreeing the Company's purpose and strategy, overseeing the implementation thereof and the frameworks for the management of culture, stakeholder engagement, governance and risk management. As detailed in my report on page 11, there have been a number of changes to the Board during the year, to refresh its leadership and ensure appropriate succession planning. Details of the Directors can be found on page 62 and a snapshot of the Board composition which includes its diversity, skills and tenure can be found on page 73.

One of the first things I undertook when I was appointed Chairman last year, was to undertake a deep dive review of how the Board had spent its time in 2019. We split this into categories; strategy, performance, governance and external reporting, and considered how the use of the Board's time could be enhanced. As a result of this we formalised the allocation of time spent at each Board meeting and increased the allocation of time for strategic matters. We also introduced Board briefing sessions, which are generally held the day before each scheduled Board meeting. These sessions are designed to be more informative/educational and may include, for instance, a briefing from a key client, a presentation from a fund manager or an update on regulatory changes.

This year has brought numerous challenges and has clearly shown the Board's commitment to Jupiter. In addition to the six scheduled Board meetings, we have convened an additional nine Board meetings during the year. These have been attended by all Directors and we are grateful for the dedication they have shown to Jupiter's business. The additional meetings primarily related to the acquisition and integration of Merian and matters arising from the changes in the Group's operating environment as a result of the Covid-19 pandemic.

As with most people across the world we have had to adapt our Board procedures, with a greater reliance on technology and virtual meetings. Whilst we have adapted to these changes well, it is far easier to develop culture and team dynamics when people are able to meet in person and where there is an ability to meet more informally outside of Board meetings. Where government guidelines have allowed, and we have been able to hold such meetings in a Covid-19 secure manner, we have undertaken meetings in person. This includes our Board strategy off-site meeting, which was rearranged from June to October to enable in-person participation.

Details of the key Board activities undertaken during the year can be found on pages 66 and 67 and each Board Committee has provided a report on its work during the year within this governance section.

Diversity

Jupiter has a strongly inclusive culture and supports full cognitive diversity which includes skills, experience, background, race, gender, disability, sexuality and other distinctions. We believe having a diverse and inclusive workforce challenges conventional thinking and creates a more dynamic and rewarding working environment, bringing benefits to all of our stakeholders.

Diversity is a subject very close to my heart and, in 2013, I co-founded Investment20/20 with Andrew Formica; its mission is to help bring more diverse talent into all aspects of investment management. At Jupiter we have a number of initiatives across the organisation to support greater diversity both within Jupiter and the wider asset management sector and further information on these can be found on page 32. As at 31 December 2020, 30% of our senior management (as defined by the Code) were women.

Board diversity has been a particular focus of the Nomination Committee during the year in accordance with the Board's diversity and inclusion policy which can be found on our website **www.jupiteram.com**.

Historically Jupiter has a strong gender diversity record with a balance of between 40% and 50% of women on the Board. However, there have been a number of changes during 2020 which have impacted this and, as at 31 December 2020, we disappointingly did not meet the requirements of the Hampton-Alexander review for the Board to comprise at least 33% women. As at the end of 2020 22% of Directors were female and there are several factors which have impacted this. Bridget Macaskill stepped down from the Board at the conclusion of the 2020 Annual General Meeting (AGM), following which we conducted a search for a new Director. In July 2020 we announced the appointment of Belinda Richards but unfortunately, for personal reasons, she took the difficult decision to step down from the Board shortly after her appointment in September. Had Belinda been able to continue in her role we would have met the guidelines of the Hampton-Alexander review with 33% of the Board being women. We are continuing to search for a new Non-Executive Director and diversity is a key consideration in the recruitment process. In addition, as part of the acquisition of Merian, TA Associates became a major shareholder following completion and have the right to appoint a Director to the Board. TA Associates appointed Chris Parkin to the Board, which further increased the number of male Directors.

These factors have impacted our diversity but primarily from a timing perspective, and we anticipate meeting the 33% guideline during the course of 2021.

Company purpose, values and culture

Jupiter has a clear purpose and strong culture focused on delivering for our clients and recognising the value of our people. Our commitment to the value of active minds helps to set us apart and is key to how we help our clients achieve their long-term investment objectives. Our culture puts our clients first and embraces independence of thought, accountability, collective success, innovation and continuous improvement.

We have a strong leadership team who has embedded a clearly defined culture across the organisation. The Board is responsible for overseeing and monitoring the firm's culture and there is no question that this is more challenging in a remote working environment. Under normal circumstances the majority of our staff are based in our London office and senior staff from our overseas offices regularly visit London and vice versa. This has helped build a very strong and consistent culture across Jupiter.

Jupiter's culture has been of particular focus to the Board and the Executive team throughout 2020, not only to ensure that Jupiter's culture is maintained and developed in a remote working environment but also to ensure a fully aligned culture between employees from Jupiter and Merian. We have developed a cultural dashboard which links to our cultural pillars and considers a wide variety of metrics including staff survey results, regretted leaver levels, diversity, training and incidents.

> "Jupiter has a strongly inclusive culture and supports full cognitive diversity which includes skills, experience, background, race, gender, disability, sexuality and other distinctions."

CHAIRMAN'S INTRODUCTION TO GOVERNANCE

Stakeholder engagement

Our engagement with stakeholders has increased even further during the Covid-19 pandemic, as it has become even more important that we stay in touch with our clients, people, shareholders and suppliers during this period of uncertainty. Further information on how we have achieved this can be found throughout the Annual Report and Accounts, but I wanted to focus on some matters relating to our shareholder engagement.

We held our AGM and the General Meeting (GM) to approve the acquisition of Merian on 21 May 2020. Due to the government restrictions in place and in consideration of the safety of our shareholders and staff, we made the difficult decision to hold the meeting behind closed doors, with quorum requirements being met by our CEO and Company Secretary. The Company's Articles do not permit the use of fully virtual meetings and, at the time of the decision, government legislation enabling the use of virtual meetings had not been passed.

Instead we held a shareholder engagement call the week before the meetings were scheduled; the details for which were published on our website and announced to the market. On the call, which was attended by our CEO, CFO and me, we made the presentations which we would have provided at the AGM and GM and then held a live Q&A session. We decided on this course of action as we felt it was important to enable shareholders to view the presentations and ask us any questions before the proxy voting deadline, which is set for 48 hours before the meeting. This was particularly important for the GM to approve the acquisition of Merian, which was a significant strategic decision. We also provided an email address to which shareholders could send questions and we responded to directly, with any frequently asked questions being made available on the website.

At the 2020 AGM, the one resolution that achieved less than 80% approval was the re-election of Karl Sternberg, which has also received below 80% approval in previous years. In accordance with the requirements, we have engaged with dissenting shareholders again on this matter.

The Board continues to support Karl's appointment and his commitment to Jupiter has been very clearly demonstrated throughout 2020. Karl has a 100% attendance record at all 15 Board meetings held this year and has continued to provide additional support to Management and the Board outside of these formal meetings. Since joining Jupiter I have clearly seen his commitment and the knowledge, expertise and challenge he brings to Board meetings, from which we all benefit. Karl is reviewing his external commitments and has announced his intention to step down from Lowland Investment Company plc and will be stepping down from one further Board in due course. Further information on this matter and how the Nomination Committee have oversight of Directors' external commitments can be found on page 72.

In addition to our normal schedule of engagement with our major shareholders, primarily around the Company's results, we have undertaken a number of additional engagement programmes during the year. These related to the acquisition of Merian, which was led by our CEO and CFO, and included engagement with potential bondholders for the issue of £50m of loan notes which were issued in April 2020 and received subscriptions significantly over the quantum available. Roger Yates as Chairman of the Remuneration Committee led a consultation on our proposed 2021 Directors' Remuneration Policy, for which approval is being sought at the 2021 AGM. In addition, as part of my induction programme, I had the opportunity to meet with our major shareholders and I enjoyed and benefited from hearing their views directly.

We look forward to continuing and further enhancing our engagement with our shareholders and all stakeholders during 2021.

Due to Covid-19 and the current government restrictions in place we are proposing to retain the AGM arrangements in place during 2020. We plan to hold an engagement call with shareholders prior to the AGM, which will enable shareholders to hear the presentations and ask questions, before the proxy voting deadline. Participation at the actual AGM will be restricted, dependent on the prevailing guidelines at the time. Due to the continued uncertainty we ask shareholders to review our announcements and Company website for further information.

Nichola Pease, Chairman
25 February 2021

COMPLIANCE STATEMENT

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

Having reviewed the provisions of the Code the Board is satisfied that throughout the accounting year ended 31 December 2020, Jupiter complied with the provisions of the Code, with the exceptions detailed below.

Provision 19 of the Code states that a Chair of the Board should not remain in post beyond nine years from the date of their first appointment to the Board. Liz Airey was first appointed to the Board in May 2010, was appointed Chairman in September 2014 and stepped down on 2 March 2020. Therefore, for the period 1 January 2020 to 1 March 2020 the Company was not compliant with this provision. Liz's continued appointment enabled her to remain as Chairman while the transition in CEO was undertaken, following Andrew Formica's appointment in March 2019.

Provision 36 of the Governance Code states that the Remuneration Committee should develop a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares. A formal policy has been developed and is included in the 2021 Directors' Remuneration Policy, which is being submitted for approval by shareholders at the next AGM. Further information can be found on page 102.

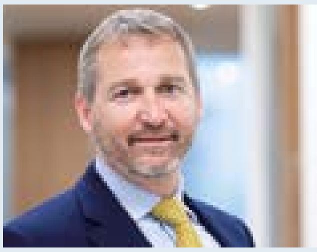
Further information on how the Company has applied the principles of the Code is set out in this Governance section.

Code principle	Page reference
Board Leadership and Company Purpose	
A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.	62
The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.	59
The board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.	66 50
In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.	46
The board should ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.	45
Division of Responsibilities	
The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.	66
The board should include an appropriate combination of executive and non-executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the board's decision making. There should be a clear division of responsibilities between the leadership of the board and the executive leadership of the company's business.	65
Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.	72
The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.	66
Composition, Succession and Evaluation	
Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for board and senior management. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.	70
The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.	70
Annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.	69
Audit, Risk and Internal Control	
The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements.	74
The board should present a fair, balanced and understandable assessment of the company's position and prospects.	77
The board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.	50
Remuneration	
Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values, and be clearly linked to the successful delivery of the company's long-term strategy.	80
A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director should be involved in deciding their own remuneration outcome.	80
Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.	80

GOVERNANCE

BOARD OF DIRECTORS

1. Nichola Pease
Chairman



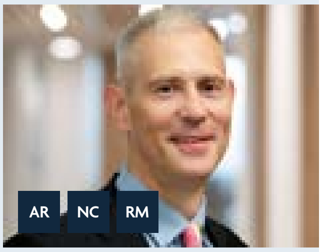
2. Andrew Formica
Chief Executive Officer

3. Edward Bonham Carter
Vice Chairman

4. Wayne Mepham
Chief Financial Officer

5. Jonathon Bond
Senior Independent Director

6. Polly Williams
Independent Non-Executive Director



7. Karl Sternberg
Independent Non-Executive Director

8. Roger Yates
Independent Non-Executive Director

9. Chris Parkin
Non-Executive Director*
*Nominated representative of TA Associates.

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

1. NICHOLA PEASE

Chairman

Appointed
Non-Executive Chairman in March 2020

Skills and experience
Nichola has over 35 years' experience in asset management, including at Chief Executive level, and the wider financial sector. With her extensive experience, Nichola brings strong leadership skills and a deep understanding of investment management to the Board.

Previous appointments
Nichola's most recent role was as an independent Non-Executive Director of Schroders PLC from September 2012 to November 2019, where she was also Chairman of the Remuneration Committee. She was previously the Chief Executive of JO Hambro Capital Management Ltd from 1998, until her appointment as Deputy Chairman in 2008. Her previous experience includes Kleinwort Benson, Rowe Price-Fleming, Citibank and Smith New Court where she built the European broking business and subsequently joined the Board.

Current external appointments
Nichola is currently Chair of the Investment20/20 Apprenticeship Scheme.

2. ANDREW FORMICA

Chief Executive Officer

Appointed
Chief Executive Officer in March 2019

Skills and experience
Andrew has over 26 years' experience in the investment management industry and is a qualified actuary, both in Australia and the UK. He brings strong leadership skills and has a proven track record of implementing successful business strategies.

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

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

3. EDWARD BONHAM CARTER

Vice Chairman

Appointed
Group Chief Executive in 2007
Vice Chairman in March 2014

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

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

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

4. WAYNE MEPHAM

Chief Financial Officer

Appointed
Chief Financial Officer in September 2019

Skills and experience
Wayne has over 25 years' experience in asset management and across the financial services sector gained in senior financial roles and as a chartered accountant.

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

Current external appointments
Wayne has no external appointments.

5. JONATHON BOND

Senior Independent Director

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

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

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

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

6. POLLY WILLIAMS

Independent Non-Executive Director

Appointed
Independent Non-Executive Director in March 2015

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

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

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

7. KARL STERNBERG

Independent Non-Executive Director

Appointed
Independent Non-Executive Director in July 2016

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

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

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

8. ROGER YATES

Independent Non-Executive Director

Appointed
Non-Executive Director in October 2017

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

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

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

9. CHRIS PARKIN

Non-Executive Director

Appointed
Non-Executive Director in July 2020

Skills and experience
Chris has 15 years of experience in the private equity industry with a primary focus on financial services companies, particularly in fund management, wealth management and insurance, as well as on consumer facing business, including education services, consumer goods and retail. He brings detailed knowledge of the financial services sector with a strong client focus and significant experience of business transformation.

Previous appointments
Before joining TA Associates, Chris was an investment manager at Lazard Private Equity and prior to that he spent seven years with Bain & Company in London and New York. Chris's previous non-executive directorships include, amongst others, Söderberg & Partners, DNCA Finance, PhysIOL, Internationella Engelska Skolan and Hana Group. Chris also served on the board of Jupiter Fund Management from 2007-2010 and Merian Global Investors until early 2021.

Current external appointments
Chris is co-head of TA Associates' EMEA Services Group and is a Non-Executive Director of Inspired Education Holdings Limited, Biocomposites, Surfaces Group and Fairstone Group Ltd.

GOVERNANCE

EXECUTIVE COMMITTEE

1. Andrew Formica
CEO and Chairman of the Executive Committee

6. Stephen Pearson
Chief Investment Officer

2. Wayne Mepham
Chief Financial Officer

7. Andrew Robinson
HR Director

3. Veronica Lazenby
Chief Risk Officer

8. Jasveer Singh
General Counsel

4. Paula Moore
Chief Operating Officer

9. Phil Wagstaff
Global Head of Distribution

5. Minesh Patel
Head of Strategy and Corporate Development

1. ANDREW FORMICA

Chief Executive Officer and Chairman of the Executive Committee

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

See page 62 for Andrew's full biography.

2. WAYNE MEPHAM

Chief Financial Officer

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

See page 62 for Wayne's full biography.

3. VERONICA LAZENBY

Chief Risk Officer

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

4. PAULA MOORE

Chief Operating Officer

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

5. MINESH PATEL

Head of Strategy and Corporate Development

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

6. STEPHEN PEARSON

Chief Investment Officer

Stephen joined Jupiter in 2001 and held a number of senior roles within investment management before being appointed the Chief Investment Officer in 2015. Stephen is responsible for the oversight of all of Jupiter's investment teams and key areas such as Stewardship and Sustainability and Data Science.

7. ANDREW ROBINSON

HR Director

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

8. JASVEER SINGH

General Counsel

Jasveer joined Jupiter in November 2016 as General Counsel. Before joining Jupiter he was General Counsel and a member of the Executive Committee at Man Group. He is responsible for the legal, governance & secretariat, Luxembourg and Irish teams.

9. PHIL WAGSTAFF

Global Head of Distribution

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

OUR GOVERNANCE FRAMEWORK

The Board delegates the day-to-day management of the Group to the CEO, with the exception of matters which it specifically reserves for its decision. There is an effective governance framework in place to support the operation of the Group.

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

BOARD GOVERNANCE FRAMEWORK

Schedule of matters reserved

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

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

BOARD

Chairman

– Leads the Board, ensuring its effective discharge of duties
– Supports the CEO in the execution of duties
– Ensures effective governance
– Engages with stakeholders and ensures their views are understood by the Board and decisions consider their interests

Chief Executive Officer

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

Chief Financial Officer

– All aspects of financial and capital reporting and the integrity thereof
– Supports the CEO in the execution of the strategy
– Responsible for Investor Relations

Executive Vice Chairman

– Engages with stakeholders and industry bodies
– Leads on environmental, social and governance matters
– Supports Fund Management

NB: From the 2021 AGM this role will no longer form part of the Board governance framework.

Senior Independent Director

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

Independent Non-Executive Directors

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

Executive Committee

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

ExCo has delegated certain authorities to a number of operating Committees that report back to ExCo and relevant subsidiary boards on their activities.

Audit and Risk Committee

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

+ Read how we are delivering our priorities from page 74

Remuneration Committee

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

+ Read how we are delivering our priorities from page 80

Nomination Committee

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

+ Read how we are delivering our priorities from page 70

GOVERNANCE

BOARD ACTIVITIES

How the Board operates

The Board has had a very full meeting schedule in 2020, in addition to the six scheduled meetings there have been an additional nine ad-hoc meetings held, which have all been attended by all Directors. The Directors' attendance at the scheduled meetings can be found below. The additional meetings have primarily been convened to consider items in connection with the acquisition of Merian, receive updates on the firm's response to the Covid-19 pandemic and provide final approvals as required by the business. The Board also held a two-day strategy session which considered deep dives into key areas of the Company's strategy and performance thereon.

Whilst there has been less opportunity for a more informal Board programme during 2020, the Chairman has held meetings with just the Non-Executive Directors, some of which included the CEO. Individual Non-Executive Directors have also met with senior members of Management on an individual basis. This engagement has been supported by the Company's Non-Executive Director pairing system, under which each Non-Executive Director is paired with a member of the Executive Committee. They hold 4-6 meetings a year and the scheme is designed to give the Non-Executive Directors greater understanding of the relevant business unit and help the Executives to gain a better of understanding of the Board, its objectives and views. The Senior Independent Director has also led the process to evaluate the Chairman's performance.

The Chairman has focused on the Board's forward agenda throughout 2020, to ensure an appropriate amount of balance between the key strategic, performance, governance and external reporting items. Working with Board members, the Executive Committee and the Company Secretary, the key priorities for the Company have been mapped onto the forward agenda. Before each Board meeting there is a Board briefing session held which is designed to be informative and educational for the Board.

BOARD ATTENDANCE RECORD

Members[1]	Board	Audit and Risk Committee	Remuneration Committee	Nomination Committee
Nichola Pease[2]	4/4	n/a	4/4	2/2
Liz Airey[3]	2/2	n/a	2/2	1/1
Jonathon Bond	6/6	5/5	5/5	3/3
Edward Bonham Carter	6/6	n/a	n/a	n/a
Andrew Formica	6/6	n/a	n/a	n/a
Bridget Macaskill[4]	3/3	n/a	3/3	1/1
Wayne Mepham	6/6	n/a	3/3	n/a
Chris Parkin[5]	3/3	n/a	n/a	n/a
Karl Sternberg[6]	6/6	5/5	3/3	3/3
Polly Williams	6/6	5/5	n/a	3/3
Roger Yates	6/6	n/a	5/5	3/3

1 Belinda Richards joined the Board on 1 September 2020 and stepped down on 30 September 2020. No Board or Committee meetings were held during this period.

2 Nichola Pease joined the Board on 2 March 2020.

3 Liz Airey stepped down from the Board on 2 March 2020.

4 Bridget Macaskill stepped down from the Board on 21 May 2020.

5 Chris Parkin was appointed to the Board on 2 July 2020.

6 Karl Sternberg joined the Remuneration Committee on 6 July 2020.

All Board papers are subject to rigorous review and we continually look to make improvements thereto. The format of the quarterly performance reports has been updated during the year to include additional detail. This has facilitated better qualitative but shorter discussion at Board meetings, enabling more time to be spent on focusing on the strategic priorities.

It has been agreed that from 2021 an additional quarterly performance report will be added from the Chief Operating Officer. Papers are distributed a week before the meeting providing the Directors with sufficient time for review. In addition, the CEO provides regular updates to the Board members (at least fortnightly) on developments within the business and key areas of focus.

KEY BOARD ACTIVITIES DURING 2020

The table below provides an overview of the key items considered by the Board during 2020 and how these link to the Group's strategic priorities, key risks and stakeholders.

Strategy

The Board is responsible for setting the strategy of the Group and ensuring there are sufficient resources to achieve this strategy. During the year a number of key decisions were taken regarding the acquisition and integration of Merian, the operating model for the strategic partnership with NZS Capital and a review of the organisational design and cost base of the business.

- Acquisition of Merian
- Partnership with NZS Capital
- International Distribution
- 2021 Financial Plan
- Organisational Design and Cost Base
- UK Retail Business
- Deep dives into various investment strategies including:
  - Alternatives
  - Multi-Asset
  - European Equities
  - GEAR and Systematic

Link to strategic priorities

1 2 3 4 5 6 7 8

Link to principal risks

1 2 3 4 5 6 7

Link to key stakeholders

- Clients
- People
- Shareholders

Key to strategic priorities

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

Key to principal risks

1 Failure to deliver strategy
2 Ability to retain, attract, and develop (critical) staff
3 Ineffective investment strategy, client, and geographic diversification
4 Failure to effectively integrate Merian business
5 Sustained market decline readiness
6 Sustained fund underperformance
7 Challenges presented by major or local market shocks (previously challenges presented by Brexit)
8 Firmwide operational control environment
9 Failure of a critical outsource partner
10 Cyber crime
11 Regulatory & legal change

Governance

Effective governance is critical to the operation of the Group. During the year the Board reviewed a number of governance related matters. The Board reviewed the Group's risk appetite statement and received updates on the Group's risk profile. The Board oversaw the culture of the organisation through the review of a culture dashboard. The Board reviewed initiatives across the organisation to promote diversity and inclusion.

– Reports from the Chairmen of each Board governance committee
– Purpose, culture and values
– Diversity and inclusion
– Risk Appetite Statement
– Meetings with the Chairman of Connections, the employee advisory panel
– Capital management and dividends
– Board evaluation
– ERM framework
– Stewardship Code
– Tax strategy

3 8

2 7 8 9 10 11

– Clients
– People
– Shareholders
– State and Regulators
– Society

Performance

Monitoring the performance of the Group and its progress against the agreed strategic objectives is essential to ensuring the successful deployment of our strategy. To achieve this regular reports are received from key business areas, which enable the Board to oversee both the performance of the business and the investment strategies it manages. The Board received regular updates on the Group's operational resilience and operations in light of Covid-19 and the integration of Merian. A report on health and safety across the business, focusing on the steps taken to protect our workforce in light of Covid-19, was also reviewed.

– CEO Quarterly Report
– CFO Quarterly Report
– CIO Quarterly Report
– Global Head of Distribution Quarterly Report
– Merian integration
– Operational resilience
– Health and Safety Report

1 2 3 4

1 2 3 4 5 8 9

– Clients
– People
– Shareholders
– Business Partners

External reporting

The Board is responsible for approving external reporting issued by the Group and is assisted by the Audit and Risk Committee in this regard, with final approval being provided by the Board. The Board spent a significant amount of time reviewing and challenging the information contained within the circular and prospectuses issued pursuant to the Merian acquisition. During the year the Group published its first assessment of value which is a new requirement introduced by the FCA. Whilst the preparation and approval of this was undertaken by the Group's UK Management Company, Jupiter Unit Trust Managers Limited, the Board was kept informed of the process and key matters.

– Annual and Interim Accounts
– The Internal Capital Adequacy Assessment Process
– Circular and prospectuses relating to Merian acquisition
– Notice of AGM
– Assessment of value report

8

7 8 11

– Shareholders
– Clients
– Society
– People
– State and Regulators

GOVERNANCE

DIRECTOR INDUCTION AND TRAINING

Induction

A tailored induction programme is provided to all new Non-Executive Directors and is designed to provide a thorough understanding of the Group's strategy, business, operations, key stakeholders, the governance structure and the regulatory environment. Below is a case study on the recent induction provided to Nichola Pease upon her appointment as Chairman.

Under the induction programme each Director meets with all members of the Board as well as senior management to gain an understanding of each business area and recent developments therein. They also meet with professional advisers and are given the opportunity to meet with other key stakeholders. Due to the nature of the business, specific site visits are not necessary and all meetings are undertaken at the Group's headquarters in London.

In addition, each Director is provided with key documents including the strategy, business plans and budgets, an overview of the corporate structure and governance framework, key policies and governance documents, and access to previous Board and Committee papers and minutes.

Training

At last year's Board evaluation one of the items identified for improvement was to provide further support for Directors' ongoing training and education. To address this a Board briefing session is held before each Board meeting and these sessions are designed to provide ongoing education to the Directors. The Board briefing is structured so that each briefing includes three sessions from a mixture of internal and external presenters. During 2020 subjects covered include briefings on:

- Industry trends
- Client briefings
- The competitive landscape
- Regulatory changes related to sustainable finance and remuneration
- Presentations from our fund managers on their fund and investment processes
- Data science
- Product governance

Directors regularly attend external training and update programmes and all Directors have access to the services of the Company Secretary, who advises the Board on governance matters. The Board is able to obtain independent advice, at the Company's expense, where this is necessary to discharge their duties effectively.

During the year the Board and Executive Committee, both of which have undergone significant change over the last two years, undertook a Belbin exercise which is a behavioural test designed to understand people's strengths and support the establishment of high performing teams. All parties agreed it was a useful exercise which facilitated greater understanding of their colleagues and how to enhance communications between team members.

Nichola Pease's induction

As the incoming Chairman of the Board, Nichola's induction involved a more detailed programme. This process had been well planned and commenced early, which enabled the induction to be completed prior to the commencement of the UK lockdown. Nichola was provided with access to all previous Board and Committee papers and minutes and detailed information packs including information on the Group's strategy, financial reporting, governance, risk and control frameworks, products and clients, suppliers and an overview of recent projects such as Brexit and SM&CR. As part of her induction process Nichola met with:

Meeting	Objectives
All Board members	To discuss views on Jupiter, recent key decisions, strategic priorities for the Board.
All members of the Executive Committee (and where relevant key members of their teams)	To learn about their respective business areas, including their teams, an overview of stakeholders and key considerations, departmental strategic priorities and current initiatives.
Investment Strategy Heads	To learn about the different investment strategies managed by the Group including each strategy's investment philosophy, performance, clients and future potential developments.
Compliance Director	Overview of the Compliance function and initiatives, annual compliance plan and progress thereon, regulatory engagement and regulatory changes.
Company Secretary	Overview of Group structure, governance framework, Board processes, AGM, major shareholders, recent Board evaluation results.
Chairman of Connections	Overview of employees' views and priorities for the workforce advisory panel. Details of recent Board and Management engagement and discussion of the recent employee survey results.
Independent Directors of the Group's UK Management Company	Discussion on the implementation of Jupiter's governance framework at subsidiary level, views on Jupiter and the engagement with Management, together with an update on the value assessment report.
Internal Audit (EY)	Overview of the team and relationship across Jupiter, the progress on the internal audit plan and recent audit findings together with a summary of outstanding Management actions.
External Audit (PwC)	Overview of the team and relationship across Jupiter, the external audit plan and key areas of focus, together with progress thereon and an update on the Group's AAF report.
External advisers	This included meetings with the Company's brokers, PR advisers and remuneration advisers. Briefings included information on the current market context, stakeholder considerations, priorities and the relationships with Jupiter.
Major shareholders	During 2020 Nichola met with a number of the Group's shareholders to discuss their views of Jupiter and answer any questions they may have. **Key areas of discussion were:** – Merian integration – Board and Management – Product range – ESG – Governance, including Diversity and Inclusion

BOARD EFFECTIVENESS

An effective Board is the cornerstone of good governance and, like all teams, its performance should be continually monitored.

In line with the provisions of the Code an annual evaluation of the Board, Board Committees and Directors is undertaken every year and every third year this is facilitated by an external evaluator. As the last external review was undertaken in 2017, this year the Board evaluation was facilitated externally by Clare Chalmers (CC), who has no other connection with the Company. Below are details of the process followed for the 2020 evaluation, together with an update on priorities from the 2019 evaluation and a summary of the 2020 evaluation conclusions.

Stage 1
The Chairman and Company Secretary undertook a tender process of potential partners for the evaluation process, before making a recommendation to the Board, who reviewed and approved the proposal and process to be undertaken.

Stage 2
CC was engaged and commenced her review of Board materials and minutes from previous meetings together with the prior Board evaluation.

Stage 3
CC attended and observed meetings of the Board and its Committees as well as attending part of the Board's strategy off-site.

Stage 4
CC interviewed individual Directors, Executive Committee members and the Company Secretary.

Stage 5
CC prepared the Report on the Board as a whole and its Committees. This was discussed with the Chairman before the findings were presented at a Board meeting. The Report was discussed by the Board and the actions agreed by the Board and Committees.

Stage 6
CC prepared reports on individual Director performance and discussed these with the Chairman.

Stage 7
The Chairman met with individual Directors to discuss their performance and the SID met with the Chairman to discuss her performance.

An update on the actions arising from the 2019 Board evaluation are detailed below, together with an overview of the outcomes from the 2020 evaluation.

2019 PRIORITIES	2020 STATUS
Facilitate deep dive reviews to enable the Board to enhance its understanding of Jupiter's client profile and clients' views.	During the year the Board has received several presentations on Jupiter's client profile and also had direct presentations from clients. The Global Head of Distribution, who was appointed in August 2019, has also driven improvements in reporting to the Board which has facilitated an enhanced understanding of our clients' views.
Further support Directors' ongoing training and development.	Board briefings have been introduced which are designed to be an informative and educational session for Directors. Further information on this can be found on page 68.
Enhance Board reporting with more succinct reports providing further clarity on actions and key considerations and more reporting on peer and market data.	There has been a focus on Board papers throughout the year and a number of changes have been made, particularly to the quarterly performance reports. The summaries have been enhanced to provide increased clarity on the key items for consideration. Further peer and market data have been added to both the quarterly Distribution and Chief Investment Officer report.

2020 EVALUATION CONCLUSIONS

The evaluation process demonstrated that the Board continued to operate effectively and overall was considered a professional and sophisticated Board with strong asset management experience. Each Director was found to be discharging their duties effectively and making a positive contribution to the success of the Company. It was noted that the recent Board and Executive Committee changes meant that there had been a period of transition, but it was agreed the refreshing of both teams had benefited the Company and its stakeholders. A good level of debate and challenge was noted at the Board meetings. A summary of each Committee's evaluation is contained within the relevant Committee's report.

The conclusion identified a number of priorities for the Board to consider in 2021:

- Focus on the Group's ESG offerings to clients and the framework for managing ESG risks.
- Continue to monitor culture and ensure it remains embedded across the organisation; drive improvements to the appraisal process to reflect appropriate performance management.
- Give more focus to long-term strategic challenges and opportunities.
- Review the operation of the current process for employee engagement now that it has been implemented for two years, especially in light of the remote working environment.
- Non-Executive Directors and Executives should instigate more one-to-ones and informal sessions to continue to build relationships, especially whilst working remotely.
- Continue to enhance Board papers and make greater use of KPIs to facilitate reporting and accountability. Streamline the paper preparation process.

NOMINATION COMMITTEE REPORT

COMMITTEE'S KEY RESPONSIBILITIES

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

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

MEETINGS

During the year, the Committee held three scheduled meetings and three further ad-hoc meetings were convened in order to consider matters relating to Board appointments. All members were in attendance at all meetings.

Members[1]	Appointment date	Meetings attended
Nichola Pease (Chair)[2]	March 2020	2/2
Liz Airey[3]	May 2010	1/1
Jonathon Bond	September 2014	3/3
Karl Sternberg	December 2016	3/3
Polly Williams	December 2016	3/3
Roger Yates	October 2017	3/3

1 Belinda Richards was appointed to the Nomination Committee on 1 September 2020 and stepped down from the Board and the Committee on 30 September. No meetings were held during this period.

2 Nichola Pease was appointed on 2 March 2020.

3 Liz Airey stepped down from the Board on 2 March 2020.

The CEO, other Directors and the HR Director are invited to attend Committee meetings where appropriate and to facilitate informed debate.

COMPOSITION

All of the independent Non-Executive Directors sit on the Nomination Committee and the Chairman of the Board also chairs the Nomination Committee, except where the Chairman's succession is being considered.

DEAR SHAREHOLDER,

This year the Committee has overseen a continued refreshment of the Board and its primary focus has been to ensure that the Board and its Committees have the right balance of skills, experience and diversity needed to drive the long-term sustainable success of the business.

A key activity of the Committee is to keep the structure of the Board and its Committees under review and manage the process for new appointments to the Board.

As detailed in my Chairman's letter on page 11 there have been a number of changes to the Board during 2020 and a number of planned changes for 2021. During the year, the Committee has overseen the recruitment process of a new Non-Executive Director, following Bridget Macaskill's retirement from the Board at the conclusion of the 2020 AGM. Further information on the recruitment process can be found on page 71.

In July the Board agreed, upon the recommendation of the Committee, to further broaden the skills and experience of the Remuneration Committee and appointed Karl Sternberg to that Committee as an additional member. Following Jonathon Bond's decision to step down from the Board at the 2021 AGM, the Committee considered potential successors for the role of Senior Independent Director. Upon the recommendation of the Nomination Committee, the Board agreed to appoint Roger Yates as the Senior Independent Director with effect from the conclusion of the 2021 AGM. Roger is currently the Senior Independent Director at Mitie Group plc and St. James's Place plc and brings a wealth of relevant experience.

The Committee will keep the continued refreshment of the Board under review during 2021.

Both the Board and Nomination Committee have continued to focus on diversity and inclusion across all levels of the organisation. Jupiter believes diversity is wider than gender and ethnicity and strongly supports full cognitive diversity which encompasses all elements of cultural differences, with the belief this leads to more innovation and better decision making. We believe having a diverse and inclusive culture will lead to better outcomes for the Company and all of its stakeholders.

We were therefore disappointed to have not met the target set by the Hampton-Alexander review which states that the Board should comprise at least 33% women by 2020. There were several factors which impacted our ability to meet the target as discussed on page 59 and this will continue to be a focus of the Committee. We are in the process of recruiting an additional Non-Executive Director and diversity is a key consideration in the recruitment process. We plan to meet the Hampton-Alexander target during 2021. Currently the Board does not include a BAME member and this has also been identified as a priority for Board recruitment and succession planning to ensure we meet the guidelines arising from the Parker review.

Jupiter has numerous initiatives and targets to help drive diversity and inclusion across all levels of the organisation and across the asset management sector. This year, we have included diversity and inclusion as a strategic objective within the Executive Directors' bonus scorecard and amongst our senior leaders' personal objectives. Further information on our initiatives to promote a diverse and inclusive culture can be found in our people and culture section on page 32.

The Committee has continued to focus on succession planning and development of our Executive Committee and key fund managers. Ensuring appropriate succession plans are in place is critical to ensuring the sustainable long-term success of our business.

The following pages provide an overview of the current Board composition and further information on the work of the Committee during the year, together with a summary of the Committee's evaluation.

Nichola Pease, Chairman of the Nomination Committee
25 February 2021

Committee activities

Key activities during the year

- Oversaw the recruitment process for an additional Non-Executive Director and further information on this can be found below.
- Reviewed the Board skills, experience, diversity and knowledge of the Directors, and assessed the composition of the Board and its Committees, following which the Committee made a recommendation to appoint Karl Sternberg to the Remuneration Committee.
- Recommended the appointment of Roger Yates as Senior Independent Director, from the conclusion of the 2021 AGM.
- Assessed the contribution, independence and performance of Directors and recommended to shareholders their re-election to the Board.
- Reviewed and challenged the succession plans for the Executive Committee members and Fund Management teams.

Director appointments

For all Board appointments the Committee engages a recruitment firm to help identify external candidates and, if relevant, identifies internal candidates itself. The Committee decides on the recruitment firm to be appointed and provides a specific brief, including a requirement for a diverse list of candidates.

During the year the Committee has overseen the recruitment process for an additional independent Non-Executive Director. The Committee engaged Russell Reynolds (RR) as the external recruitment firm to support this process and, with the exception of recruitment, RR has no further connection with the Company.

The Nomination Committee agreed a role specification, which required candidates to have recent accounting and auditing experience, to assist with succession planning for the Audit and Risk Committee, experience of corporate financial management or large transactions and, if possible, experience within a disrupted or disruptor sector.

Diversity was a key consideration in the recruitment process and RR was instructed to provide an appropriately diverse list of candidates. Following receipt of the long-list of candidates from RR the Nomination Committee agreed a short-list and candidates met with members of the Nomination Committee, the CEO and CFO.

Following this process in July the Board agreed, upon the recommendation of the Nomination Committee, to appoint Belinda Richards as a Non-Executive Director effective from 1 September 2020. Unfortunately, due to unforeseen personal circumstances Belinda took the decision to step down from the Board on 30 September 2020.

RR is continuing to assist in recruiting an additional Non-Executive Director in line with the previous job specification and search process.

Director independence

With the exception of Chris Parkin, who is a shareholder-nominated Director, all of our Non-Executive Directors are considered independent in thought and judgement and under the provisions of the Code. The independence of each Non-Executive Director is considered by the Committee when they are proposed for re-election by shareholders at the AGM. In addition, the Nomination Committee undertakes a detailed review of each Non-Executive Director when they are proposed for reappointment after serving three- and six-year terms.

Conflicts of interest

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

NOMINATION COMMITTEE REPORT

Directors' external commitments

At each scheduled meeting details of Directors' external appointments, which includes details of the time commitments for those roles, are reviewed by the Committee to ensure all Directors can commit the necessary time to fulfil their duties. This includes the need for Directors to have sufficient capacity to be able to address non-standard business situations arising in different roles at the same time, which could increase the time requirements on the Director. Any significant new appointments are required to be approved by the Board.

The Board has had a particularly busy meeting schedule this year and all Directors have a 100% attendance record at Board and Committee meetings. Due to the nature of the acquisition of Merian, additional Board meetings were scheduled at relatively short notice and all Directors were able to attend the meetings and had reviewed all of the documents provided in detail. This has clearly demonstrated the ability for all Directors to dedicate sufficient time to the Board and their commitment to Jupiter's business.

For the last three years' the re-election of Karl Sternberg as a Director of the Company has received approval below 80% at the Company's AGMs. As previously discussed, following engagement with our major shareholder, this is due to their voting policy which is particularly stringent on Directors' external appointments and goes beyond those of the proxy advisers and the majority of our other shareholders. The Chairman further engaged with our dissenting major shareholders on this matter following this years' AGM vote.

All of Karl's appointments outside of Jupiter are to listed investment trusts, which by their nature, require substantially less time commitment than a listed operational company. Karl has decided to reduce his external commitments and has announced his intention to step down from Lowland Investment Company plc and will step down from one further Board in due course. Karl has very clearly demonstrated that he has sufficient time to fulfil his duties and continues to provide a very valuable contribution to the Group.

Committee Effectiveness

During the year an external evaluation of the Committee's effectiveness was undertaken, the process for which can be found on page 69. The table below provides an update on the priorities identified in the 2019 evaluation and also a summary of the conclusions from the 2020 evaluation.

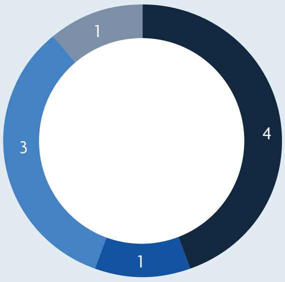
2019 PRIORITIES	2020 STATUS
Continued focus on succession planning and talent development across the business, in light of significant executive changes during 2019.	This has been of continued focus and will continue to be so. Following the changes at Executive Committee level last year, and following the integration of Merian, revised succession plans have been considered for the Executive Committee and Fund Management.
Enhance engagement with Management across the business.	Due to the remote working environment it has been difficult to achieve this objective. Individual members have engaged directly with members of Management. Under the leadership of Andrew Formica, Jupiter has established a Senior Leadership Group and it is proposed, that when circumstances allow, further engagement will be undertaken with this Group.
Consider improvements to meeting Management by extending attendance at the meetings where appropriate and reducing presentations of standard papers to enable further time for constructive debate and challenge.	For a number of meetings during the year attendance was extended to non-committee members to help provide for a more informed debate. For instance, when succession plans for our fund management teams were considered, in addition to our CEO, CIO and HR Director attending, Edward Bonham Carter and Chris Parkin were invited to attend as they have considerable experience with the fund management teams at Jupiter and Merian respectively. Where possible standard items have been reviewed for relevance and in some cases combined with other items. These papers are not presented but any questions or comments are addressed in the meeting.

2020 EVALUATION CONCLUSIONS	
The evaluation process demonstrated that the Committee was considered to be operating effectively and the recent Non-Executive Director recruitment process was commended, particularly the efforts of the Chairman to keep the Board informed of progress and ensuring all views are considered.	The Committee identified a number of priorities for 2020: – Continue to evolve the strategic approach to Executive succession planning, talent and development. – The Board's strength of experience in the asset management sector was highlighted and focus should be given to increasing the breadth of backgrounds in future recruitment searches. – Consider the frequency of Nomination Committee meetings and ensure appropriate balance of substantive discussion and governance.

BOARD COMPOSITION

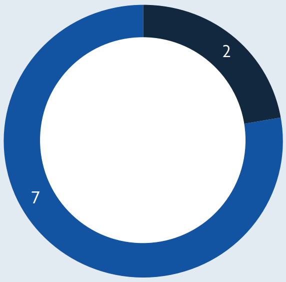
as at 31 December 2020

Independence



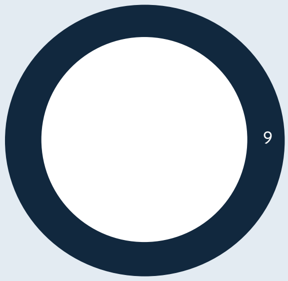
- Independent Non-Executive Directors
- Non-Executive Directors
- Executive Directors
- Chairman

Gender



- Female
- Male

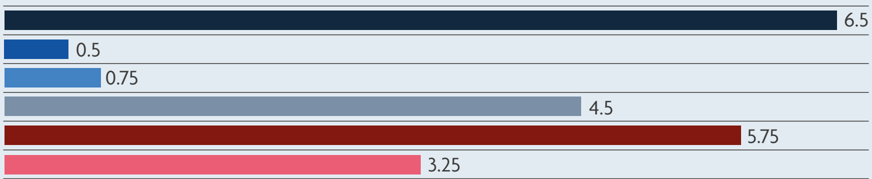
Ethnicity



- White

Chair and Non-Executive tenure

Years



- Jonathon Bond
- Chris Parkin
- Nichola Pease
- Karl Sternberg
- Polly Williams
- Roger Yates

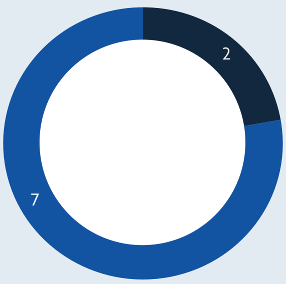
Board experience

Key area	2020 %
Asset Management	100
Risk	100
Clients	89
People	77

EXECUTIVE COMMITTEE

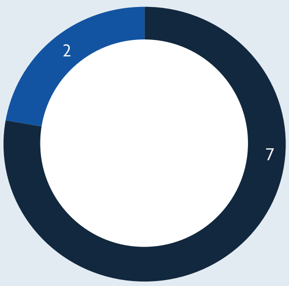
as at 31 December 2020

Gender



- Female
- Male

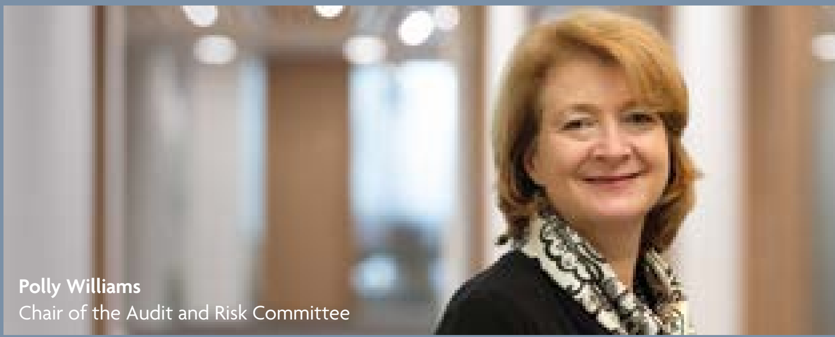
Ethnicity



- White
- Asian

GOVERNANCE

AUDIT AND RISK COMMITTEE REPORT



Polly Williams
Chair of the Audit and Risk Committee

COMMITTEE'S KEY RESPONSIBILITIES

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

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

MEETINGS

During the year, the Committee held six meetings; five of these were scheduled and held at key times in the audit and financial reporting schedule. One other meeting was specifically arranged to review financial reporting matters relating to the acquisition of Merian. All members had 100% attendance at meetings.

Members[1]	Appointment date	Meetings attended
Polly Williams (Chair)	March 2015	5/5
Jonathon Bond	July 2014	5/5
Karl Sternberg	July 2016	5/5

1 Belinda Richards was appointed to the Audit and Risk Committee on 1 September 2020 but stepped down from the Board and the Committee on 30 September. No meetings were held during this period.

The Chairman and members of senior management are invited to attend Committee meetings. The Chairman regularly meets with members of senior management on a one-to-one basis to fully understand any matters of concern and to facilitate effective debate at Committee meetings. In addition, the Committee holds private and separate meetings with the external audit team, Internal Audit, the Chief Risk Officer, the Head of Compliance and the Chief Financial Officer.

The Committee comprises solely independent Non-Executive Directors in accordance with the UK Corporate Governance Code. The Committee as a whole is considered to have the competence relevant to the asset management sector and Polly Williams, who is a qualified accountant, is considered to have recent and relevant financial experience. Jonathon Bond and Karl Sternberg are also members of the Remuneration Committee, which helps to ensure the identification of issues relevant to both Committees.

DEAR SHAREHOLDER,

The Committee provides independent oversight and challenge to ensure the integrity of financial reporting and the effectiveness of the Group's risk management processes and internal control framework, in order to protect stakeholder interests and support the Group's strategy.

As Chairman of the Audit and Risk Committee (the 'Committee'), I am pleased to provide the Committee's report for the year ended 31 December 2020. It has been a year of significant activity both for Jupiter and the Committee; in addition to our normal activities we have focused on the acquisition and integration of Merian and the implications of the Covid-19 pandemic.

The pandemic has had a significant impact on the work and focus of the Committee, primarily due to the transition to a remote working environment. We have monitored the operational resilience of the Group and its key suppliers throughout the pandemic; ensuring the service provided to our clients was not disrupted. In light of the changes to the Group's operating model, the Committee focused on ensuring the ongoing effectiveness of the risk management and internal control frameworks, which help to protect out stakeholders' interests. Our Internal Audit team has continued to provide assurance on the effectiveness of our internal control framework and their work has progressed in line with our internal audit plan for the year. In addition, they have undertaken continuous monitoring of our key projects to address the impacts of Covid-19 and the integration of Merian onto our governance and operating platforms. We have continually reviewed the Group's financial position and levels of capital and liquidity, to ensure that the Group has sufficient resources to navigate the market uncertainty created by the global pandemic. We have challenged our external audit firm to ensure that they are able to effectively undertake the audit remotely and that their audit procedures and processes remain robust.

In February 2020, we announced the proposed acquisition of Merian, the consideration for which was satisfied by the issue of shares in the Company. We also decided to increase the level of regulatory capital held by the Group and issued £50m of tier two subordinated loan notes. In connection with these transactions we issued a shareholder circular and both an equity and debt prospectus, and the Committee had a key role to play in ensuring the integrity of the financial disclosures within these documents. Of key focus was the review and challenge of the working capital report to ensure that the Company would have sufficient capital and liquidity for its ongoing operations, even in a worst case scenario, and that the Financial Positions and Prospectus Procedures were appropriate.

Management had prepared a detailed integration plan and implementation of this plan commenced when the acquisition completed on 1 July 2020. In addition to frequent reporting to the Committee, I held regular meetings with the Board Chairman, Chief Operating Officer and Head of Integration to receive updates on the progress of the integration. As a Committee we focused on ensuring that the risks arising from the integration were well managed and mitigated wherever possible. It was critical to ensure that appropriate financial reporting and an effective internal control framework were in place across the enlarged Group and that Merian was fully integrated into our governance and assurance procedures. The Merian business was successfully transferred onto our operating platform in Q3 and whilst this was a key milestone in the integration plan, we will continue to look at the combined operating model with a focus on corporate entities, products and suppliers.

During the year we reviewed the operating model of our Internal Audit function which is outsourced to EY. Whilst there have been no concerns raised with the operation of the function, management recommended the move to a co-sourced internal audit model. This would enable a dedicated internal resource with full accountability for the work of the function, whilst enabling us to leverage the subject matter expertise of a professional services firm. As Chairman of the Audit and Risk Committee I was fully involved in the recruitment process for a new Head of Internal Audit, who will commence the role in early 2021 and report directly to me.

We have continued to oversee the Group's implementation of regulatory projects, including a review of the implementation of the Senior Manager and Certification Regime and the policies and processes for managing liquidity risks within the Group's funds.

Looking forward the Committee will be focused on our proposed tender for the external audit services (further information on page 77) and the transition to a co-sourced internal audit model, including the development of a team to support our new Head of Internal Audit.

I hope that you find the report a useful insight into the work of the Committee.

Polly Williams, Chair of the Audit and Risk Committee

Committee's activities

The table below shows the key activities of the Committee undertaken at each of its meetings held during the year. In addition to the items below, the Committee receives quarterly reports from the Chief Risk Officer, Head of Compliance and Internal Audit. These reports include risk dashboards, information on the effectiveness of the internal control environment, updates on the internal audit and compliance monitoring plans, any key issues which have arisen during the period and updates on each area's key priorities going forward. In addition, at each meeting the Committee reviews the non-audit services provided by the external and internal auditors and assesses their independence.

FEBRUARY	APRIL	MAY	JULY	OCTOBER	DECEMBER

– 2019 Annual Report and Accounts including accounting estimates and judgements and fair, balanced and understandable assessment
– Statement of viability and going concern
– Annual assessment of internal controls
– External audit report and reappointment of auditors
– Group ICAAP
– AAF Controls Report
	– Convened to consider items relating to the acquisition of Merian including:
	  – Historical financial information
	  – Financial position and prospectus procedures
	  – Operational risk
	  – Working capital
	  – Accountant's report
		– Operational resilience
		– Merian integration
		– Change portfolio update
		– Internal controls deep dive
		– CASS report
		– Group ICAAP
		– Financial crime prevention
		– Whistleblowing arrangements
		– Fraud deterrence policies and procedures
		– Tax strategy and associated internal controls
			– 2019 Interim report including accounting estimates and judgements and true, fair and balanced assessment
			– Going concern
			– Half-year assessment of internal controls
			– Audit report
			– AAF Controls Report
			– Risk and Controls Self Assessment (RCSA)
			– Liquidity risk management
			– Legal and litigation risks
				– Evaluation of external audit effectiveness
				– Audit plan and external audit fee
				– Risk appetite statement
				– Enterprise risk management framework
				– Wind-down plan
				– Operational resilience and cyber risk
				– Liquidity risk management
				– Merian integration
				– Deep dive on rebate procedures
				– Review internal audit charter
				– Senior Manager and Certification Regime
					– Significant accounting policies, standards and judgements
					– External audit update
					– AAF Controls Report
					– Liquidity risk management
					– 2021 compliance monitoring and internal audit assurance plans
					– Effectiveness of internal audit
					– Group governance framework

AUDIT AND RISK COMMITTEE REPORT

Annual Report and Accounts

One of the core responsibilities of the Committee is to ensure the integrity of the Group's financial reporting which includes overseeing the effectiveness of the financial control environment. The Committee reviews the accounting policies adopted by the Group and challenges Management on areas of estimation and judgement, which are reported in the table below. The Committee has assessed the Annual Report and Accounts to ensure that, taken as a whole, it is fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

KEY AREAS OF ESTIMATION AND JUDGEMENT

Consideration and related matters arising from the Merian transaction	The Committee reviewed the accounting treatment in relation to the Merian acquisition. This covered a range of issues, the most significant being: the valuation of goodwill and other intangible assets; the treatment of any purchase price adjustment, established in the purchase agreement with TA Associates; costs in relation to the acquisition; and the recognition of the Merian opening balance sheet. The Committee also considered the treatment of performance fees as exceptional where they removed the obligation of TA Associates to meet certain obligations relating to the acquisition. The Committee agreed with Management's approach which had also been reviewed by the external auditors.
Exceptional items	The Committee reviewed Management's proposals to include a number of items as exceptional items which are defined as "Items of income or expenditure that are significant in size and which are not expected to repeat over the short to medium term." Exceptional items incurred in 2020 amounted to £46.4m which were primarily driven by the acquisition of Merian, including acquisition and integration costs and restructuring costs. The Committee reviewed Management's proposal to report certain costs relating to the acquisition of Merian, principally the amortisation of intangible assets, as exceptional items until the costs were extinguished in 2024. The Committee agreed that these items were exceptional and should be disclosed as such. In addition, the Committee agreed with the disclosure of the compensation ratio measure adjustment as set out on page 27.
Share-based payments	The most significant share-based payment accounting costs for the Company relate to Long-Term Incentive Plans (LTIP), Deferred Bonus Plans (DBP) and the Deferred Earn Out Awards. The key area of estimation is on the anticipated levels of vesting and timing of exercising of options. The Committee reviewed the assessment of the likelihood of the performance conditions being achieved and leaver assumptions. The impact of these assumptions on the income statement was reviewed and the Committee agreed that the assumptions were appropriate.
Goodwill and intangible assets	The Group has goodwill of £570.6m on its balance sheet which is not amortised and remains the same from year to year unless deemed impaired. A full impairment test using a discounted cash flow model was conducted during the year. The test demonstrated that there continued to be significant headroom available between the fair value of the goodwill asset and its carrying value. £229.4m of goodwill and £75.0m of intangible assets were added to the Group's balance sheet as a result of the Merian acquisition. The additional goodwill balance was included in the above impairment test. Additionally, in reviewing the valuation of the intangible asset, Management concluded that there were no indications of impairment. The Committee agreed with the Finance team's recommendation that no impairment of the Group's goodwill and intangible assets was required.
Seed investment	In accordance with IFRS 10, the Group is required to consolidate any entities under the control of the Company. A number of factors are applied to identify the funds that require consolidation. The Committee discussed the approach taken by the Finance team and agreed that the methodology applied was appropriate.

SIGNIFICANT ACCOUNTING MATTERS

Trade and other receivables/payables	The Company has contested VAT payments across certain matters with recoverable costs. The Committee reviewed the status of the ongoing legal cases and agreed that the hearing in 2020 had not changed the current view in relation to the accounting treatment and that maintenance of the current position was appropriate.

Going concern and statement of viability

The Directors must confirm that they believe the Company has the ability to continue as a going concern for a period of 12 months from the date of the approval of the financial statements. In addition, under the 2018 Corporate Governance Code the Company is required to provide a statement of viability, which can be found on page 26, and which reports on the viability of the Company over a three-year period.

The Committee supports the Board in its assessment of going concern and ongoing viability. The Committee reviewed a number of factors such as the current financial position, budget and cash flow forecasts, liquidity, contingent liabilities, unfavourable market scenarios versus the Group's core forecasts, the Group's ICAAP and wind-down plan, and risks to the Group's operations or balance sheet position. There was a particular focus on the market uncertainty caused by the Covid-19 pandemic and worst case scenarios including the impact of multiple risks occurring simultaneously.

The Committee recommended to the Board that it was appropriate for the Group to adopt the going concern basis of accounting in preparing the half-year and annual financial statements for the year ended 31 December 2020 and that based on current information the Company would remain commercially viable over a three-year period.

Fair, balanced and understandable

The Committee assessed whether, taken as a whole, the 2020 Annual Report and Accounts was fair, balanced and understandable and provided the information necessary to assess the Company's position and performance, business model and strategy. Non-Executive Directors reviewed an early version of the Annual Report and Accounts and provided feedback at a workshop held in early February. This enabled comments to be incorporated before the Committee meeting towards the end of February.

The Committee reviewed the accounts at its February meeting and the Committee agreed that the 2020 Annual Report and Accounts had met the test of fair, balanced and understandable and provided a true representation to shareholders of the Company's position and performance, business model and strategy.

Alternative performance measures

The Committee reviewed the approach proposed by the Finance team for disclosure of alternative performance measures (APMs), specifically around the presentation of exceptional items in the Company's income statement. Exceptional items are defined as items of income or expenditure that are significant in size and which are not expected to repeat over the short to medium term. Such items have been separately presented to enable a better understanding of the Group's ongoing financial performance and where appropriate such items may be recognised over multiple accounting periods. The exceptional items for the 2020 financial year relate principally to the acquisition of Merian, including acquisition and integration costs, and a restructuring programme resulting in redundancy costs. The Committee reviewed and challenged the costs proposed by Management as exceptional items for the period and agreed that they met the principles for treatment as exceptional items, which was also agreed by the Group's external auditors. The use and disclosure of APMs in the Annual Report and Accounts was reviewed by the Committee and was found to be appropriate with clear definitions and explanations.

External audit

PwC served as the Group's external auditors during the year. In January 2020 Colleen Local was appointed lead audit partner, following the completion of Jeremy Jensen's five-year tenure as lead audit partner. This year's audit has been led by Lindsay Gardiner, who is providing parental leave cover for Colleen Local. PwC was first appointed external auditor in 2007 and was reappointed as the Company's external auditors following a formal tender for our external audit contract in 2014.

The Company is in compliance with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 and the Corporate Governance Code. Under these requirements a tender for the external audit must be undertaken no later than 2024.

The Committee has decided to commence a formal tender exercise for the external audit services in the second half of 2021 and due to the tenure of PwC they will not be invited to participate in the process. The Committee will conduct the tender in accordance with the FRC's Best Practice Guide to Audit Tendering and will present at least two potential options for the external audit firm to the Board, with a recommendation for the preferred firm. An overview of the proposed timeline for the audit tender process is detailed below:

- Q2 2021 – Committee approves Audit Tender Plan
- Q3 2021 – Firms invited to tender
- Q4 2021 – Audit firm selected
- 2022 – Selected firm to gain independence and once complete, begin preparatory work for the transition
- 2023 – Selected firm recommended to shareholders at the AGM

In line with the FRC's best practice on audit tenders, this timeframe allows a sufficiently long lead time to ensure an effective and comprehensive process and appropriate engagement with investors.

The Committee will monitor services provided by other audit firms that are not currently subject to independence rules to ensure any services performed will not prohibit them from being considered as part of the external audit tender process. Our plan will consider the consequential impact of appointing each of those firms and the orderly transition of services where they would no longer be permitted.

Effectiveness

A formal evaluation was conducted of the independence and effectiveness of PwC as the Company's external auditors. The evaluation was fulfilled by means of questionnaire completed by key stakeholders in accordance with the FRC's guidance on assessing audit quality. Four criteria were used to assess the effectiveness of the external auditor; robustness of the audit, the quality of delivery, the quality of people and service and the audit fee. Overall, PwC was found to have performed effectively during the audit and to have upheld high standards in respect of reputation, integrity and judgement.

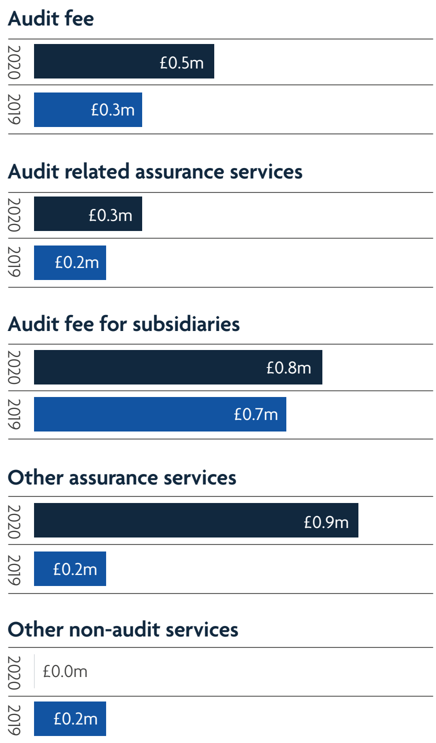
Although there was a good level of satisfaction, a small number of issues were identified, primarily due to communication and process management issues particularly for the audit of overseas subsidiaries, which had been exacerbated by the remote working environment. Whilst this did not impact the quality of the audit, both Jupiter and PwC have put enhanced and more efficient processes in place going forward.

AUDIT AND RISK COMMITTEE REPORT

The Committee also reviewed the FRC's Audit Quality Review on PwC, and whilst Jupiter's specific audit was not selected for this process, overall the FRC assessed PwC's audit process as requiring improvements. The Committee challenged PwC on the actions they would take to address the results of the findings.

Fees

During the year PwC informed the Committee of its expectation that fees charged in respect of the audit would increase. This was driven by a significant change in the scope of the Group audit as a result of the acquisition of Merian and one-off procedures, such as the procedures over the valuation of goodwill and other intangible assets arising, opening balance sheet procedures and testing of exceptional items, as well as the introduction of new auditing standards. The Committee challenged the level and rationale for the increases. The fees incurred with PwC during the year are disclosed below.



Non-audit services

Services classified as non-audit services, as above, include the review of the interim results, CASS audit, and overseas regulatory audits. The increase in non-audit services fees was primarily driven by assurance services in respect of the financial reporting required as part of the Merian acquisition. These either were required to be undertaken by the Group's auditors or they were more appropriately performed by the Company's external auditors as they were closely related to their assurance work.

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

With effect from 1 January 2017, the FRC introduced new rules for auditors in respect of the provision of non-audit services whereby the proportion of non-audit service fees that can be incurred in a year is limited by reference to the average audit fee over a rolling three-year period and prohibits non-audit services fees from exceeding 70% over both UK standalone and total Group bases.

Non-audit fees excluding audit related assurance services required under regulation was 22% of audit fees. Non-audit services subject to the limit comprised the auditors' report on half-year results and assurance services in respect of the acquisition of Merian.

In December 2019, the FRC published revised ethical standards which aim to strengthen auditor independence, prevent conflicts of interest and improve audit quality. The revised standards placed further limits on the provision of non-audit services which have been reviewed by the Committee.

Auditor oversight conclusion

The Committee concluded that PwC remains effective, undertakes the audit with integrity and sufficient challenge and remains independent. Accordingly, the Committee has recommended to the Board that PwC be proposed for reappointment, by shareholders, at the 2021 AGM.

Internal audit

The Group's Internal Audit function is outsourced to EY and the lead Internal Audit Partner reports directly to the Chairman of the Committee. The Committee worked with Internal Audit to ensure that the audit plan for the year addressed the most material risks to the Group and the key themes affecting the asset management industry. Of particular focus was the integration of Merian and ensuring that Internal Audit included the Merian business within its assurance process from completion of the acquisition. The Committee also reviewed Internal Audit reports prepared by Merian's former Internal Auditors. Additional continuous audit monitoring was undertaken by EY in relation to the Group's response to Covid-19 and the integration of Merian. A total of 11 internal audits were completed during 2020 which included a focus on client assets, front office controls, market abuse, implementation of the Senior Manager and Certification Regime, liquidity and business change management.

Effectiveness of Internal Audit

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

The effectiveness review demonstrated that:

- The audit plan for 2020 focused on the areas considered higher risk and was appropriately flexible, responding to business change.
- The audit scope reflected any specific risk concerns raised by the business.
- The Internal Audit function delivered an appropriate audit service and provided appropriate challenge to Jupiter's control environment as determined by the audit plan.

During the year the Committee reviewed whether outsourcing of the Internal Audit function to a specialist independent provider continued to be appropriate for the business. The decision was made to move to a co-sourced Internal Audit model. Under this operating model Jupiter will develop an in-house internal audit team, but will be able to enhance the audit process by utilising subject matter experts from EY and leveraging on their wider market and best practice knowledge. A new Head of Internal Audit, who will report into the Committee Chairman, has been recruited and will commence their role in early 2021. The transition to a co-sourced Internal Audit model and development of an Internal Audit function will be a key focus of the Committee during the year.

In line with the approach taken for the external auditors, the Committee monitors the fees paid to EY for services outside the internal audit to ensure their objectivity and independence. During 2020, the Committee considered and approved the appointment of EY to provide assurance services in respect of the AAF Controls Report and the Merian acquisition. These recommendations were made to ensure PwC did not exceed the statutory limit referred to above. The Committee considered the assurance services to be provided and were satisfied that they would not impact EY's independence or objectivity.

Risk management and internal control environment

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

Monitoring of the Group's risk management environment

During the year the Committee received regular management reports on:

- Strategic, operational and investment risks, including risks arising from Covid-19, cyber risk and the integration of Merian
- Performance in accordance with the Risk Appetite Statement and Enterprise Risk Framework
- Liquidity risk management
- Legal and regulatory risks
- Compliance reports which outline key compliance issues, progress of the Group's compliance monitoring plan and an overview of regulatory engagement and future regulatory developments.

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

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

Monitoring of the Group's internal control environment

During the year the Committee:

- Evaluated and monitored material control issues identified by Management through regular reports from the Chief Risk Officer, Chief Operating Officer and Head of Compliance
- Considered reports from the second line of defence on the oversight of operational risk controls
- Review of processes for Financial Crime Prevention and Deterrence of Fraud
- Received reports from the Chairman of the Committee, in her capacity as Whistleblowing Champion, and reviewed the whistleblowing procedures
- Reviewed reports from the third line of defence on the maturity of the internal control environment
- Monitored progress on the Group's AAF Controls Report and reviewed and approved the final report
- Conducted an annual review of the effectiveness of Jupiter's system of risk management and internal control framework which includes financial, operational and compliance controls
- Received reports on progress in respect of an enhanced RSCA process which enabled the identification and alignment of appropriate controls for use in the AAF Controls Report.

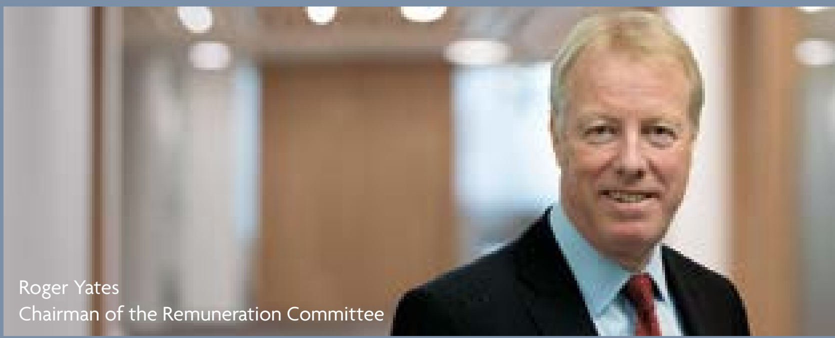
The Committee's review of the internal control framework concluded that the internal control framework was operating effectively and that there were appropriate processes in place to ensure appropriate financial and regulatory reporting controls, including over the enlarged Group. The Committee therefore recommended to the Board that the risk management and internal control framework was operating effectively.

Committee effectiveness

During the year an external evaluation of the Committee's effectiveness was undertaken, the process for which can be found on page 69. The table below provides an update on the priorities identified in the 2019 evaluation and also a summary of the conclusions from the 2020 evaluation.

2019 PRIORITIES	2020 STATUS
Continued focus on ensuring the Committee effectively balanced its time between financial and risk matters.	Sufficient time is allocated at meetings for the Committee to consider, review and effectively challenge items relating to finance and external audit, and risk and internal controls. Reports are provided by Management to the Committee on each of these areas at every meeting.
Enhanced engagement with Management on the external risk landscape and the operational resilience of the Group.	Regular presentations and updates are provided to the Committee in respect of external risk and operational resilience. The impact of Covid-19 was a key focus for the Committee both in terms of the operational resilience of the Group and external risk. Reports were provided in terms of risks, controls, working arrangements, employee resilience, business continuity, cyber risk and third-party operations. Critical suppliers were closely monitored in terms of the impact of remote working arrangements. Supplier oversight and due diligence processes are being enhanced by the Head of Procurement who joined in 2020.
Consider opportunities to increase exposure of the Committee to digital and technological expertise.	During the year members of the Group's Technology team presented to the Committee on cyber security, operational resilience, the integration of Merian systems and a broader technology update.
2020 EVALUATION CONCLUSIONS	
The evaluation process demonstrated that the Committee had operated effectively during the year and particularly commended the open debate and challenge during Committee meetings and the effectiveness of the Chairman. The Committee identified a number of priorities for 2021:	– Ensure a comprehensive tender for the external audit services is undertaken in 2021. – Develop further the integrated assurance plan to continue to provide comprehensive coverage of key risk areas, while maximising efficiency for the business. – Oversee enhancements to the risk management framework and processes and continue to develop assurance reporting to the Committee.

REMUNERATION COMMITTEE REPORT



Roger Yates
Chairman of the Remuneration Committee

COMMITTEE'S KEY RESPONSIBILITIES

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

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

COMMITTEE MEMBERS AND REGULAR ATTENDEES

Members	Appointment date	Meetings attended
Roger Yates (Chair from 21 May 2020)	October 2017	5/5
Bridget Macaskill (Chair until 21 May 2020, stepped down 21 May 2020)	May 2015	3/3
Liz Airey (stepped down 2 March 2020)	April 2012	2/2
Nichola Pease	March 2020	3/3
Jonathon Bond	February 2015	5/5
Karl Sternberg	July 2020	2/2

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

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

DEAR SHAREHOLDER,

I am pleased to present our Directors' Remuneration Report (DRR) for 2020 and my first as Chair of the Committee.

I would like to extend my gratitude to my predecessor, Bridget Macaskill, for her leadership over the previous three years as well as her invaluable contributions as a member of the Committee.

This 2020 DRR is divided into two sections:

- The new Directors' Remuneration Policy. This sets out the policy intended to apply for the three years from 2021 and is subject to a binding shareholder vote.
- The Annual Report on Remuneration. This outlines how we implemented our current policy in 2020 and how we intend to apply the new Directors' Remuneration Policy in 2021. This is subject to an advisory vote by shareholders.

Remuneration Policy review and consultation

Our Directors' Remuneration Policy (the Policy) was approved by shareholders in 2018 and expires at the 2021 AGM. The current Policy has served Jupiter well since its introduction, representing an appropriate balance of fixed to variable compensation opportunity and providing a strong alignment with the long-term strategic goals of the Group. Notwithstanding this, the Committee undertook a detailed review to assess what changes were required to ensure the new Policy remains consistent with strategic priorities and with market, regulatory and governance developments.

Following that review, the Committee concluded that the broad structure of the current Policy remains appropriate. In particular, there is no change in the new Policy to the level of incentive opportunity, the balance between annual bonus and LTIP opportunity or the use of performance shares as the form of LTIP award. The new Policy does though contain a number of updates as outlined below.

Updates to the Policy to enhance alignment of strategic priorities and executive remuneration

In order to align with performance priorities following the acquisition of Merian Global Investors (Merian) and our commitment to our ESG goals, the new Policy permits greater weighting in the incentive plans on 'lead indicators' of a strategic nature and delivery of our ESG commitments, specifically:

- **An increased permitted level of bonus weighting (35% rather than 25%) on strategic (including ESG) and individual performance measures**; and
- **Scope to incorporate strategic targets into future LTIP awards** (albeit this will not be used in 2021).

Updates to the Policy to reflect market and regulatory developments

Having reviewed practice amongst peer companies, the Committee concluded that there should be scope for Executive Directors to receive incentives in a broader range of instruments once they have established a sizeable shareholding. Consequently, the new Policy:

- **Increases the shareholding requirement that applies while a Director is employed** to 500% of salary for the CEO (currently 300%) and 250% of salary for other Directors (currently 200%) with the expectation that this guideline will be met within five years of appointment (or following an increase in the requirement);
- **Allows Executive Directors to receive the deferred element of their annual bonus in fund units rather than shares.** If not compliant with their shareholding requirement, they will only be able to elect to receive up to 25% of the deferred element of their 2021 annual bonus in fund units; and
- **Delivers the element of bonus currently required by regulations to be retained in instruments for six months in fund units rather than shares.** The new Policy also provides flexibility to disapply the six month retention requirement in the event that regulations change to that effect during the three-year Policy period.

Updates to the Policy to implement the 2018 UK Corporate Governance Code (the Code)

The current Policy is already compliant with most remuneration-related elements of the Code – in particular, a consistent level of pension provision is already provided to all permanent UK employees including Executive Directors; LTIP awards are already subject to a minimum five-year release period; and the Committee already has discretion to override formulaic incentive outcomes.

One Code-compliant change that will be incorporated in the new Policy is the introduction of a post-employment shareholding guideline. Executive Directors will be required to maintain a meaningful shareholding for two years after stepping down as a Director – namely shares worth 500% of salary (CEO)/250% of salary (other Directors) in the first year and 250% of salary (CEO)/125% of salary (other Directors) in the second year after stepping down.

We undertook a consultation exercise on these updates to the new Policy with our major shareholders and I am grateful for the high level of support that we received for our proposal. Full details of the new Policy can be found on pages 84 to 93.

Aligning strategy and remuneration in 2021

Jupiter's primary focus is on delivering value to clients through long-term investment outperformance after all fees. Jupiter's business model of combining this investment outperformance with an effective distribution platform, supported by efficient and scalable operations, has enabled us to deliver value to shareholders since listing in 2010. The variable pay structure aims to support the delivery of the Company's growth strategy, by incorporating key financial and strategic performance measures into the bonus balanced scorecard and the LTIP performance conditions, whilst allowing the Remuneration Committee appropriate discretion to ensure bonus and LTIP payouts remain in line with the overall shareholder experience.

In conjunction with our strategic evolution, there are a couple of changes to the 2021 variable pay structure:

- Following the Merian acquisition, the 2021 bonus will include an enhanced 35% weighting on strategic and individual performance measures with particular focus on building on and delivering value from the successful integration of the Merian business and embedding our ESG priorities.
- Net flows has previously been used as a bonus measure. As an output of longer-term strategy, the Committee has concluded that it would be more appropriate to assess fund flow performance on a longer-term basis. Accordingly, net flows will become an LTIP performance measure in 2021 and cease to be a bonus measure. The consequent reweighting of performance measures is summarised below.

	Annual bonus		LTIP	
Percentages are weighting of each measure in the relevant plan	**2021**	2020	**2021**	2020
PBT	**40%**	25%	–	–
Net flows	–	25%	**30%**	–
Investment outperformance	**25% (1-yr and 3-yr)**	25% (1-yr and 3-yr)	**30% (3-yr and 5-yr)**	50% (3-yr and 5-yr)
EPS	–	–	**40%**	50%
Strategic and individual performance	**35%**	25%	–	–

Full details of the 2021 variable pay structure are in the 'Implementation in 2021' section on pages 102 to 105.

GOVERNANCE

REMUNERATION COMMITTEE REPORT

Other changes in 2021

As highlighted in last year's Annual Report, our CFO, Wayne Mepham, joined Jupiter on a salary below his predecessor on the understanding that he may receive an above inflationary increase (or increases) as he established himself in the role and dependent on performance. The Committee, with input from the Chief Executive and other Board members, has assessed Wayne's contribution and performance. The consensus view is that his performance had been strong and that it will therefore be appropriate to increase his salary from £300,000 to £330,000 to reflect the level of responsibility and scope of the full role. The increase will be phased over two years (£315,000 in 2021 and £330,000 in 2022). Future salary increases are currently anticipated to be in line with the wider workforce.

Performance and bonus outturn for 2020

Performance

2020 was undoubtedly an extraordinary year for businesses, as well as for us all personally. Jupiter was not immune to the effects of the pandemic, however its strong business model, resilient operational capability and the hard work of our employees ensured it continued to perform well for shareholders and clients.

The acquisition of Merian during 2020 was a key strategic achievement for the business, allowing the Group to further diversify by assets, client type and geography, as well as adding to our in-house investment expertise. Despite the operational disruption experienced from Covid-19, this project remained a key priority for the Group, with legal completion of the acquisition and operational integration of the two businesses taking place in line with the original timetable. We have also made significant progress on our strategic relationship with NZS Capital and continued to expand our international presence.

Looking after the best interests of our clients and delivering investment outperformance remains our key purpose as a business and this has continued to be strong over the medium and long term, with 74% of all Jupiter funds (weighted by AUM, excluding Merian) performing above median/ benchmark after all fees over three years.

Underlying profit before tax was up relative to the prior year, enhanced by performance fee revenue and good cost discipline and synergies realised from the Merian transaction.

All of this has been undertaken primarily while in a remote working environment. It is a testament to our agility as a firm and the commitment of our people that we were able to adapt quickly to a global public health crisis, safeguarding the health and wellbeing of our people but also continuing to deliver value to our clients with little to no disruption.

Bonus outturn

Following the completion of the Merian acquisition, the Committee carefully considered how the performance goals set at the start of 2020 should be amended:

- The underlying PBT and net sales targets in the bonus plan were adjusted upwards to ensure that management did not receive a windfall benefit from the transaction; and
- The strategic and individual bonus performance measures were updated to place greater weighting on successful integration of Merian including delivery of cost synergies.

The resulting formulaic outcome of the bonus scorecard was 64% of maximum for the CEO and 61-64% of maximum for the other Executive Directors. The Committee gave careful consideration to these outcomes in respect of various internal and external factors detailed on pages 98 and 99 and concluded that they were consistent with the shareholder, client and wider workforce experience during the year. A full disclosure of the bonus determination process and the scorecard outcomes is provided on pages 97 to 100.

Employee share ownership

Employee share ownership continues to remain a core principle for the Company, ensuring a strong alignment with our other shareholders in the long-term interest in the Group's performance and allowing all employees to share in the Company's success.

Towards the end of 2019, the Company agreed to grant all eligible employees a free share award under the Company's Share Incentive Plan (SIP) in early 2020. This award, contingent upon employees continuing to serve with the Company for at least three years from the award date, ensured full participation in at least one of the Company's all employee share plans. To further build on the success of this, the Company will make a similar award to all employees in April 2021, allowing existing participants to grow their interest and ensuring share ownership is extended to new colleagues who have joined the Group during the past year. The cost of this award will be included in the total compensation ratio for the financial years over which the award is charged.

In addition to the SIP, approximately 55% of employees hold share options under our second all employee share plan, Sharesave.

Shareholder engagement

I am grateful to shareholders for their support in approving our previous Annual Report on Remuneration at the 2020 AGM, with over 97% of votes cast in favour. I would also like to thank shareholders and investor bodies for their constructive input and engagement in relation to developing the new Policy. We have tried to incorporate as much investor feedback as possible whilst balancing different stakeholder views.

I welcome feedback at any point in time from our entire shareholder base regarding our Policy and its application, and I hope that we will earn your support at the forthcoming AGM.

Roger Yates, Chairman of the Remuneration Committee
25 February 2021

EXECUTIVE REMUNERATION AT A GLANCE

This table summarises remuneration arrangements for Executive Directors in 2020, alongside commentary of how we intend to apply our new policy in 2021, subject to shareholder approval.

ELEMENT	2020 APPROACH	2021 APPROACH	COMMENTARY
Salary	– CEO £455,000 – CFO £300,000 – Vice Chairman £120,000 (£200,000 full time equivalent)	– CEO £455,000 – CFO £315,000 – Vice Chairman £120,000 (£200,000 full time equivalent)	– An increase in salary is proposed for the CFO, in line with the expected progression and as disclosed in the 2019 Directors' Remuneration Report – In 2021 the Vice Chairman will earn a salary for the portion of the financial year he serves as a Director
Pension	– 15% of salary	– 15% of salary	– Pension contributions are consistent with those for all UK employees
Bonus opportunity	– Maximum opportunities: CEO 425%, CFO 250% and Vice Chairman 200% of salary	– Maximum opportunities: CEO 425%, CFO 250% and Vice Chairman 200% of salary	– Maximum bonus opportunities remain unchanged under new policy
Bonus performance measures	– Balanced scorecard approach – Profitability, net flows, investment outperformance, strategic operating objectives and personal performance – Concepts of 'Threshold', 'Target' and 'Maximum' performance embedded into annual bonus framework – Retrospective disclosure of target ranges and performance for quantitative measures and commentary for qualitative measures – Risk and compliance underpins	– Balanced scorecard approach – Profitability, investment outperformance, strategic operating objectives and personal performance – Concepts of 'Threshold', 'Target' and 'Maximum' performance embedded into annual bonus framework – Retrospective disclosure of target ranges and performance for quantitative measures and commentary for qualitative measures – Risk and compliance underpins	– Removal of net flows as a financial performance metric and moved to LTIP performance conditions – In order to align with post-acquisition performance priorities and our commitment to our ESG goals, there is a greater weighting (35% increased from 25%) on strategic (including ESG) performance measures – The Vice Chairman's 2021 bonus opportunity as an Executive Director will be pro-rated to reflect the portion of the financial year he serves on the Board
Deferral	– 50% of total bonus deferred into shares over three years and subject to additional six-month holding period – Half of the remaining 50% delivered as shares subject to a six-month holding period	– 50% of total bonus deferred over three years and subject to additional six-month holding period – Deferral can be in shares or fund units. Where an Executive Director has not yet met their minimum shareholding requirement, deferral in fund units is limited to 25% of award – Half of the remaining 50% delivered as shares or fund units subject to a six-month holding period	– Deferrals continue to vest in equal annual tranches over the years – Deferred awards in shares will accrue entitlement to the value of ordinary and special dividends throughout their vesting and holding period
LTIP opportunity	– Maximum opportunities: CEO 375%, CFO 225% and Vice Chairman 150% of salary	– Maximum opportunities: CEO 375% and CFO 225% of salary	– Maximum LTIP opportunities remain unchanged under new policy – No LTIP award will be granted to the Vice Chairman in 2021 as he is not seeking re-election to the Board at the AGM
LTIP performance measures	– Two measures with equal weighting: EPS growth and investment outperformance over extended timeframes – Risk and compliance underpins. Vesting of awards also subject to an additional underlying business performance underpin	– Three measures: EPS growth, net flows and investment outperformance over extended timeframes – Risk and compliance underpins. Vesting of awards also subject to an additional underlying business performance underpin	– Introduction of net flows as a long-term performance metric
Shareholding requirements	– 300% of salary for CEO – 200% of salary for other Executive Directors	– 500% of salary for CEO – 250% of salary for other Executive Directors – Post-employment shareholding requirement of 500% of salary (CEO)/250% of salary (other Directors) in the first year and 250% of salary (CEO)/125% of salary (other Directors) in the second year after stepping down	– Increased minimum shareholding requirement for all Executive Directors. – Introduction of formal post-employment shareholding requirement
Malus and clawback	– Malus and clawback provisions apply to all variable remuneration	– Malus and clawback provisions apply to all variable remuneration	– Unchanged from existing policy

DIRECTORS' REMUNERATION POLICY

This section of the report sets out our proposed new Directors' Remuneration Policy (the Policy). The Policy is subject to a binding shareholder vote at our 2021 AGM. Our intention is to operate the Policy for the 2021 performance year and onwards, subject to shareholder approval.

Changes to the Policy

As noted in the Chairman's Statement, throughout 2020 the Committee conducted a consultation exercise with shareholders of significant size as well as investor bodies. This Policy reflects the outcome of this consultation exercise. This new Policy permits a greater weighting in the incentive plans on 'lead indicators' of a strategic nature and delivery of our ESG commitments and provides scope for Executive Directors to receive incentives in a broader range of instruments once they have established a sizeable shareholding. Both of these changes are set out in the annual bonus summary in the Remuneration Policy Table on pages 90 and 91. In addition, this new Policy includes an increase in the minimum shareholding requirement and the introduction of a post-employment shareholding guideline. Details of both of these are set out in the 'shareholding requirements' and 'post-employment shareholding requirements' sections below.

The Committee reserves the right to make minor amendments to the Policy in the future without shareholder approval for customary administrative reasons or to obtain or maintain favourable tax, exchange control or regulatory treatment for a Director.

Remuneration Policy table

The policy table (Policy Table) on pages 90 to 93 summarises each of the elements of the remuneration package for Executive Directors under the Policy. The Policy Table specifies how each element of remuneration is linked to Jupiter's strategy, how it will be operated, the maximum opportunity available to Executive Directors and whether any performance conditions apply to it.

Decision making process

The Committee discussed the Policy over a series of meetings which considered a range of issues including the strategic priorities of Jupiter following the acquisition of Merian, regulatory and governance requirements, evolving market practice and remuneration practice amongst the wider workforce.

Input was sought from the CEO, CFO and other senior executives while ensuring that conflicts of interests were suitably mitigated. An external perspective was provided by our major shareholders and our independent advisers, Deloitte.

Context of all-employee pay

The Jupiter Remuneration Committee considers the pay and conditions of all employees when determining remuneration arrangements for Executive Directors.

The Policy for Executive Directors contains some minor differences in the structure of pay compared to that of all other employees, predominantly the capping of individual variable pay awards for Executive Directors. Notwithstanding this, variable compensation awards for Executive Directors and all other employees are funded from the same variable compensation pool, and impact the overall total compensation ratio which the Committee ensures is within an acceptable range when approving the variable compensation spend in any year. All employees, including Executive Directors, are incentivised in a similar way and are rewarded according to the success of the Group and personal performance.

Participation in the all-employee share plans (the HMRC approved Sharesave and Share Incentive Plan) is offered to all UK employees on the same terms. Jupiter also operates a plan similar to Sharesave for our employees based outside of the UK, allowing all employees to benefit from the opportunity of owning shares in the Company and helping further align the interests of all employees with shareholders.

Benefits are also offered on a consistent basis – for example, the level of employer pension contributions is 15% of base salary for Executive Directors and all UK employees and other benefits, such as private medical insurance, life insurance and cancer screening are offered to all UK employees on the same terms.

Stakeholder views

The Remuneration Committee is committed to ongoing dialogue with investor bodies and shareholders, and consulted with both in determining this Policy.

The Remuneration Committee has considered the impact of this Policy on wider stakeholders, including our clients, our employees and the wider economy. After consulting with our major shareholders and other stakeholders, it is apparent that views across and within these groups are not always uniform, but overall we did receive strong positive feedback for the new Policy. In particular, the Committee took note of the importance certain shareholders place on the level of minimum shareholding requirement for Executive Directors whilst in-employment and post-employment. The Committee therefore decided to increase the in-employment requirement and introduce a post-employment requirement for all Executive Directors under the new Policy to ensure further alignment of interests with those of shareholders.

Feedback from all employees was not specifically sought in relation to the new Directors' Remuneration Policy, however the Committee met directly with the Chair of the employee representation forum (Connections) during the year to hear views from the wider employee base on various remuneration matters.

The Committee is satisfied that the Policy takes a responsible approach to pay and guards against irresponsible behaviour or excessive risk-taking.

Explanation of performance measures

Performance measures and targets are selected and set by the Committee at the beginning of each performance year, to support the execution of our business strategy. Aligned with the strategic and financial objectives set by the Board, measures are chosen and targets are set to appropriately measure and incentivise delivery of the key elements of Jupiter's business model.

For annual bonuses, the Committee believes it is appropriate to use a balanced scorecard approach. The diversity of metrics allows multiple elements of corporate performance to be evaluated. This is in the best interests of our shareholders and clients, whilst also being in line with shareholders' expectations. Furthermore, it is in line with regulatory expectations under UCITS V, AIFMD and CRD regimes.

Setting appropriately stretching targets is an area of particular focus for the Committee. We have set out our approach and process in respect of the annual bonus cycle in detail on page 97. Achieving a maximum bonus award and/or full vesting under the LTIP will only occur for what the Committee considers to be exceptional performance.

Risk and compliance underpins apply to all variable compensation which can reduce awards, potentially to zero. LTIP awards will also only vest subject to satisfaction of an additional underlying business performance underpin. Furthermore, the Committee makes reference to a series of checkpoints as outlined in our 'Risk and reward' section on page 110, when approving the overall variable compensation pool for all employees.

Shareholding requirements

Following the shareholder and investor body consultation exercise for the new Policy, the Committee has increased the shareholding requirements for Executive Directors. The Chief Executive and other Executive Directors are expected to build up shareholdings within five years of their appointment date and maintain holdings of at least 500% and 250% of base salary respectively. These new shareholding levels represent an increase on the levels in place within the previous Policy, which were 300% and 200% respectively.

The Committee monitors shareholdings against these requirements annually and decides at its discretion what (if any) action should be taken, which may include requiring an individual to hold a proportion of vested shares until the requirements are met.

Malus and clawback

Jupiter operates a malus and clawback policy to support wider aims, including: ensuring greater alignment between risk and individual reward; discouraging excessive risk taking and short-termism; encouraging effective risk management; and promoting positive behaviours and a strong and appropriate conduct culture.

Malus provisions apply so that relevant awards can be withheld or reduced (including to zero) in certain circumstances.

Clawback provisions apply so that relevant awards can be reclaimed in certain circumstances. For the DBP and LTIP, malus and clawback provisions can apply in the following circumstances:

(i) Financial results would have been materially lower on the basis of information that comes to light after the accounts for that year are finalised (other than as a result of change of accounting policy subsequent to the end of the year);

(ii) Material failure of risk management suffered by a Group Company;

(iii) Gross misconduct or material error on the part of the individual;

(iv) Material reputational damage occurring to a Group Company;

(v) Performance assessment error in relation to an individual when determining the level of their award; and

(vi) Any other circumstances which the Board considers to be similar in its nature or effect to those specified above.

Malus provisions apply for all unvested DBP and LTIP awards granted in 2016 and later years in respect of any events referred to above.

Clawback provisions apply to all vested DBP and LTIP awards granted in 2016 and later years, in respect of events described in (i) to (iii), and (iv) to the extent that the individual is considered to be directly responsible or directly accountable.

Recovery of DBP awards may be invoked at any time in the three years from the grant date through either malus or clawback, in respect of a malus or clawback event that occurs at any time before the end of this period.

LTIP awards may be recovered via malus at any time in the three years prior to the vesting date, and through clawback at any time after the vesting date for a period of two years, in respect of any applicable event that occurs at any time before the end of this period.

Clawback provisions also apply in respect of bonus payments delivered as cash for a period of two years after payment, such that all variable compensation is subject to malus and clawback provisions.

The Committee has recently reviewed the malus and clawback provisions and is satisfied that they continue to appropriately support the wider aims discussed above.

DIRECTORS' REMUNERATION POLICY

Recruitment

In the case of the future recruitment of a new Executive Director, the Company would apply the following principles:

- **Base salary:** set in line with the Policy Table.
- **Bonus:** expected to be on the same basis as all other Executive Directors as outlined in the Policy Table. Notwithstanding this, the Committee retains the flexibility to determine that for the first year of appointment any annual incentive award will be subject to such terms as it may determine.
- **DBP:** awards will be granted in respect of the relevant proportion of any bonus paid in the year of recruitment, on the same basis as it applies for all other Executive Directors, and the usual malus and clawback provisions would apply to any award as outlined above.
- **LTIP:** in the year of recruitment, any awards granted will be granted on the same terms as apply to other Executive Directors and the usual malus and clawback provisions would apply to any award as outlined above.
- **All-employee share plans:** participation in the HMRC approved Sharesave Plan and HMRC approved Share Incentive Plan will be offered on the same basis as it is for all other Executive Directors and employees.
- **Benefits:** pension contributions, private medical insurance, life assurance, dependants' pension and income protection will be provided on the same basis as they are for all other employees (including Executive Directors). Where the Remuneration Committee determines that such a payment is necessary for recruitment, payments, for example, relocation allowances and other relocation related expenses, may also be paid at a level determined as appropriate by the Remuneration Committee.
- **Variable remuneration:** The maximum level of variable remuneration which may be awarded to Executive Directors in the first year of recruitment (excluding any buyouts referred to below) will be in line with the individual variable remuneration limits set in the Policy Table.

Any buyout awards granted in addition to the above elements of the remuneration package will be required to be granted on equivalent or no more favourable terms, in accordance with applicable regulatory rules and regulations, than the awards which they are buying out, in particular in respect of: the quantum of the award; timing of delivery; form of award; and existence of performance conditions.

Where necessary, any buyout awards granted outside of the provisions of the rules of the LTIP will be granted under the Listing Rules exemption applicable to such share arrangements.

In the case of the future recruitment of a new Executive Director, the Company will disclose the full details of the recruitment package and the approach taken in the Annual Report on Remuneration following the appointment.

The other main contractual terms of the service contract would follow the same principles as those of existing Executive Directors.

Any new Non-Executive Director would be appointed with contractual terms and a fee basis in line with the other existing Non-Executive Directors.

Exit payments

Our overriding policy on termination payments to Executive Directors is that we do not include any contractual provisions for compensation on early termination, other than the amount due under law. The Committee will seek to keep any other such payments to an appropriate level, reflecting performance.

In case of termination, a payment in lieu of notice may be due if such notice is not given by the Company. As set out in the summary table of Executive Director service contracts, no contractual entitlement to a bonus payment accrues or arises during the notice period. Any bonus payment that the Committee determines is appropriate to be paid in respect of an Executive Director notice period will be based on performance and may be made in such proportions of cash and shares as the Committee may determine.

Leaver provisions under both the DBP and LTIP are aligned. The respective rules provide that any awards will lapse on cessation of the individual's office or employment, other than in limited circumstances, as follows: death of the employee; the ill-health, injury or disability of the employee; redundancy; retirement; the sale of the individual's employing entity out of the Group; and any other reason which the Remuneration Committee in its absolute discretion so permits. Where LTIP awards vest in these circumstances, they would normally only vest to the extent the Remuneration Committee determines, taking into account the extent that performance conditions have been satisfied and, unless the Committee determines otherwise, the proportion of the vesting period that has elapsed.

The Committee reserves the right to make any other payments in connection with a Director's cessation of office or employment where the payments are made in good faith in discharge of or to mitigate an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement of any claim arising in connection with the cessation of a Director's office or employment. Any such payments may include, but are not limited to, paying any fees for outplacement assistance and/or the Director's legal and/or professional advice fees in connection with the cessation of office or employment.

In the case of a change in control of the Company (or equivalent transaction), the Remuneration Committee may exercise its discretion to assess performance conditions applicable to outstanding LTIP awards to the date of the relevant event.

The Board may determine that outstanding LTIP or DBP awards be exchanged for equivalent awards on such terms as agreed with the acquiring company. If the Company is wound up the vesting of an award will be accelerated.

Post-employment shareholding requirements

Executive Directors will be required to maintain shares worth 500% of salary for the CEO and 250% of salary for other Executive Directors in the first year after stepping down from the Board, decreasing to 250% of salary for the CEO and 125% of salary for other Executive Directors in the second year.

Non Executive Directors' fees policy

Non-Executive Director fee levels are normally reviewed annually. The current annual fees comprise the following elements:

– Basic fees
– Additional fees may also apply in respect of:
  - Committee membership;
  - Committee Chairmanship (in addition to the membership fee);
  - Senior Independent Director status; and
  - In any given year, a time commitment significantly in excess of that expected at the start of the year.

The Chairman's fee is reviewed annually and comprises an all-inclusive fee.

Fees are set to reflect the time commitment and skills and experience required, based on an appropriate level against the market, and will not exceed the maximum amount permissible under the Company's Articles of Association. The fees are currently paid in cash, but the Board retains the flexibility to pay some or all of the fees in shares. Reasonable business expenses are reimbursed or settled on behalf of Non-Executive Directors and any tax arising in respect of the reimbursement or settlement of such expenses may also be settled by the Company.

Executive Director illustrative pay scenarios

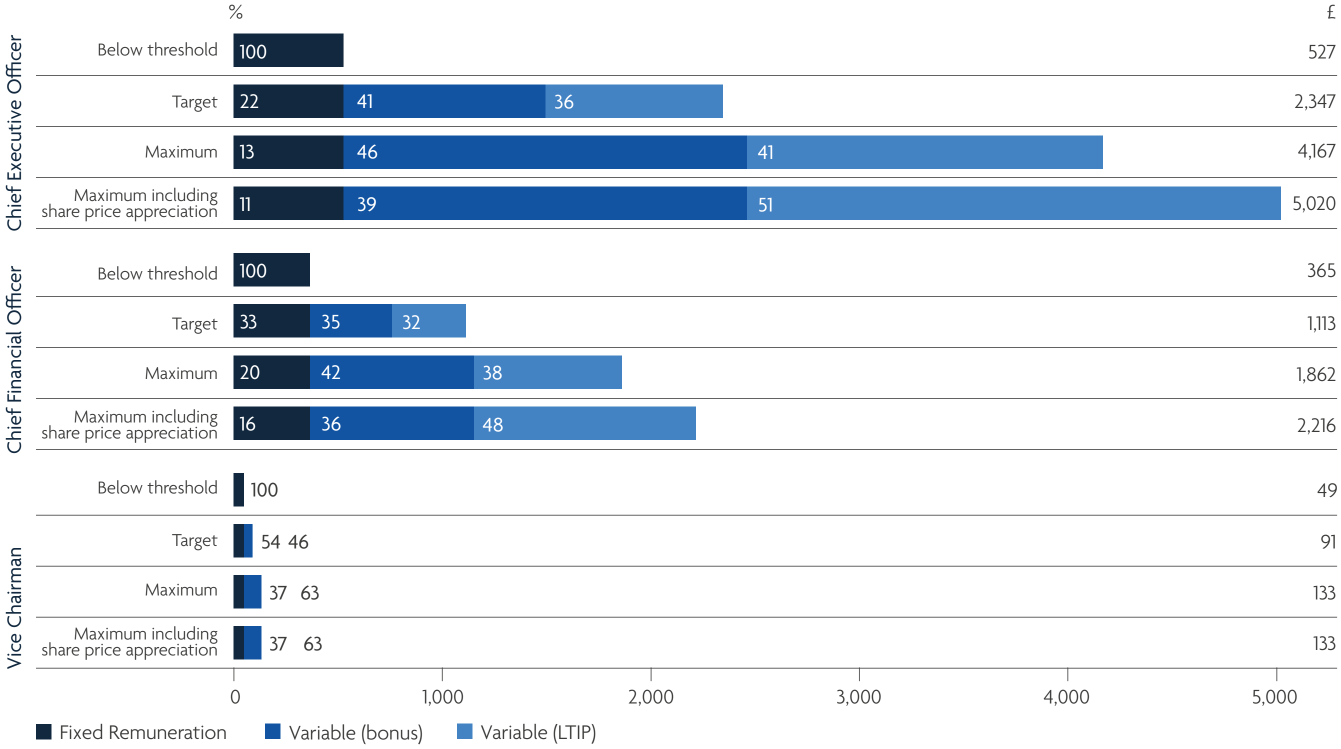
As required under the relevant regulations, the chart below illustrates how much the current Executive Directors could receive under different scenarios in the first year of this policy taking effect (2021). The fixed remuneration and annual bonus figures for the Vice Chairman have been pro-rated to reflect that Edward Bonham Carter will step down as an Executive Director following the AGM on 6 May 2021. In addition, there is no LTIP award included for the Vice Chairman as he will not be granted one in 2021. The assumptions used for the illustrations are as follows:

ELEMENT	ASSUMPTIONS
Fixed remuneration	– Base salary with effect from 1 January 2021. – Benefits paid at the same level as in 2020 as shown in the single figure table in the Annual Report on Remuneration (page 96). – Pension of 15% of base salary.
Annual bonus	– Maximum bonus opportunity of 425% of salary for CEO, 250% of salary for CFO, and 200% of salary for Vice Chairman. – For 'Below threshold' performance 0% of the maximum is assumed, for 'Target' performance 50% of the maximum is assumed and for 'Maximum' performance 100% of the maximum is assumed.
LTIP	– Maximum LTIP opportunity of 375% of salary for CEO and 225% of salary for CFO. – For 'Below threshold' performance 0% of the maximum is assumed, for 'Target' performance 50% of the maximum is assumed, for 'Maximum' performance 100% of the maximum is assumed and for 'Maximum including share price appreciation' performance 100% of the maximum is assumed as well as a 50% share price growth.

GOVERNANCE

DIRECTORS' REMUNERATION POLICY

Executive Director Illustrative Pay Scenarios



Service agreements policy

The policy terms and effective dates of the current Executive Directors' service agreements are summarised below:

PROVISION	DETAILS
Term	Not fixed
Notice period	Twelve months' written notice (CEO) and six months' written notice (CFO and Vice Chairman) from either party, during which period salary and benefits will be provided but no contractual entitlement to any bonus payment will accrue or arise.
Service agreement dates	– Andrew Formica: 21 January 2019 – Wayne Mepham: 13 May 2019 – Edward Bonham Carter: 1 June 2010
Termination arrangements	No provisions for compensation on early termination, other than those provided by the position under law. In the event that compensation for early termination is payable, the Committee's policy is to seek to keep such compensation to an appropriate level. There are no specific provisions in the service agreements providing for compensation payable by the Company on termination without cause or on a change of control of the Company. Entitlement to benefits (such as pension contributions and private medical insurance) will not continue after termination of employment.

Letters of appointment policy

The policy terms, effective dates and unexpired terms of the current Non-Executive Directors' letters of appointment are summarised below:

PROVISION	DETAILS
Term	Up to three years from the date of appointment or renewal date. In the case of Chris Parkin, until such a time as TA Associates Management LP's Group holds less than 10% of the issued share capital.
Unexpired term (as at 31 December 2020)	– Nichola Pease: 2 years and 2 months – Jonathon Bond: 2 years and 6 months – Roger Yates: 2 years and 9 months – Polly Williams: 0 years and 2 months – Karl Sternberg: 1 year and 7 months – Chris Parkin: n/a – until such a time as TA Associates Management LP's Group holds less than 10% of the issued share capital.
Notice period	Three months' written notice from either party.
Date of letters of appointment	– Nichola Pease: 6 November 2019 – Jonathon Bond: 1 July 2020 – Roger Yates: 12 October 2020 – Polly Williams: 23 February 2018 – Karl Sternberg: 26 July 2019 – Chris Parkin: 1 July 2020.
Termination arrangements	No provisions for compensation on early termination, other than those provided by the position under law.

DIRECTORS' REMUNERATION POLICY

REMUNERATION POLICY TABLE – COMPONENTS OF EXECUTIVE DIRECTOR REMUNERATION

	PURPOSE AND LINK TO STRATEGY	OPERATION
Base salary	Provides an element of fixed remuneration which reflects the size and scope of the role and the calibre of the individual.	Base salaries are generally reviewed annually and take into account a range of factors, including: – size and scope of the role; – skills, performance and experience of the individual; – market competitiveness; – wider market and economic conditions; and – the level of increases in the wider employee population.
Pension	Provides individuals with market competitive retirement benefits. Supports recruitment and retention of high-calibre people to deliver the business strategy.	Payments are made at a consistent level to all UK employees, either into a pension plan (for example, into a defined contribution plan or some other arrangement which the Committee considers to have the same economic benefit) or delivered as a cash allowance of the same equivalent cost to the Company.
Benefits	Provides individuals with market aligned benefits.	Benefits are provided on a consistent basis to all UK employees. Typical benefits include: private medical insurance, life assurance and an income protection scheme to cover long-term illness.
Annual bonus and Deferred Bonus Plan ('DBP')	The annual bonus rewards corporate performance and the achievement of stretching strategic and personal objectives. The DBP provides a deferral element in the form of Jupiter shares or fund units. This provides a strong link to long-term and sustainable value creation and reinforces retention. Clawback and malus provisions apply, to mitigate actions and behaviours outside of Jupiter's risk appetite.	The Company operates a balanced scorecard approach across a range of metrics. At the beginning of each performance year, the Committee agrees a range of targets for each metric. Multiple factors are considered in setting targets, including the Board approved budget, market expectations, prior year achievement, and strategic focus and priorities, as well as the wider economic landscape. During the year, the Committee monitors performance against these targets. After the year end, annual bonus awards are determined based on actual performance against the balanced scorecard. The overall outcome is not formulaic; the Committee applies a level of judgement to ensure the payout levels reflect both individual performance and the experience of shareholders for the year. Subject to a regulatory requirement to do so, 50% of the non-deferred bonus is delivered in shares or fund units, subject to a six-month holding period. Under the DBP, 50% of the total bonus is deferred into shares or fund units, vesting annually in equal tranches over three years, and subject to regulatory requirement, an additional six-month holding 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 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. The Company may also award free shares under the plan.

MAXIMUM OPPORTUNITY	PERFORMANCE MEASURES
There is no defined monetary maximum. For the Policy period, the annual salary increases for incumbent Executive Directors will be limited to the average salary increase for other employees. Increases for any new Executive Directors may be made in certain circumstances such as a significant change in the scale, scope or responsibility of a role; or significant market movements. The annual base salaries for 2020 and 2021 for each Executive Director are set out in the Annual Report on Remuneration.	N/A
15% of salary.	N/A
There is no defined maximum. The value of other benefits will vary year-on-year, depending on factors such as the third-party provider charges and market conditions. They are set at a level the Committee considers reasonable in the context of the local jurisdiction and the individual's circumstances.	N/A
Individual bonus limits (inclusive of any DBP award), expressed as a percentage of salary, apply per role as follows: – 425% for the Chief Executive Officer; – 250% for the Chief Financial Officer; and – 200% for the Vice Chairman.	Measures and weightings are set by the Committee at the start of each performance year and will be disclosed prospectively in our Annual Report on Remuneration. Under the balanced scorecard approach, the following will also apply: – At least 65% of the annual bonus award will be based on corporate quantitative measures. No more than 35% of the annual bonus award will be based on individual and strategic measures. – For each corporate quantitative measure, no more than 25% of the maximum will vest for achievement of the "Threshold" performance level and 100% of the maximum for achievement of the "Maximum" performance level. – All variable compensation is subject to a risk and compliance assessment, under which payments can be reduced, including to zero. Actual performance, target ranges for objective measures and commentary for strategic and individual measures will be disclosed retrospectively in the Annual Report on Remuneration.
Under the Sharesave and Share Incentive Plan, maximums are as prescribed by HMRC from time to time.	N/A

DIRECTORS' REMUNERATION POLICY

REMUNERATION POLICY TABLE – COMPONENTS OF EXECUTIVE DIRECTOR REMUNERATION continued

	PURPOSE AND LINK TO STRATEGY	OPERATION
LTIP	Provides long-term reward with awards made on an annual basis. Encourages long-term outperformance and reinforces retention. Clawback and malus provisions apply, to mitigate actions and behaviours outside of Jupiter's risk appetite.	At the beginning of the year, the Committee will select the relevant performance measures and targets, as well as the applicable weighting for each measure. LTIP awards will vest a minimum of three years from the date of grant with performance normally measured over a period of at least three financial years, subject to continued employment and satisfaction of applicable performance conditions. Awards will be subject to an additional two-year post-vesting holding period, unless the Committee determines otherwise.
Minimum shareholding requirements	Ensures long-term interests of Executive Directors are sufficiently aligned to those of shareholders.	Executive Directors should build up a minimum level of shareholding in the Company within five years of appointment to the Board or following an increase in the requirement. This is monitored by the Committee to ensure Executives make sufficient progress towards the required target. The Remuneration Committee has the discretion to adjust the requirement in what it feels are appropriate circumstances.
Post-employment holding requirements	Ensures long-term interests of departing Executive Directors are sufficiently aligned to those of shareholders.	Executive Directors should maintain a minimum shareholding in the Company during the two years after stepping down from the Board. This requirement will apply to shares from incentive awards vesting after the date of adoption of the Policy at the AGM. This requirement can be amended or waived by the Committee where it is not considered appropriate in specific circumstances.

Newly appointed Directors

In the event another Executive Director role is created for the Company in future, the maximum variable opportunities (expressed as a percentage of salary for the new position) under the Annual Bonus and LTIP will not exceed the percentages shown for the CEO in the summary table above.

Legacy payments

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out above where the terms of the payment were agreed: (i) before the Policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder-approved Directors' Remuneration Policy in force at the time they were agreed; or (ii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes, 'payments' includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' at the time the award is granted.

MAXIMUM OPPORTUNITY	PERFORMANCE MEASURES
Individual LTIP limits, expressed as a percentage of salary, apply per role in respect of any one financial year as follows: – 375% for the Chief Executive Officer; and – 225% for the Chief Financial Officer.	It is intended that the initial awards granted under this Policy will be subject to a combination of performance measures: EPS growth (40% of the awards); investment out-performance (30% of the awards); net flows (30% of the awards). Subsequent awards during the Policy period will be subject to such combination and weighting of performance measures as are set by the Committee (at its discretion) at the start of each performance period and will be disclosed prospectively in our Annual Report on Remuneration. The following will also apply: – For each quantitative performance measure, no more than 25% of the maximum will vest for achievement of the 'Threshold' performance level and 100% of the maximum for achievement of the 'Maximum' performance level. – In exceptional circumstances, the Remuneration Committee retains the discretion to vary or replace a performance condition if an event occurs that means a performance condition has ceased to be appropriate, provided that any varied or new performance condition is, in its opinion, not more or less difficult to satisfy. All variable compensation is subject to a risk and compliance assessment, under which payments can be reduced, including to zero. In addition, the LTIP is subject to an underlying business performance underpin. The Committee will compare the vesting outcome for LTIP awards against shareholder and client experience over the same performance period.
Individual minimum shareholding requirements, expressed as a percentage of salary, apply per role as follows: – 500% for the Chief Executive Officer; – 250% for all other Executive Directors.	N/A
Individual post-employment shareholding requirements apply per role to the lower of the total number of shares counting towards the requirement that an individual holds at the date of departure (including any in-flight awards that may vest at a future date) or the following amounts, expressed as a percentage of salary: – 500% for the Chief Executive Officer in the first year after stepping down from the Board, decreasing to 250% in the second year; and – 250% for all other Executive Directors in the first year after stepping down from the Board, decreasing to 125% in the second year.	N/A

Common award terms

Awards under any of the Company's share plans referred to in this report may:

(a) be granted as conditional share awards or nil cost options or in such other form that the Committee determines has the same economic effect. Alternatively, if regulations so require, awards may also be granted over fund units, in which case, references to Jupiter shares in this Policy would also include fund units;

(b) have any performance conditions applicable to them amended or substituted by the Committee if an event occurs which causes the Committee to determine an amended or substituted performance condition would be more appropriate and not materially less difficult to satisfy;

(c) incorporate the right to receive an amount (in cash or additional shares) equal to the value of dividends which would have been paid on the shares under an award that vests up to the time of vesting (or where the award is subject to a holding period, release). This amount may be calculated assuming that the dividends have been reinvested in the Company's shares on a cumulative basis;

(d) be settled in cash at the Committee's discretion; and

(e) be adjusted in the event of any variation of the Company's share capital or any demerger, delisting, special dividend or other event that may affect the Company's share price.

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Overview of activities in 2020

The following regular agenda items were considered during the scheduled Committee meetings which took place during 2020:

	Jan	Feb	May	Oct	Dec
Remuneration policy and disclosures					
Review of remuneration policy			•	•	•
Directors' Remuneration Report	•	•			•
Risk and reward					
Input from Risk and Compliance	•				
Review of risk checkpoints prior to variable compensation pool approval	•				•
Malus and clawback assessment		•			
Annual remuneration discussions					
Bonus and LTIP pool	•	•	•	•	•
Assessing performance against bonus scorecard	•		•	•	•
Individual performance and remuneration outcomes	•	•			
LTIP performance condition testing	•				
Allocation of LTIP awards	•				
Setting bonus scorecard and LTIP performance measures	•	•			•
Setting individual objectives for Executive Directors		•		•	
Minimum shareholding testing					•
Review of Chairman's fees					•
External market					
Shareholder trends and feedback			•		
Market trends				•	
Benchmarking data				•	
Regulatory					
Internal audit of Remuneration Policy				•	
Remuneration Policy Statement					•
Code Staff identification (CRD III, UCITS V and AIFMD)		•			•
Committee remit and effectiveness					
Terms of reference review					•
Self-evaluation				•	

Work of the Remuneration Committee in 2020

The table above provides a high level overview of the various topics which the Committee has worked on during 2020. The remainder of this section satisfies several requirements of the latest Corporate Governance Code.

Provision 40 statement and strategic rationale

The Committee aims to have in place remuneration arrangements which are simple and therefore well understood by the entire workforce, including the Executive Directors. The simplicity is supported, for example, by a single pension and benefits structure applicable to all UK employees and not differentiated based on seniority. Jupiter operates a single bonus deferral plan, and an LTIP scheme for a limited number of more senior employees. This simple and well-communicated remuneration structure should ensure compensation spend is appropriately valued by employees, and not eroded by complexity.

All variable compensation, including that for Executive Directors, is subject to a series of risk checkpoints (as described in more detail on page 110), which aim to assess a range of ex-ante and ex-poste potential financial and non-financial risks to the business prior to payment of any bonuses. In conjunction with an individual risk, compliance and conduct underpin, and the provision of malus and clawback conditions on variable compensation awards to Executive Directors, the Committee is confident that its work provides a robust framework to ensure appropriate risk alignment of compensation.

The range of possible pay awards available to Executive Directors under the previous Policy was clearly set out in the 2017 Directors' Remuneration Report prior to the Policy being voted on. The same information in respect of the new Policy is set out in the Executive Director illustrative pay scenarios section on pages 87 and 88.

An overview of how the structure of the Policy and specific performance metrics align with Jupiter's business strategy and culture is set out in the Chairman's letter.

Engagement with shareholders

There were no material concerns raised by shareholders following publication of the prior year Directors' Remuneration Report. During 2020 we have engaged widely with majority shareholders and investor agencies in respect of seeking feedback in relation to the proposed new Directors' Remuneration Policy that will be subject to vote at the 2021 AGM. The Committee is very grateful to all shareholders and bodies that engaged as part of this process.

Operation of remuneration policy

A description of how the Committee assesses the quantum of the bonus scorecard outcomes in the context of the overall corporate performance and experience of shareholders and clients is provided separately on pages 98 and 99.

Statements regarding the Committee's use of discretion in regards to the bonus outcomes for 2020 and the testing of the LTIP performance conditions ending in 2020 are included on pages 100 and 101 respectively.

Remuneration decisions made by the Committee in relation to the Executive Directors also take into account a range of additional factors including internal relativities (details of our CEO pay ratio are on pages 112 and 113) and relevant external market data.

Wider workforce pay and engagement

The Remuneration Committee is closely involved in considering the remuneration policies and pay levels of the wider Jupiter workforce. The Committee's work involves debate, discussion and ultimate approval of the Company-wide variable compensation spend as well as the salary increase budget for the whole workforce, with consideration given to the amounts and proportions of total spend allocated to different areas of the business. Part of this discussion requires an assessment of the financial KPIs of the business, including underlying PBT, which is also a key metric under the bonus scorecard for Executive Directors.

The Committee is provided with data illustrating the mean and median bonus levels and salary increase percentage split by gender for the current and previous performance year, in order that it can also analyse the outcomes from a gender pay perspective.

One of the recurring exercises undertaken by the Committee on an annual basis is a review of external compensation benchmarking data, giving an overview of fixed and total compensation levels for all employees relative to the wider market. This data allows the Committee to challenge pay decisions at a more granular level, and make proposals to Management in respect of the upcoming pay round.

The Committee approves all compensation for Code Staff, including for fund managers. Whilst this process is a regulatory driven requirement, it involves a detailed and robust discussion, including with the CIO in relation to the financial and non-financial considerations for determining fund manager bonuses.

Jupiter also has an established employee representation forum (Connections), whose Chairman met with the Remuneration Committee once and the Board twice during 2020. This engagement is Jupiter's method for ensuring a formal dialogue exists between employees and the Board. It provides the opportunity for employees to engage with the Board on any relevant employee matter, including pay.

Collectively this work helps demonstrate the Committee's considerations in appropriately balancing the pay outcomes for the wider employee population with its decisions regarding Executive pay.

During the year an external evaluation of the Committee's effectiveness was undertaken, the process for which can be found on page 69. An update on the actions arising from the 2019 Board evaluation are detailed below, together with an overview of the outcomes from the 2020 evaluation.

2019 PRIORITIES	2020 STATUS
The Directors' Remuneration Policy, which must be approved by shareholders at least every three years is scheduled for renewal at the 2021 AGM. The development of the policy and engagement with shareholders is a key priority for 2020 and 2021.	The Directors' Remuneration Policy has been developed and the Committee Chairman has engaged with major shareholders to seek their input and feedback. Following the publication of the final policy, further engagement will be undertaken prior to the Company's AGM in May 2021. This will continue to be a key priority for the Committee until this time.
Improve the quality and timeliness of some of the papers.	During the year papers presented to the Committee have improved and the quality of papers from the Finance team were particularly highlighted as having increased focus and clarity. Whilst there had been an improvement in the timely distribution of papers this could continue to be enhanced. It was acknowledged that at key times in the Remuneration Committee's cycle, there were timing constraints which impacted this.

2020 EVALUATION CONCLUSIONS

The evaluation process found that the Committee operated effectively during the year and particularly highlighted the engaged and rigorous debate with a good focus on the key issues. The evaluation noted that decisions on the bonus scorecard had focused on stakeholder interests and were considered to have been addressed well. The Chairman, who was appointed during the year, was commended for his inclusive approach and providing effective summaries to ensure a collective understanding:

- Ensuring that appropriate metrics, focused on ESG and cultural matters, were included in the bonus scorecards and objectives
- Ensuring a collegial approach to preparation for meetings between Management, the Committee's advisers and the Committee Chairman.

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Single total figure

Executive Directors' 2020 and 2019 remuneration (audited information)

	Andrew Formica[1]		Wayne Mepham[1]		Edward Bonham Carter	
	2020 £'000	2019 £'000	**2020 £'000**	2019 £'000	**2020 £'000**	2019 £'000
A. Fixed pay						
Base salary	446	371	300	100	114	116
Taxable benefits[2]	4	2	3	1	3	–
Pension[3]	59	49	40	14	14	15
Total fixed remuneration	**509**	**422**	**343**	**115**	**131**	**131**
B. Annual bonus						
Annual bonus:						
– Delivered in cash	311	223	121	35	37	33
– Delivered in shares vesting immediately with six-month holding period	311	223	120	34	36	32
– Delivered in shares vesting over three years	622	446	241	70	74	66
Total bonus[4]	**1,244**	**892**	**482**	**139**	**147**	**131**
C. Vesting of LTIP awards[5]						
For performance in multi-year periods:						
– 2017 award (2017-2019)[6]	–	–	–	–	–	40
– 2018 award (2018-2020)[7]	–	–	–	–	51	–
Total value of LTIP vesting	**–**	**–**	**–**	**–**	**51**	**40**
D. Other						
Buy-out awards[8]	–	–	–	524	–	–
SIP matching and free shares	2	4	2	–	1	–
Sharesave award	4	4	7	4	–	–
Total other	**6**	**8**	**9**	**528**	**1**	**–**
Total variable remuneration (B+C+D)	**1,250**	**900**	**491**	**667**	**199**	**171**
Total remuneration (A+B+C+D)[9]	**1,759**	**1,322**	**834**	**782**	**330**	**302**

1 2019 figures for Andrew Formica and Wayne Mepham represent pro-rated periods of the performance year for which they carried out their Executive Director roles at Jupiter. Detailed information on the relevant periods applicable for each Executive are provided on page 89 of the 2019 Annual Report and Accounts.

2 Comprising private medical and dental insurance and reimbursement of reasonable expenses incurred in the performance of their duties and payment of any tax arising.

3 Represents employer pension contributions and/or cash allowance in lieu of pension contributions. There are no defined benefit arrangements. Employees with registered pension protection or those impacted by the Tapered Annual Allowance may elect to have some or all of their pension contributions paid instead as a cash allowance, after deducting an amount equal to the cost of employer national insurance on such cash payments. The pension amounts in the single figure table may therefore be less than 15% of the salary.

4 These amounts have been determined by the Remuneration Committee based on performance against the relevant annual bonus performance measures in respect of the relevant year.

5 The value of the LTIP awards vesting is based on the Remuneration Committee's determination of performance against the relevant LTIP performance measures across prior multi-year performance periods.

6 The value of the 2017 LTIP award vesting in 2020 has been restated based on the share price on the vesting date 29 March 2020 of £1.94 and vesting due to performance of 32.4%.

7 Estimated value of the 2018 LTIP award vesting in 2021 based on 33.0% vesting due to performance and average closing share price over the period 1 October to 31 December 2020 of £2.54 (the actual vesting date is 20 March 2021).

8 The buyout awards amount for Wayne Mepham represents a replacement bonus for the first part of the 2019 performance year prior to joining Jupiter and the buyout of deferred compensation awards forfeited on resignation from his prior employer. Further details are provided on page 89 of the 2019 Annual Report and Accounts.

9 Amount of single figure attributable to share price appreciation/(depreciation) for Edward Bonham Carter is as follows:
– 2020: £(41,802). This value has been calculated using the average closing share price over the period 1 October to 31 December 2020 of £2.54 (the actual vesting date is 20 March 2021).
– 2019: £(46,440). This value has been restated based on the actual share price on the vesting date 29 March 2020 of £1.94.

Executive Director variable pay awards for 2020 performance

Variable pay awards for 2020 performance have been determined by the Committee using the following process:

- At the start of the year, the Committee set and agreed the performance metrics, relative weighting between corporate quantitative (at least 75%) and strategic goals, and associated stretching targets for each performance level (threshold, target and maximum) for corporate quantitative metrics.
- The annual metrics and weightings are disclosed prospectively in the Directors' Remuneration Report; the detailed targets are considered commercially sensitive and are disclosed retrospectively, following the performance year end.
- Throughout the year the Committee monitored progress against the relevant performance metrics.
- Following completion of the Merian acquisition in July, the Committee decided to make a number of adjustments to both the corporate quantitative and strategic goals to ensure these continued to reflect the combined business and remained stretching. The specific adjustments are described in detail in each of the relevant sections below.
- Following year end, actual performance was assessed against each of the bonus metrics, as reported in the scorecard on the following pages. For corporate quantitative metrics, this was in the context of the threshold, target and maximum ranges set.
- Individual bonuses for the Executive Directors were determined. Bonuses are not formulaic and judgement is applied by the Committee in arriving at award amounts. The Committee has considered the context in which performance has been achieved, having reference to shareholder and client experience during the year as described in detail on pages 98 and 99.
- Overall variable compensation spend is considered in the context of the total compensation ratio relative to their expected ranges as previously communicated to shareholders.

Assessing corporate quantitative performance (audited information)

The following section sets out Jupiter's actual performance against target for the primary measures relating to profitability, flows and investment outperformance, which are each given a 25% weighting and therefore together comprised 75% of the bonus metrics for 2020.

Performance metric	Primary measure	Threshold performance (25% vesting)	Target performance (50% vesting)	Maximum performance (100% vesting)	Actual performance	Percentage outcome	Commentary
Profitability	Underlying PBT[1]	£122.3m	£152.9m	£183.5m	£179.0m	92.5%	Underlying PBT targets were set based on a robust, stretching budget and consideration of market consensus. The Committee adjusted the targets upwards following the Merian transaction, to maintain an appropriate level of stretch and to ensure there was no windfall to Executives from achieving the lower original underlying PBT targets. Revenue from performance fees as well as strong cost discipline and synergies achieved from the Merian transaction means actual performance was between target and maximum.
Investment outperformance	Proportion of mutual funds (weighted by AUM) achieving performance of first or second quartile over one year (25% weighting) and three years (75% weighting) Proportion of segregated mandates and investment trusts (weighted by AUM) achieving performance above the benchmark over one year (25% weighting) and three years (75% weighting)	40%	60%	80%	69.1%	72.8%	Merian was part of the Jupiter Group for six months of the performance year, reflecting a short period of the timeframe over which this metric is assessed. The Committee therefore decided it was not appropriate to include AUM from Merian products when testing this performance condition for 2020, which is predominantly a three-year trailing metric. Jupiter investment performance in Unit Trusts and SICAVs remained very strong over three years, but was weaker for the segregated mandates and investment trusts. The AUM weighted performance across all Jupiter products or assets over one year (25% weighting) and three years (75% weighting) was 69%.
Flows	Net sales	£900m	£1,400m	£1,900m	£(3,968)m	0.0%	Significant outflows were budgeted for from Merian products in H2 of 2020. Despite this, the Committee still adjusted the net flow targets upwards following the transaction to build in an appropriate level of stretch for the combined new business. 2020 saw continued net outflows from the European Growth and Absolute Return strategies. These were partially offset by strong performance in Fixed Income, with the Dynamic Bond fund receiving over £1bn of net inflows. Therefore, aggregate actual net flows for the Company fell below threshold performance.

1 Stated before exceptional items (see APMs on page 27).

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Assessing corporate strategic performance (audited information)

The following table sets out supporting commentary and information the Committee considered in assessing overall performance in each of the areas of strategic performance identified for 2020 as well as the Committee's overall qualitative assessment of the outcome for each metric. The strategic goals were adjusted by the Committee following the Merian acquisition to ensure they remained appropriately stretching and in line with delivering the overall Group strategy. In conjunction with assessment of individual performance, these measures comprise 25% of the bonus metrics for 2020.

PERFORMANCE METRIC	2020 ASSESSMENT	OUTCOME
Diversification	The business continued to diversify through both organic and inorganic growth. In September Jupiter opened a US office in Colorado, to focus on delivering further expansion in the US, specifically in the institutional market. This followed Jupiter's strategic partnership with NZS Capital announced in the prior year, which supported the introduction of the new US office. Overall, geographical diversification meant that total AUM outside the UK at the year end grew to 28% (2019: 16%). Diversification of the Group's overall product range was aided by the Merian acquisition, with the addition of a new systematic strategy and an increase in alternative capabilities with the Gold & Silver and Strategic Absolute Return Bond funds. The transaction also brought scale to Jupiter's existing institutional business and allowed further diversification of client relationships. Three new funds were launched in 2020 – two European Smaller Companies funds and a Global Sovereign Opportunities fund – with the closure of several smaller funds towards the end of 2020 not achieving the desired scale.	Achieved
Merian project costs and cost synergies	Following announcement of the acquisition of Merian during 2020, the Remuneration Committee added this strategic objective for the Executive. The acquisition and integration of Merian was completed in accordance with the original timetable, despite the significant additional challenges presented from remote working connected to Covid-19. The integration and transition costs for the project were £39m, significantly below the target of £45m which was set. In addition, greater levels of synergies than initially expected were achieved in respect of compensation and non-compensation costs associated with the integration of the two businesses.	Significantly achieved
Culture, talent and client	During a year of significant uncertainty, Jupiter's Distribution and Investments teams engaged heavily to support clients, with new approaches taken to adapt to the Covid-19 working arrangements. Client feedback in respect of these new virtual approaches was strong, with higher than normal attendance at our online seminars. Five focus areas were identified to enhance Jupiter's overall client experience and a plan to implement these was put in place. The Company provided additional support to employees through the Covid-19 environment, supplementing our normal engagement with additional firm-wide meetings and wellbeing support. Employee engagement remained high, and within the top quartile for financial services firms. This included active and frequent engagement with the employee forum. Cultural integration of Merian colleagues was a key priority following the acquisition. Significant work was completed to both identify the right staff to join the Group on a permanent basis and to integrate them within the existing teams, notwithstanding the challenging working environment as a result of the pandemic.	Achieved
Operating platform	As with many businesses during 2020, Jupiter faced a significant operational challenge of moving all employees to a working from home environment in a very short timeframe. This was achieved quickly and with minimal disruption to the business, demonstrating the robustness of Jupiter's business continuity plans. In conjunction with implementing and supporting virtual working arrangements for all employees, work took place to successfully plan and implement the operational integration of the Merian business by the end of Q3 2020. This effort required maintaining dual operating platforms for a short period post legal completion. The transfer to the Aladdin investment platform took place very smoothly with only a small number of carefully managed issues. Despite the additional challenges of virtual working in 2020, the business did not witness a significant change in the volume of risk events and the passive breaches experienced during the initial high volatility resulting from the impact of Covid-19 were managed effectively.	Significantly achieved

Assessing individual performance (audited information)

The following table sets out supporting commentary and information the Committee referenced in assessing individual performance of the Executive Directors for 2020. Individual performance measures were updated following the Merian acquisition to place weighting on the successful integration of Merian.

EXECUTIVE	2020 ASSESSMENT	OUTCOME
Andrew Formica **Chief Executive Officer**	In a highly challenging year where there was limited face-to-face interaction between colleagues, Andrew ensured the Executive Committee continued to operate as a single, effective leadership team. This involved remaining visible to the rest of the business throughout virtual working periods by communicating frequently and clearly with employees. At a Board level, Andrew developed a strong working relationship with the new Chair, appointed earlier in the year. Andrew led Jupiter's acquisition of Merian Global Investors during 2020 and oversaw the efficient integration of the two businesses in a very short timeframe, including cultural integration of legacy Merian employees. Andrew also ensured Jupiter's culture and values were reinforced in his communications in order for them to remain prevalent amongst employees in a virtual working environment. Andrew worked collaboratively with the Committee and the other Executive Directors to incorporate enhancements to the Director's Remuneration Policy expected from shareholders and developments in wider corporate governance best practice.	Outstanding
Wayne Mepham **Chief Financial Officer**	Wayne played a pivotal role in ensuring the financial success of the Merian acquisition, contributing heavily to both the pre-completion due diligence and the advanced integration planning for the business, allowing it to achieve the desired level of synergies. Wayne continued to drive further improvements within the business, including working closely with the Chief Risk Officer to successfully develop understanding of the ICAAP process throughout relevant areas of the business and implementing updates to capital management reporting. A new procurement function was established by Wayne in 2020, allowing the business to better identify value for money in supplier management outsourcing and risk management processes. Wayne also ensured the Group maintained a strong capital position throughout the year.	Outstanding
Edward Bonham Carter **Vice Chairman**	Edward continued to provide a strong contribution towards the effectiveness of the Board, working closely with the Chair and the CEO and providing strategic leadership around corporate social responsibility and environmental, sustainability and governance matters. Externally, Edward has remained a very visible representative of the Company, participating in (online) panel discussions and industry events, and acting as a positive steward of Jupiter. His long-standing history with the Company, as well as technical fund management experience, allowed him to contribute towards attracting and selecting top talent for the firm. Edward also acted as a key driver of internal change initiatives, including as the Company's Diversity and Inclusion champion.	Very Good

Determining individual Executive Director 2020 annual bonuses (audited information)

The 2020 annual bonus awards have been determined by the Committee using both an assessment of performance against the metrics laid out in the balanced scorecard on the previous pages, a holistic assessment of the shareholder and client experience in the year, and an assessment of risk and compliance underpins. Specific conclusions reached by the Committee were as follows:

– The Committee noted the share price decline experienced due to Covid-19 and the corresponding decline in total shareholder return. It did not make any adjustment to bonus outcomes for this, consistent with the approach adopted in the prior year for share price appreciation. In an industry where share price movement can be extremely volatile, for consistency and as a general policy, the Committee prefers not to make adjustments for this and instead considers it more appropriate to look at the underlying financial performance of the business.

– The Committee were satisfied that the business continued to deliver good financial performance, with underlying EPS remaining flat year-on-year and the Group's dividend policy being upheld.

– Notwithstanding some restructuring that occurred within the business to ensure it remains agile and is more outwardly focussed towards the needs of our clients, the business has remained financially sound in its own right. The Company did not apply for any UK government assistance in connection with Covid-19 via the Job Retention Scheme or any other mechanism.

– Investment outperformance for our clients, our primary purpose as a business, remained strong, with 74% of Jupiter's funds (weighted by AUM, excluding Merian) outperforming the median/benchmark over three years.

– Corporate financial and strategic goals were appropriately adjusted following the acquisition of Merian to ensure that they remained stretching for the Executive Directors.

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– Prior year LTIP and bonus deferral awards were granted in March 2020 prior to the subsequent Covid-19 induced share price fall. The number of shares in these awards was therefore determined by reference to a share price of £3.11 (compared to our lowest share price in 2020 of £1.65) which means there is limited risk of windfall gains from these awards.

– The bonus outcomes for Executive Directors were in line with the overall variable compensation experience for other employees of the Group.

– There were no risk or regulatory compliance issues at a Group or individual level for which the Committee considers it appropriate to make any variable compensation adjustments for Executive Directors.

In consideration of the above, the Committee was therefore satisfied that the balanced scorecard was a fair outcome consistent with the shareholder, client and wider workforce experience during the year. It has therefore made no discretionary adjustments to the bonus scorecard outturn.

A summary of the Committee's conclusions is set out in the bonus outcomes table below.

2020 Executive Director bonus outcomes (audited information)

2020 scorecard performance metric	Outcome (as percentage of maximum)	Weighting	Weighted percentage of maximum	Andrew Formica, Chief Executive Officer £'000	Wayne Mepham, Chief Financial Officer £'000	Edward Bonham Carter, Vice Chairman £'000
Profitability	92.5%	25%	23.1%	£447	£173	£55
Flows	0.0%	25%	0.0%	£0	£0	£0
Investment outperformance	72.8%	25%	18.2%	£352	£136	£44
Strategic goals and personal performance	80.0-92.0%	25%	23.0%	£445	£173	–
			20.0%	–	–	£48
Totals		**100%**		**£1,244**	**£482**	**£147**
Outcome as percentage of maximum				64.3%	64.3%	61.3%
Delivered as upfront cash				£311	£121	£37
Delivered as share options with six-month holding period				£311	£120	£36
Delivered as share options vesting over three years				£622	£241	£74

Overall compensation spend

Jupiter's overall variable compensation spend is determined appropriate and affordable in the context of Jupiter's overall performance. We aim to balance and align the interests of our staff and our shareholders.

The variable compensation spend is assessed in its financial reporting context, which considers the accounting treatment of the variable compensation spend. In addition, the Committee considers the total compensation expense, which includes the fixed component of remuneration as well as the variable.

The variable compensation expense is determined by the nature and extent of bonuses awarded in 2020 as well as deferred awards (including LTIP) made in prior years. It also includes national insurance charges levied on Jupiter in relation to variable compensation. The 2020 underlying variable compensation expense of £85.8m resulted in a total compensation ratio of 35%, which remains within the range previously communicated to shareholders.

Non-Executive Directors' 2020 and 2019 fees (audited information)

	Nichola Pease	Liz Airey		Jonathon Bond		Bridget Macaskill		Polly Williams		Karl Sternberg		Roger Yates	
	2020 £'000	**2020 £'000**	2019 £'000	**2020 £'000**	2019 £'000	**2020 £'000**	2019 £'000	**2020 £'000**	2019 £'000	**2020 £'000**	2019 £'000	**2020 £'000**	2019 £'000
Fees	196	40	235	92	92	37	92	94	92	75	72	85	72
Benefits[1]	–	–	–	–	–	5	4	–	1	–	–	–	–
Total	**196**	**40**	**235**	**92**	**92**	**42**	**96**	**94**	**93**	**75**	**72**	**85**	**72**

1 Benefits comprise reimbursement of reasonable taxable business expenses incurred in the performance of duties and the payment of any tax arising.

Chris Parkin is not paid any fees in conjunction with his appointment to the Board. Belinda Richards elected to waive any Non-Executive Director fees payable to her for the period she served on the Board (1 to 30 September 2020).

External Directorships

Executive Directors are not permitted to hold external directorships or offices without the Board's prior approval. During the year two Executives held non-executive director positions with other companies. Andrew Formica served as non-Executive Director on the Board of Hammerson plc. This role was held by Andrew prior to his appointment to Jupiter, and the Board agreed Andrew could continue serving. During the 2020, Andrew received fees of £63,175 from Hammerson plc.

Edward Bonham Carter served as a Non-Executive Director of Land Securities Group plc, for which he was paid fees of £84,927. Edward also served as the Senior Independent Director to the Board of ITV plc; his fees from this position for 2020 were £84,293.

In all instances Andrew and Edward have been permitted to retain their fees for these appointments.

Payments to exiting Directors (audited information)

No new payments were made to any exiting Directors during 2020.

Payments to former Directors (audited information)

Maarten Slendebroek stepped down from the Board during 2019. No payments were made to Maarten or any other former Director during 2020, however Maarten's unvested LTIP awards (pro-rated on his departure) continued to be subject to performance condition testing.

Maarten's 2018 LTIP award (over 190,640 shares) had performance conditions tested over the period to 31 December 2020 in line with the table below. The estimated value of this LTIP award based on 33.0% vesting and the average closing share price over the period 1 October to 31 December 2020 is £159,694. Full details regarding Maarten's departure were disclosed in the 2019 Directors' Remuneration Report.

Payments for loss of office (audited information)

No payments were made for loss of office in 2020.

Performance condition testing for 2018 LTIP award, vesting 20 March 2021 (audited information)

The LTIP award vesting figure for Edward Bonham Carter shown in the single total figures on page 96 includes an LTIP award due to vest on 20 March 2021, subject to two equally weighted performance conditions measured to 31 December 2020. The performance conditions have been tested and performance against those conditions and the associated level of vesting are outlined below. The Committee is satisfied that the vesting outcome is appropriate in the context of the overall shareholder and client experience and has not exercised any discretion in relation to the testing of the performance conditions.

PERFORMANCE CONDITION	PERFORMANCE AGAINST THE CONDITION OVER THE PERFORMANCE PERIOD	PROPORTION OF CONDITION VESTING
Underlying EPS growth – 0% vesting for 5% growth or below; – 100% vesting for 25% growth or above; and – Straight-line vesting between these points.	Jupiter's underlying EPS fell by 16.1% over the performance period. Jupiter's annualised underlying EPS growth did not therefore exceed the 5% threshold.	0.0% of condition vesting (0.0% of total award)
Investment outperformance[1] The proportion of all of Jupiter's assets (weighted by AUM) achieving above median performance relative to their peer group (retail) or above benchmark performance (institutional) weighted: – 25% over the three-year period to 31 December preceding the vesting date; and – 75% over the five-year period to 31 December preceding the vesting date – 0% vesting for less than 50%; – 25% vesting for 50%; – 100% vesting for 80%; and – Straight-line vesting between these points.	Jupiter's investment performance was such that: – 74.5% of funds (weighted by AUM) performed above median or above the benchmark over the three-year period to 31 December 2020; and – 63.7% of funds (weighted by AUM) performed above median or above the benchmark over the five-year period to 31 December 2020. On a weighted basis, 66.4% of funds performed above median or above the benchmark.	66.0% of condition vesting (33.0% of total award)
Total		**33.0% vesting**

1 Investment performance of mutual fund AUM outperforming the median uses Morningstar as the single source of relative investment performance data for all funds.

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The following section provides an overview as to how each element of the new Policy will be applied in 2021, subject to shareholder approval at the 2021 AGM. As previously announced by the Company, Edward Bonham Carter will step down as an Executive Director and a member of the Board following the 2021 AGM. His remuneration will continue to be governed by the Directors' Remuneration Policy until such date.

Base salary

The CEO's base salary will remain at £455,000. The CFO's base salary will increase by 5% in 2021 to £315,000 and it is anticipated a similar quantum increase will apply for 2022 as explained in the Chairman's letter on page 82. Edward Bonham Carter's salary reflects his pro-rated amount based on a three-day working week.

- Andrew Formica: £455,000 (2020: £455,000);
- Wayne Mepham: £315,000 (2020: £300,000); and
- Edward Bonham Carter: £120,000 (2020: £120,000).

Annual bonus

Annual bonuses in respect of 2021 (inclusive of any deferred bonus award) will continue to be subject to the following individual caps as a percentage of base salary in line with the new Policy:

- Andrew Formica: 425%;
- Wayne Mepham: 250%; and
- Edward Bonham Carter: 200%.

As previously noted, Edward Bonham Carter will be stepping down from the Board with effect from May 2021, but will continue to work for the Company as Director of Stewardship and Corporate Responsibility. His 2021 bonus entitlement under the balanced scorecard will therefore reflect the pro-rata period of the year he serves as an Executive Director. Full details in relation to Edward's 2021 bonus and any termination arrangements will be disclosed in the 2021 Directors' Remuneration Report.

The 2021 bonuses will be determined on the normal timetable and in line with the process below.

The performance measures for the 2021 annual bonus will be set within the following balanced scorecard. 65% of these measures will be corporate quantitative measures, with clearly determined 'Threshold', 'On-Target' and 'Maximum' goals. The remaining objectives will be strategic and individual measures.

Determination of bonus amounts is not formulaic; in addition to reviewing each of the performance measures, the Committee will take a holistic view of the overall performance of the Company for the year to ensure that any bonus amounts appropriately reflect the experience of stakeholders. Where performance measures produce an outcome which does not align with that of stakeholders, the Committee may exercise its discretion as it considers appropriate.

2021 balanced scorecard

AREA	METRIC	PERFORMANCE MEASURES
Corporate quantitative (65%)	Profitability	– Measured through underlying Profit Before Tax
	Investment outperformance	– Measured through the proportion of mutual funds achieving first or second quartile performance and the proportion of separate account assets beating their benchmarks (weighted by AUM) – Measured over one year (25% weighting) and three years (75% weighting)
Strategic and individual (35%)	Diversification	– Evidence of continued diversification by investment strategy, geography and client type
	Culture, talent and client	– Embed, develop and measure the firm's culture, attract and retain high-quality talent and achieve high levels of client satisfaction
	Operating platform	– Achieve further efficiencies via optimisation of technology, operational set-up and organisational design – Deliver further value from the successful integration of the Merian business
	Corporate social responsibility	– Further develop the Environmental, Social and Governance credentials of the Group – Evidence of progression towards Diversity and Inclusion targets
	Personal performance	– Achievement against specific personal performance objectives
Underpin	Risk and regulatory compliance	– The Committee considers the checkpoints set out on page 110 when exercising its judgement to determine the appropriate variable compensation pool, at a Group level – The Committee also receives an annual report on internal control and risk management factors from the Chief Risk Officer and the Compliance Director to consider when assessing appropriate awards, at an individual level – Any risk or compliance factor (corporate or individual) has the potential to reduce variable compensation, including to zero

Targets for each performance measure will be set by the Committee in line with the framework described on page 97. The Committee considers more specific details of the 2021 performance measures and targets to be commercially sensitive and therefore further details of the targets and weightings for each of these measures and performance against each will be provided in the 2021 Directors' Remuneration Report.

The determination of variable pay awards in relation to 2021 performance will continue to be assessed with the application of judgement, taking into account a holistic assessment of Group and individual performance. The balanced scorecard, set out in the table above, will allow the Committee to assess performance against key financial and strategic metrics. The Committee's assessment against these metrics and the decision about any variable pay awards will be clearly disclosed to shareholders.

In addition to the performance measures outlined on the previous page, the Committee considers the checkpoints set out on page 110 when exercising its judgement to determine the overall variable compensation spend for any particular year, and also considers individual risk behaviours when assessing individual awards.

Proportion of bonus and delivery method

The payment of bonuses for Executive Directors for 2021 will be as follows and is compliant with the relevant remuneration regulations.

25%

– Delivered as cash.

25%

– Delivered as either deferred Jupiter shares or deferred fund units in a Jupiter fund. Choice between these can be made by the Executive Director nearer the payment date.
– Immediate vesting, but subject to subsequent six-month post-vesting holding period.

50%

– Delivered as either deferred Jupiter shares or deferred fund units in a Jupiter fund. Choice between these can be made by the Executive Director nearer the payment date. Where the Executive Director has not yet met the minimum shareholding requirement, deferral into fund units will be restricted to 25% of this portion of the bonus.
– Vesting in equal tranches over three years, but subject to subsequent six-month post-vesting holding period.

LTIP awards

The 2021 LTIP awards will be subject to the following performance conditions. These include the introduction of a net flows performance condition, which was previously assessed as part of the annual bonus scorecard. As an output of longer-term strategy, the Committee has concluded that it would be more appropriate to assess fund flow performance on a longer-term basis.

PROPORTION OF LTIP	PERFORMANCE CONDITION	PERFORMANCE MEASURE	
40%	**Underlying EPS Growth** Jupiter's underlying EPS must achieve at least 5% growth over the performance period	**Jupiter's underlying EPS growth over the performance period**	**Proportion of the award subject to the EPS performance condition that will vest**
		5% growth or below	0%
		25% growth or above	100%
		Any other percentage	Sliding scale between the relevant percentages above
30%	**Jupiter's investment outperformance** The proportion of all of Jupiter's assets (weighted by AUM) achieving above median performance relative to their peer group (retail) or above benchmark performance (institutional) weighted: 25% over the three-year period to 31 December preceding the vesting date; and 75% over the five-year period to 31 December preceding the vesting date	**Proportion of funds (weighted by AUM) achieving above median/benchmark performance**	**Proportion of the award subject to the investment outperformance condition that will vest**
		Less than 50%	0%
		50%	25%
		80% or above	100%
		Any other percentage	Sliding scale between the relevant percentages above
30%	**Net flows** Cumulative net flows for the Group over the performance period	**Net flows over the performance period**	**Proportion of the award subject to the net flows performance condition that will vest**
		Less than £1.5bn	0%
		£1.5bn	25%
		£4.5bn or above	100%
		Any other percentage	Sliding scale between the relevant percentages above

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IMPLEMENTATION IN 2021

LTIP awards continued

These awards will be granted in March 2021 and will vest on the third anniversary of grant, subject to the achievement of the stretching performance conditions, as set out in the table above. The awards will also be subject to a two-year post-vesting holding period in line with the Policy.

The 2021 LTIP award values will be as follows:

- Andrew Formica: £1,706,250 (375% of salary);
- Wayne Mepham: £708,750 (225% of salary); and
- No LTIP award will be granted to Edward Bonham Carter in 2021, as he is not seeking re-election to the Board at the forthcoming AGM.

Investment outperformance is critical to Jupiter's clients and the Company's long-term success. Its importance is recognised through its use as a performance measure within the annual bonus scorecard and the LTIP. Given the longer time horizon over which LTIP assesses performance, both a three- and five-year outperformance measure is included.

EPS growth is important to shareholders and is the best measure of Jupiter's successful execution of its growth strategy.

There is no payout under this performance condition at threshold performance, or where EPS growth is less than 5% over the period.

Net flows are a strong indicator of client confidence in Jupiter's products, and are a key determinant of changes in future revenue streams for the business.

In addition to a risk and compliance assessment, LTIP awards are subject to an underlying business performance underpin. The Committee will compare the vesting outcome for LTIP awards against shareholder and client experience over the same performance period.

Non-Executive Director fees, roles and committee responsibilities

Jupiter normally reviews Non-Executive Director fees annually. The Non-Executive Chairman's fee and fees for certain Non-Executive roles were last increased with effect from 1 January 2018 and 1 January 2019 respectively. Fees for chairing the Audit and Risk Committee and Remuneration Committee were last increased with effect from 1 January 2020. No increases are proposed for the 2021 performance year.

	2020 annual fee	2021 annual fee
Base fee	£64,000	£64,000
Senior Independent Director fee	£12,500	£12,500
Audit and Risk Committee Chairman fee (in addition to member fee)	£22,000	£22,000
Remuneration Committee Chairman fee (in addition to member fee)	£22,000	£22,000
Audit and Risk Committee member fee	£7,500	£7,500
Remuneration Committee member fee	£7,500	£7,500
Non-Executive Chairman fee (all inclusive)	£235,000	£235,000

Non-Executive Directors are reimbursed for reasonable business expenses.

The roles and committee responsibilities of the Non-Executive Directors during 2020 were as follows:

Director	Title	Roles and committee responsibilities
Nichola Pease	Independent Chairman (appointed 2 March 2020)	– Nomination Committee Chairman – Remuneration Committee member
Liz Airey	Independent Chairman (stepped down 2 March 2020)	– Nomination Committee Chairman – Remuneration Committee member
Jonathon Bond	Independent Non-Executive Director Senior Independent Director	– Senior Independent Director – Audit and Risk Committee member – Nomination Committee member – Remuneration Committee member
Bridget Macaskill	Independent Non-Executive Director (stepped down 21 May 2020)	– Nomination Committee member – Remuneration Committee Chairman
Polly Williams	Independent Non-Executive Director	– Audit and Risk Committee Chairman – Nomination Committee member
Karl Sternberg	Independent Non-Executive Director	– Audit and Risk Committee member – Nomination Committee member – Remuneration Committee member
Roger Yates	Independent Non-Executive Director	– Nomination Committee member – Remuneration Committee Chairman
Chris Parkin	Non-Executive Director (appointed 2 July 2020)	– Board member
Belinda Richards	Independent Non-Executive Director (appointed 1 September 2020, stepped down 30 September 2020)	– Audit and Risk Committee member – Nomination Committee member

Directors' shareholdings (audited information)

Director	Ordinary Shares held at 31 December 2020 (no restrictions)	Unvested ordinary shares held at 31 December 2020 (subject to continued employment)	Total ordinary shares held at 31 December 2020	Vested but unexercised options at 31 December 2020	Unvested options, vesting not subject to performance conditions at 31 December 2020	Unvested options, vesting subject to performance conditions at 31 December 2020	Total options over ordinary shares held at 31 December 2020	Shareholding as a percentage of salary[4]	Shareholding as a percentage of salary including vested but unexercised shares[4]
Andrew Formica	949,422	1,978	951,400	–	164,969	1,022,193	1,187,162	530%	530%
Wayne Mepham	25,809	1,007	26,816	–	124,557	233,074	357,631	22%	22%
Edward Bonham Carter	10,040,265	604	10,040,869	69,328	74,746	179,466	323,540	21,239%	21,385%
Nichola Pease	32,050	–	32,050	–	–	–	–	–	–
Liz Airey[1]	45,450	–	45,450	–	–	–	–	–	–
Jonathon Bond	29,794	–	29,794	–	–	–	–	–	–
Bridget Macaskill[2]	125,000	–	125,000	–	–	–	–	–	–
Polly Williams	–	–	–	–	–	–	–	–	–
Karl Sternberg	28,601	–	28,601	–	–	–	–	–	–
Roger Yates	25,000	–	25,000	–	–	–	–	–	–
Chris Parkin	–	–	–	–	–	–	–	–	–
Belinda Richards[3]	–	–	–	–	–	–	–	–	–

1 Figures for Liz Airey are as at 2 March 2020, the date she stepped down as a Director.

2 Figures for Bridget Macaskill are as at 21 May 2020, the date she stepped down as a Director.

3 Figures for Belinda Richards are as at 30 September 2020, the date she stepped down as a Director.

4 The high percentage of shares held by Edward Bonham Carter relates to shares purchased during the period 2007-2010 while Jupiter was privately owned.

There have been no changes to the above interests between the year end and 25 February 2021 (the latest practicable date before the printing of the Annual Report and Accounts).

Minimum shareholding requirements (audited information)

Executive Directors should maintain a significant holding of shares in the Company. The Policy in operation for the 2020 performance year provided that the Chief Executive should hold shares in the Company with a value equivalent to at least 300% of base salary, and other Executive Directors a value equivalent to at least 200% of base salary. Under the new Directors' Remuneration Policy taking effect from the 2021 performance year, the minimum shareholding requirements will increase to 500% of base salary for the Chief Executive and 250% of salary for all other Executive Directors. The Committee expects Executive Directors to build up their required shareholding within five years from appointment to the Board, and is satisfied with the progress of all Executive Directors against this.

Post-employment shareholding requirements

Under the new Directors' Remuneration Policy and in line with the Corporate Governance Code requirements, the Committee has introduced a formal post-employment shareholding requirement for Executive Directors. Executive Directors will be required to maintain a meaningful shareholding for two years after stepping down as a Director, specifically shares worth 500% of salary for the CEO and 250% of salary for other Directors in the first year, decreasing to 250% of salary for the CEO and 125% of salary for other Directors in the second year after stepping down.

Directors' service contracts unexpired terms

The Executive Directors are the only Directors with service contracts, none of which contain an expiry term. The CEO has a 12-month notice period. The CFO and Vice Chairman each have a six-month notice period.

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Share awards (audited information)
DBP – options over Jupiter shares

		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 2020 including dividend adjustments[1,2]	Market value per share at date of grant[3]	Grant date	Face value at award	Price used to determine number of shares[3]	Number of shares under option[1,2]	Number of shares under option lapsed during the year	Number of shares under option exercised during the year	Number of shares under option held as at 31 December 2020	Earliest exercise date	Latest exercise date
Andrew Formica	2020 (in respect of 2019)	–	–	5 March 2020	£223,088	£3.11	77,030	–	77,030[4]	–	5 Sept 2020	5 March 2021
	2020 (in respect of 2019)	–	–	5 March 2020	£446,175	£3.11	51,353	–	–	51,353	5 Sept 2021	5 March 2022
							51,353	–	–	51,353	5 Sept 2022	5 March 2023
							51,354	–	–	51,354	5 Sept 2023	5 March 2024
Wayne Mepham	2019 (Buyout Award)	12,518	£3.43	–	–	–	–	–	–	12,518	1 March 2021	1 Sept 2021
	2019 (Buyout Award)	21,514	£3.43	–	–	–	–	–	–	21,514	1 March 2022	1 Sept 2022
	2020 (in respect of 2019)	–	–	5 March 2020	£104,763	£3.11	36,173	–	36,173[5]	–	5 Sept 2020	5 March 2021
	2020 (in respect of 2019)	–	–	5 March 2020	£209,525	£3.11	24,114	–	–	24,114	5 Sept 2021	5 March 2022
							24,114	–	–	24,114	5 Sept 2022	5 March 2023
							24,116	–	–	24,116	5 Sept 2023	5 March 2024
Edward Bonham Carter	2017 (in respect of 2016)	19,180	£4.21	–	–	–	–	–	19,180[6]	–	29 March 2020	29 June 2020
	2018 (in respect of 2017)	33,737	£4.90	–	–	–	–	–	–	33,737	20 March 2021	20 Sept 2021
	2019 (in respect of 2018)	12,854	£3.52	–	–	–	–	–	12,854[7]	–	22 Sept 2019	22 March 2020
	2019 (in respect of 2018)	9,188	£3.52	–	–	–	–	–	–	9,188	22 Sept 2020	22 March 2021
		9,188	£3.52	–	–	–	–	–	–	9,188	22 Sept 2020	22 March 2022
		9,190	£3.52	–	–	–	–	–	–	9,190	22 Sept 2020	22 March 2023
	2020 (in respect of 2019)	–	–	5 March 2020	£32,775	£3.11	11,315	–	–	11,315	5 Sept 2020	5 March 2021
	2020 (in respect of 2019)	–	–	5 March 2020	£65,550	£3.11	7,543	–	–	7,543	5 Sept 2021	5 March 2022
							7,543	–	–	7,543	5 Sept 2022	5 March 2023
							7,545	–	–	7,545	5 Sept 2023	5 March 2024

DBP – options over Jupiter fund units

		Options held at start of year		Options granted during the year				Options held at end of year		
Director	Year granted	Number of fund units under option held as at 1 January 2020	Market value per unit at date of grant[8]	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 2020	Earliest exercise date	Latest exercise date
Wayne Mepham	2019 (Buyout Award)	35,259	£1.11	–	–	–	–	–	1 March 2021	1 Sept 2021
	2019 (Buyout Award)	2,107	£27.52	–	–	–	–	–	1 March 2022	1 Sept 2022

1 Outstanding share awards granted in 2019 and 2020 were adjusted by 3.85% as a result of the 9 April 2020 Ordinary Dividend. See below.

2 Outstanding share awards granted in 2019 and 2020 were adjusted by 3.55% as a result of the 26 August 2020 Interim Dividend.

3 Average closing share price from three trading days prior to date of grant.

4 Closing share price on date of exercise, 7 September 2020, was £2.13. This resulted in a value of shares on exercise of £164,074.

5 Closing share price on date of exercise, 8 September 2020, was £2.08. This resulted in a value of shares on exercise of £75,240.

6 Closing share price on date of exercise, 3 June 2020, was £2.60. This resulted in a value of shares on exercise of £49,868.

7 Closing share price on date of exercise, 18 March 2020, was £1.79. This resulted in a value of shares on exercise of £23,009.

8 Average closing unit price from three trading days prior to date of grant.

Key terms:
– No performance measures are attached to options granted under the DBP, although awards are normally subject to continued employment with the Company;
– Malus and clawback provisions may apply (see the Remuneration Policy Table for further details);
– No exercise price is payable on the exercise of DBP options; and
– Holders of unvested share option awards are not entitled to cash dividend payments as the holders are not the legal owners of the shares. The Remuneration Committee determined that it was appropriate for holders of share option awards to benefit from dividends declared in 2020 as follows, as permitted under the relevant plan rules:

For awards granted in 2019 and 2020 under the DBP and in 2018, 2019 and 2020 under the LTIP schemes, an upwards adjustment to the number of shares over which options were held by a factor of 3.85% and 3.55% in respect of the 9 April 2020 Ordinary Dividend and 26 August 2020 Interim Dividend respectively. These factors are equivalent to the value the holder of a share option award would have received had they been entitled to receive the Ordinary and Interim Dividends as cash payments.

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LTIP – options over Jupiter shares

		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 2020 including dividend adjustments[1,2]	Market value per share at date of grant[3]	Grant date	Face value at award	Price used to determine number of shares[3]	Number of shares under option[1,2]	Number of shares under option lapsed during the year	Number of shares under option exercised during the year	Number of shares under option held as at 31 December 2020	Earliest exercise date	Latest exercise date
Andrew Formica	2019	403,835	£3.52	–	–	–	–	–	–	433,033	22 March 2024	22 Sept 2024
	2020	–	–	5 March 2020	£1,706,250	£3.11	589,160	–	–	589,160	5 March 2025	5 Sept 2025
Wayne Mepham	2020	–	–	5 March 2020	£675,000	£3.11	233,074	–	–	233,074	5 March 2025	5 Sept 2025
Edward Bonham Carter	2015	49,466	£4.12	–	–	–	–	–	49,466[4]	–	27 March 2018	27 March 2020
	2016	28,382	£4.09	–	–	–	–	–	–	28,382	1 April 2019	1 April 2021
	2017	63,097	£4.21	–	–	–	–	42,654	–	20,443	29 March 2020	29 March 2022
	2018	61,239	£4.61	–	–	–	–	–	–	61,239	20 March 2023	20 Sept 2023
	2019	56,075	£3.52	–	–	–	–	–	–	56,075	22 March 2024	22 Sept 2024
	2020	–	–	5 March 2020	£180,000	£3.11	62,152	–	–	62,152	5 March 2025	5 Sept 2025

1 Outstanding share awards granted in 2018, 2019 and 2020 were adjusted by 3.85% as a result of the 9 April 2020 Ordinary Dividend.

2 Outstanding share awards granted in 2018, 2019 and 2020 were adjusted by 3.55% as a result of the 26 August 2020 Interim Dividend.

3 Average closing share price from three trading days prior to date of grant.

4 Closing share price on date of exercise, 18 March 2020, was £1.79. This resulted in a value of shares on exercise of £88,544.

Key terms:
- Performance conditions for LTIP awards granted between 2013 and 2017 are: underlying EPS, net sales, investment outperformance and strategic goals, all equally weighted. These performance conditions are measured over the period 1 January in the year of grant to 31 December in the year prior to vesting.
- Performance conditions for LTIP awards granted in 2018, 2019 and 2020 are: 50% EPS growth and 50% investment outperformance.
  - The targets and vesting schedule for EPS are as follows: For awards granted in 2018: less than 20% EPS growth over the performance period, 0% vesting; 40% EPS growth or above over the performance period, 100% vesting; any other EPS growth percentage is subject to a sliding scale between 0% and 100%. For awards granted in 2019 and 2020: less than 5% EPS growth over the performance period, 0% vesting; 25% EPS growth or above over the performance period, 100% vesting; any other EPS growth percentage is subject to a sliding scale between 0% and 100%.
  - The targets and vesting schedule for investment outperformance are: less than 50% of funds (weighted by AUM) achieving median/benchmark performance, 0% vesting; 50% of funds (weighted by AUM) achieving median/benchmark performance, 25% vesting; 80% or above of funds (weighted by AUM) achieving median/benchmark performance, 100% vesting; any other percentage of funds (weighted by AUM) achieving median/benchmark performance, a sliding scale in between the relevant percentages. These performance conditions are measured over the period 1 January in the year of grant to 31 December in the year prior to vesting. Awards are subject to a two-year post-vesting holding period;
- Malus and clawback provisions may apply (see the Remuneration Policy Table for further details);
- An exercise price of £0.02 per share is payable on the exercise of LTIP options granted prior to 2018; and
- The number of shares under award granted in 2018, 2019 and 2020 were adjusted as a result of the 9 April 2020 Ordinary Dividend and the 26 August 2020 Interim Dividend, as described under the DBP share table above.

Share Incentive Plan

Director	Shares held at start of year		Shares acquired/forfeited during the year					Shares held at end of year	
	Number of shares subject to award as at 1 January 2020	Market value per share at award[1]	Award date	Face value at award	Price used to determine number of shares[1]	Number of shares awarded during the year	Number of shares forfeited during the year	Number of shares subject to award as at 31 December 2020	Earliest vesting date
Andrew Formica	473	£3.80	–	–	–	–	–	473	4 April 2022
	498	£3.62	–	–	–	–	–	498	7 May 2022
	–	–	1 April 2020	£2,000	£1.99	1,007	–	1,007	1 April 2023
Wayne Mepham	–	–	1 April 2020	£2,000	£1.99	1,007	–	1,007	1 April 2023
Edward Bonham Carter	457	£3.28	–	–	–	–	–	457	2 May 2016
	462	£3.89	–	–	–	–	–	462	2 May 2017
	1	£3.50	–	–	–	–	–	1	2 Oct 2017
	–	–	1 April 2020	£1,200	£1.99	604	–	604	1 April 2023

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

Sharesave – options over Jupiter shares

Director	Year granted	Options held at start of year		Options granted during the year				Options lapsed during the year	Options held at end of year		
		Number of shares under option as at 1 January 2020	Market value per share at date of grant	Grant date	Face value at award	Price used to determine number of shares[1]	Number of shares under option	Number of shares under option lapsed during the year	Number of shares under option held as at 31 December 2020	Earliest exercise date	Latest exercise date
Andrew Formica	2019	6,545	£2.75	–	–	–	–	6,545	–	–	–
	2020	–	–	25 Sept 2020	£18,000	£1.65	10,909	–	10,909	1 Dec 2023	31 May 2024
Wayne Mepham	2019	6,545	£2.75	–	–	–	–	6,545	–	–	–
	2020	–	–	25 Sept 2020	£29,999	£1.65	18,181	–	18,181	1 Dec 2025	31 May 2026

1 Sharesave is an all-employee share plan operated in line with applicable tax legislation. Average closing share price from three trading days prior to date of grant, discounted by 20% in line with the Sharesave rules applicable to all eligible employees.

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Risk and reward at Jupiter

Discussion

The Committee gives careful consideration to the linkage between risk and reward to ensure the desired behaviours and culture are being rewarded. This includes ensuring the reward structures are consistent with and promote sound and effective risk management, and ensuring remuneration outturns appropriately reflect the risk profile and behaviours of the Group and each individual. This is demonstrated through a variety of reward features and processes that ensure alignment to risk considerations throughout the organisation. For example:

- When assessing the overall variable compensation spend as described on page 97, the Committee considers a number of checkpoints, as described in the checkpoints chart on the right hand side of this page.
- For all employees there is consideration of conduct and performance against risk and compliance criteria, ensuring there is risk adjustment at an individual level.
- Assessment of individual performance includes consideration of financial and non-financial metrics. This ensures that the way in which performance has been achieved is taken into account, for example, in terms of risk and repeatability.
- All employees with bonuses of over £50,000 have a portion of bonus deferred into shares and/or fund units. In total approximately one quarter of employees are subject to some kind of deferral, ensuring their interests are aligned with the long-term success of the Group and with the interest of clients.
- Shareholding requirements apply to Executive Directors and Executive Committee members, further enhancing the link to the Group's long-term success.
- For Executive Directors and Executive Committee members, all variable remuneration is subject to malus and clawback provisions, whereby incentive awards may be reduced, withheld or reclaimed in certain circumstances, including where there has been a material failure of risk management.

In addition to the Compliance Director and the Audit and Risk Committee feeding into the process, the Chief Risk Officer presents a report to the Committee, setting out thoughts and assurances around how the remuneration structures and processes support sound and effective risk management.

CHECKPOINTS

Capital base and liquidity

Can Jupiter afford the proposed variable compensation spend?

- Sufficient liquidity to make payments?
- Consider impact on Jupiter's capital base.

Request and consider input from the Chief Financial Officer.

Underlying financial performance

Does Jupiter's underlying financial performance support the proposed variable compensation spend?

- Consider performance against financial KPIs listed in the Annual Report.
- Is there any reason to believe the financial results are not a fair reflection of underlying performance?

Request and consider input from the Audit and Risk Committee.

Risk

Does Jupiter's risk profile and risk management support the variable compensation spend? Are any adjustments required?

- Consideration of the Enterprise Risk Management report.
- Are all risks being suitably monitored and managed? Have there been any material failures of risk management (or any near misses) in the year?
- Consider whether profit reflects current and future risks and timing and likelihood of future revenues.

Request and consider input from the Chief Risk Officer and the Audit and Risk Committee.

Compliance

Have there been any material compliance breaches in the year?

- Are any adjustments required?
- Consideration of any significant compliance breaches and/or near misses.
- Consideration of any fines received in the year and any ongoing regulatory investigations.

Request and consider input from the Compliance Director.

Commercial

Are there any commercial drivers to support adjustments to the variable compensation spend?

- Consider the market for talent and whether the spend would likely result in any significant over/underpayment against the market.

Reputational

Are there any reputational drivers to support adjustments to the variable compensation spend?

- Has there been any reputational damage to the Group in the year?
- Will the proposed variable compensation pool quantum have any adverse reputational impact on the Group?

Variable compensation spend and total compensation ratio approval.

COMPLIANCE STATEMENT

This Remuneration Report was prepared in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. This report contains both audited and non-audited information. The information subject to audit is set out in the Annual Report on Remuneration and is identified accordingly.

During the year Jupiter has been subject to a number of regulations including CRD III and parts of the firm were also subject to AIFMD and UCITS V. The Committee fulfils all of its requirements under these regulations and ensures that the Remuneration Policy adheres to their principles. The Group has followed the requirements of the UK Corporate Governance Code.

Dilution

Our policy regarding dilution from employee share awards is to ensure that dilution will be no more than 10% in any rolling 10-year period and no more than 5% from employee share awards granted to Executive Directors of the Company in any rolling 10-year period.

As at 31 December 2020, share awards granted under the DBP, LTIP, CSOP and Sharesave in the ten and a half years since Jupiter's Listing were outstanding over 22.4m shares (including 1.9m granted to Executive Directors). This represented 4.1% (0.3% to Executive Directors) of the Company's issued share capital. Our current intention is to settle all share awards outstanding as at 31 December 2020 with market purchased shares and our ongoing practice is to purchase shares in the market to settle obligations. No new shares have been issued since Listing in 2010. Therefore, we are currently operating within the relevant dilution targets by a comfortable margin.

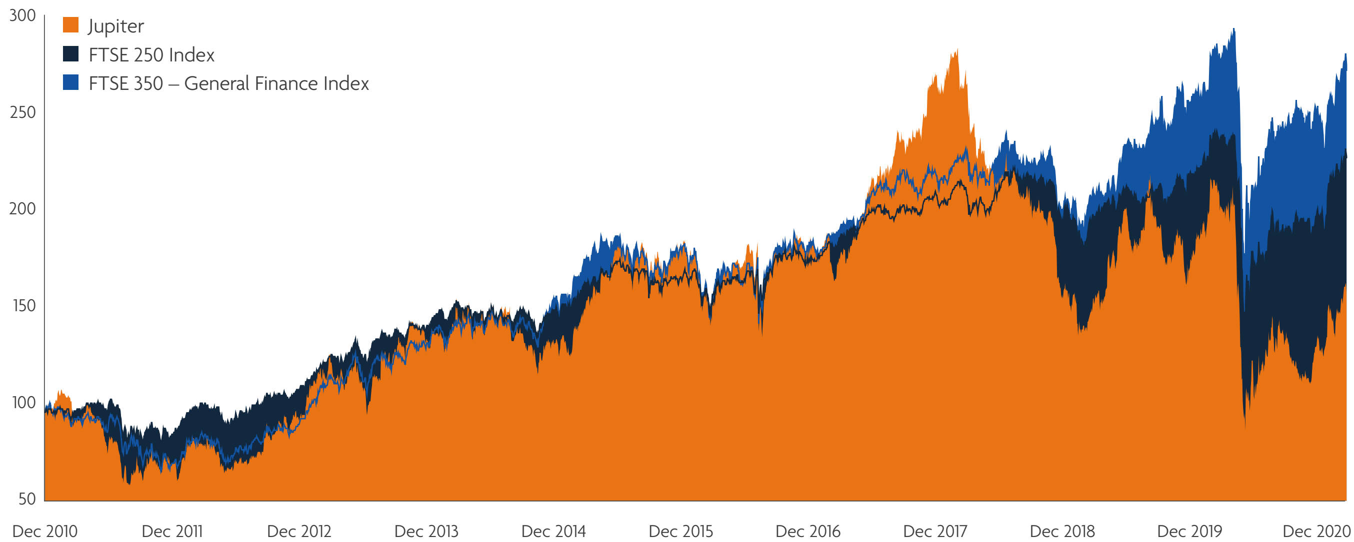
Notwithstanding the target outlined above, as a business exposed to both market shocks and critical people issues, we believe we should retain flexibility to act very quickly to take steps that could increase dilution up to a maximum of 15% on a temporary and short-term basis, if the Remuneration Committee and Board believe it is clearly in shareholders' interests to do so.

If dilution were to exceed 10% in any rolling 10-year period, this would be on an exceptional basis and for a short time period. The Directors' Remuneration Report for the relevant year would also contain the necessary justifications for such an outcome. The Remuneration Committee and Board would ensure that dilution levels returned to within the 10% level in any rolling 10-year period as soon as practicable thereafter.

The chart below shows the Company's share price performance (based on total shareholder return, with dividends reinvested net of tax) in the 10-year period to 31 December, 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.

Jupiter's total shareholder return compared against total shareholder return of FTSE 250 and FTSE 350 General Financial indices since December 2010

£



GOVERNANCE

ANNUAL REPORT ON REMUNERATION

Table of historic levels of CEO pay

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
CEO single figure of total remuneration (£'000)	1,785	1,634	1,789	2,301[1]	2,716	2,437	3,546	2,014	1,764[2]	1,759
CEO bonus as a percentage of maximum potential[3]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	55%	56%[2]	64%
Long-term incentive vesting rates against maximum opportunity[4]	N/A	N/A	N/A	46%	71%	44%[5]	74%[6]	43%	32%	N/A[7]

1 Calculated as Edward Bonham Carter's remuneration to 17 March 2014 and Maarten Slendebroek's from 17 March 2014 when he took on the role of CEO, plus the value of Edward Bonham Carter's LTIP award vesting based on performance to 31 December 2014.

2 Calculated as Maarten Slendebroek's remuneration to 28 February 2019 and Andrew Formica's from 1 March 2019 when he took on the role of CEO, plus the value of Maarten Slendebroek's pro-rated LTIP award vesting based on performance conditions tested to 31 December 2019. Restated based on the share price on the 2017 LTIP vesting date 29 March 2020 of £1.94.

3 Jupiter's Remuneration Policy for the period from 2011 to 2017 did not include individual maximum bonuses, therefore a percentage is not provided for these years.

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

5 Maarten Slendebroek has two separate LTIP awards included in the 2016 single figure, both of which had performance periods ending during that financial year. The 44% vesting is a weighted average of the vesting outcomes for both awards combined.

6 Maarten Slendebroek has two separate LTIP awards included in the 2017 single figure, both of which had performance periods ending during that financial year. The 74% vesting is a weighted average of the vesting outcomes for both awards combined.

7 Andrew Formica does not have an LTIP award with performance conditions ending in the 2020 performance year, therefore there is no LTIP vesting percentage available for this year.

CEO pay ratio

Year	Method	25th Percentile	Median	75th Percentile
2018	Option A	32:1	21:1	13:1
2019[1]	Option A	27:1	18:1	11:1
2020	Option A	23:1	16:1	9:1

1 Restated based on the share price on the 2017 LTIP vesting date 29 March 2020 of £1.94.

The Company has chosen to use Option A as the methodology for calculating the pay and benefits of all UK employees, as this is consistent with the approach that must be used for the CEO single figure. It therefore allows a like-for-like comparison to take place between the pay data of the CEO and employees at the lower, median and upper quartiles, as well as a more accurate analysis of the resulting ratios. For the purpose of this disclosure, the Company has chosen 31 December 2020 as the reference date on which the pay for all employees in employment as at 1 October 2020 was calculated, consistent with our approach taken in prior years.

	25th Percentile	Median	75th Percentile
CEO Single Figure (£'000)		1,759	
Employee Single Figure (£'000)	76	113	196
Employee Single Figure Salary Component (£'000)	52	74	110

The 2019 CEO single figure and CEO pay ratios have been restated to reflect the actual share price on the 2017 LTIP vesting date (29 March 2020). The valuation had previously been calculated using the average closing share price during Q4 2019. Restating this figure means that the 2019 CEO single figure drops from £1.936m to £1.764m and the 2019 CEO pay ratios consequently decline at each quartile.

Despite the reduction in the restated prior year figures, Jupiter's 2020 CEO pay ratios have continued to decline at all quartile intervals. The 2020 CEO single figure does not include any amount in respect of the LTIP, as Andrew Formica does not have any such awards with performance conditions ending in the 2020 performance year. The higher 2020 bonus quantum has offset the absence of the LTIP, meaning that the 2020 CEO single figure remains broadly unchanged relative to the restated prior year figure.

The year-on-year decline in the CEO pay ratio can therefore be attributed to the increase in single figure amounts for all other employees at each quartile position. The upward trend in remuneration at each quartile is reflective of the general change in the pay profile of Jupiter's workforce during 2020, predominantly a consequence of the Merian transaction. The acquisition of Merian and restructuring of the combined workforce resulted in most permanent new roles created in our fund management and sales team, which are typically higher paid positions. A number of individuals who were retained on a fixed term basis for integration purposes are also included in the data set, which incorporates any incentives put in place to ensure their retention.

Jupiter operates consistent reward policies across its UK workforce, with the exception of any variation required by regulation, legislation or corporate governance. Remuneration requirements that are considered more onerous are limited only to those individuals to whom the relevant rules apply. Notwithstanding this, the Committee recognises that the CEO pay ratio will fluctuate from year to year as it is dependent on a number of factors, some of which are out of the Committee's control, for example movements in share price which affect the value of deferred share-based compensation with performance conditions. The Committee therefore does not target a specific pay ratio, but will consider any movement in the ratio year-on-year when assessing the balance of remuneration for all other employees relative to maintaining a competitive remuneration package for the CEO.

Change in Board Directors' pay vs employees

The following table sets out the percentage change in remuneration from FY19 to FY20 paid to each Director, as well as the average percentage change for employees. Jupiter Fund Management plc only employs the CEO, CFO and Vice Chairman, however data for employees has been calculated looking at all employees for the Jupiter Group as a whole.

	% change in salary/fee (2019 to 2020)	% change in taxable benefits (2019 to 2020)[7]	% change in annual bonus (2019 to 2020)
Andrew Formica[1] – CEO	2%	14%	16%
Wayne Mepham[1] – CFO	0%	14%	16%
Edward Bonham Carter – Vice Chairman	0%	16%	12%
Nichola Pease[2] – Chairman (appointed 2 March 2020)	N/A	N/A	N/A
Liz Airey[3] – Chairman (stepped down 2 March 2020)	0%	75%	N/A
Jonathon Bond – NED, SID	0%	0%	N/A
Polly Williams – NED, Chair of Audit and Risk Committee	2%	-100%	N/A
Roger Yates[4] – NED, Chair of Remuneration Committee	19%	0%	N/A
Bridget Macaskill[3] – NED, Chair of Remuneration Committee	0%	14%	N/A
Karl Sternberg[5] – NED	5%	0%	N/A
Chris Parkin[2] – NED	N/A	N/A	N/A
Belinda Richards[2] – NED	N/A	N/A	N/A
Employees of Jupiter Group[6]	4%	12%	15%

1 2019 salary, benefits and bonus data for Andrew Formica and Wayne Mepham used in these calculations reflect their full year equivalent amounts, notwithstanding that the amounts actually received by them in 2019 were pro-rated in respect of the period of time they served as Executive Directors respectively.

2 Nichola Pease, Chris Parkin and Belinda Richards joined the Board in 2020, therefore prior year comparative data is not available for them.

3 The fees data for Liz Airey and Bridget Macaskill has been annualised for 2020 to reflect their full year equivalent amounts had they remained serving on the Board in their respective roles. Liz and Bridget stepped down from the Board on 2 March and 21 May 2020 respectively.

4 The fee increase for Roger Yates represents the increase received in conjunction with his appointment as Chairman of the Remuneration Committee on 21 May 2020.

5 The fee increase for Karl Sternberg represents the increase received in conjunction with his appointment to the Remuneration Committee on 6 July 2020.

6 For salary: calculated using the average of all salary percentage changes from 2019 to 2020 for all eligible employees of the Jupiter Group as part of the 2019 annual compensation review process. For benefits: calculated using the percentage increase in single level cover private medical and dental insurance premiums year on year. For annual bonus: calculated using the average of all full year equivalent discretionary annual bonus percentage changes from 2019 to 2020 for all eligible employees of the Jupiter Group as part of the 2020 annual compensation review process.

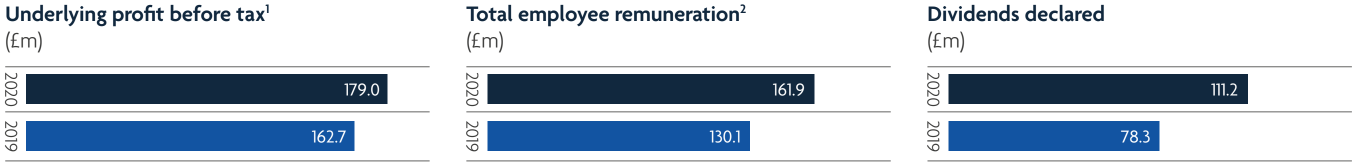
7 Benefits for Executive Directors and all other employees include private medical and dental insurance premiums.

Benefits for Non-Executive Directors comprise reasonable taxable business expenses incurred in the performance of duties and the payment of any tax arising, as reported in the table on page 100. The quantums involved are often de minimis, but small changes can result in large percentage fluctuations shown in the table above.

ANNUAL REPORT ON REMUNERATION

Relative importance of spend on pay

The following chart shows the Group's profit before tax, total employee remuneration and dividends declared on ordinary shares for 2020 and 2019.



1 Stated before exceptional items (see APMs on page 27).

2 Being fixed staff costs before exceptional items plus variable staff costs before exceptional items (see page 22).

Total employee remuneration has increased by 24%. Fixed staff costs increased by 28% which was driven by increased headcount during 2020 due to the Merian acquisition, including those who left during 2020. Variable compensation increased by 21% which had three main drivers. Firstly, amounts due to fund managers in relation to shares of performance fee revenues offset by a reduction in bonus awards in 2020, in line with the decrease in profitability excluding performance fees, and the 31% decrease in the Group's share price in 2020 producing a credit on the national insurance charge in the year on deferred awards.

Shareholder voting

The following table sets out the voting outcomes in respect of the most recent AGM votes on the Annual Report on Remuneration and the Directors' Remuneration Policy, held on 20 May 2020 and 16 May 2018 respectively.

	For	Percentage of total votes cast	Against	Percentage of total votes cast	Witheld
Annual Report on Remuneration at 2020 AGM	373,197,433	97.01	11,511,682	2.99	608,986
Directors' Remuneration Policy at 2018 AGM	283,433,482	81.16	65,778,651	18.84	19,438,633

Advisers

In September 2017 the Remuneration Committee conducted a review of the appointment of its independent advisers. The process included a series of interviews with the Chairman and members of the Committee. As a result of that review Deloitte LLP were confirmed as advisers to the Committee and a new team was appointed.

The Committee has formally reviewed the work undertaken by Deloitte and is satisfied that the advice they have received has been objective and independent. Deloitte are founder members of the Remuneration Consultants Group and abide by its code of conduct in relation to executive remuneration consulting in the UK. Fees paid to Deloitte for executive remuneration consulting were £132,830 in 2020, determined on a time-spent basis. Deloitte also provide advice to the Company relating to regulatory matters and provided due diligence support during the year. The Remuneration Committee does not consider that the other advice provided has any impact on Deloitte's independence as advisers to the Remuneration Committee.

On behalf of the Board

Roger Yates, Chairman of the Remuneration Committee
25 February 2021

DIRECTORS' REPORT

The Directors present their report and the Group's audited Financial Statements for the year ended 31 December 2020.

Principal activities and results

The Company's principal activity is to act as a holding company for a group of investment management companies. Our business model is based on helping clients achieve their long-term investment objectives, by creating value through our investment performance and stewardship of the funds we manage and the effective distribution thereof. Our business model is explained in the Strategic report. The Group operates principally in the United Kingdom with international operating subsidiaries in Luxembourg, which has branches across Europe, Ireland, Hong Kong, Singapore, the United States and Switzerland.

The Company is incorporated with Company Number 6150195 and is domiciled in England and Wales.

Other information, which forms part of this Directors' report, can be found in the following sections of the Annual Report and is deemed to form part of this report:

- Commentary on the development and performance in the year ended 31 December 2020, and likely future developments in the Group's business, is included in the Strategic report on pages 1 to 57.
- Descriptions of the Group's financial risk management objectives and policies, and its exposure to risks arising from its use of financial instruments, are set out in Note 5.2 to the Financial Statements on pages 145 to 149.
- Information concerning Directors' contractual arrangements and entitlements under share-based remuneration arrangements is given in the Remuneration report on pages 80 to 114.
- The Group's environmental performance data, including the absolute Scope 1 and 2 emissions for 2020, can be found in the Corporate Responsibility section of the Strategic report on page 43.
- Information concerning the involvement of employees in the business is also given in the Strategic report on pages 32 to 35 and on pages 46 and 49.
- How we consider stakeholder interests, including our s.172 statement, can be found on pages 48 to 49, and our engagement practices can be found on pages 46 to 47.

Disclosure required under the listing rules and the disclosure guidance and transparency rules DTR 4.1.5R, DTR 4.1.8R and DTR 4.1.11R

Information which is the required content of the Management report can be found in the Strategic report and in this Directors' report.

LR 9.8.4 R

The following table is disclosed pursuant to Listing Rule 9.8.4 R. The information required to be disclosed, where applicable to the Company, can be located in the Annual Report and Accounts at the references set out below:

Information	Location
Interest capitalised	Not applicable
Shareholder waiver of dividends	Note 4.3
Shareholder waiver of future dividends	Note 4.3
Agreements with controlling shareholders	Not applicable
Provision of services by a controlling shareholder	Not applicable
Details of long-term incentive schemes	Remuneration Report and Note 1.5
Waiver of emoluments by a Director	Page 100
Waiver of future emoluments by a Director	Not applicable
Significant contracts	Page 117
Non pre-emptive issues of equity for cash	Not applicable
Non pre-emptive issues of equity for cash in relation to major subsidiary	Not applicable
Participation by parent of a placing by a listed subsidiary	Not applicable
Publication of unaudited financial information	Page 171

All the information cross referenced above is incorporated by reference into this Directors' report.

Compliance statement – DTR 7.2

This statement has been provided by the Chairman in her introduction to the Governance section on page 60 and is deemed to form part of this Directors' report.

Internal control and risk management systems – DTR 7.2.5

A description of the Company's financial reporting, internal control and risk management processes can be found on pages 50 and 52.

Structure of capital and voting rights – DTR 7.2.6

As at 31 December 2020 and 25 February 2021, there were 553,060,741 fully paid ordinary shares of 2p, amounting to £11,061,215. On 2 July 2020 95,360,825 new ordinary shares were issued following completion of the acquisition of Merian. Each share in issue is listed on the Official List maintained by the FCA in its capacity as the UK Listing Authority. 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 6 May 2021 are set out in the Notice of Annual General Meeting. To be valid, the appointment of a proxy to vote at a general meeting must be received not less than 48 hours before the time appointed for holding the meeting. Full details on how to submit the proxy can be found in the AGM Notice.

As part of the acquisition of Merian, TA Associates were issued 84,115,278 ordinary shares in the Company, representing 15.21% of the issued share capital. Under the terms of the transaction TA Associates retain the right to appoint a Non-Executive Director to the Board of the Company for so long as they hold, directly or indirectly, 10% or more of the Company's issued share capital.

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 25 February 2021, the SIP Trustee held 0.3% 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 25 February 2021, the EBT Trustee held 2.9% of the Company's issued share capital.

CREST

The Company's ordinary shares are in CREST, the settlement system for stocks and shares traded on the London Stock Exchange.

Restrictions on transfer of shares

Lock-up agreements

On 1 July, 95,360,825 new ordinary shares in the Company were issued as consideration for the acquisition of Merian and, as part of the agreement, are subject to restrictions on transfer. The following share lock-up agreements were entered into on 1 July 2020.

- TA Associates, holding 84,115,278 shares, have a lock-up agreement for 24 months from 1 July 2020, subject to certain exemptions and further restrictions on disposal volumes after the end of the lock-up period.
- Certain Key Merian Management shareholders, together holding 11,245,547 shares, have lock-up agreements for (i) any of their respective shares for a period of 12 months from 1 July 2020 and (ii) more than 25% of their respective shares for a period of three years from 1 July 2020, both subject to certain exemptions.

Board of Directors

During the year, Nichola Pease joined the Board as Chairman on 2 March 2020, on the same date that the incumbent Chairman, Liz Airey, stepped down. Bridget Macaskill retired from the Board at the Company's AGM in May and Chris Parkin joined the Board as a shareholder nominated Non-Executive Director on 2 July 2020, following the acquisition of Merian. Belinda Richards was appointed to the Board as a Non-Executive Director on 1 September and stepped down from the Board on 30 September due to personal reasons. There have been no further Board changes up until the date of this report.

The Directors who served during the year are as follows:

- Liz Airey (to 2 March 2020)
- Edward Bonham Carter
- Jonathon Bond
- Andrew Formica
- Bridget Macaskill (to 21 May 2020)
- Wayne Mepham
- Chris Parkin (appointed 2 July 2020)
- Nichola Pease (appointed 2 March 2020)
- Belinda Richards (appointed 1 September 2020, resigned 30 September 2020)
- Karl Sternberg
- Polly Williams
- Roger Yates

In October 2020 the Company announced that Edward Bonham Carter, Executive Vice Chairman, would not seek re-election at the Company's 2021 AGM. In addition Jonathon Bond has decided to stand down from the Board and will not seek re-election at the 2021 AGM.

Directors' interests

The Directors' interests in the Company's shares are set out in the Remuneration report on page 105. No Director had a material interest in any significant contract (other than a service contract or contract for services) with the Company at any time during the year.

The Directors are advised of their statutory duty to avoid conflicts of interest with those of the Company. All actual and potential conflicts are brought to the attention of the Board. The operation of the Company's policy on conflicts of interest is described in the Governance section on page 71.

The rights and obligations attaching to the Company's ordinary shares, as well as the powers of the Company's Directors, are set out in detail in the Company's Articles of Association, which are made available for inspection by the Company's shareholders at the AGM and are available on our website **www.jupiteram.com**.

Substantial share interests

As at 31 December 2020, the Company had been notified of the following voting interests in the ordinary share capital of the Company in accordance with DTR 5 of the FCA's Disclosure Guidance and Transparency Rules. Percentages are shown as notified, calculated with reference to the Company's disclosed share capital as at the date of the movement triggering the notification.

Substantial interests as at 31 December 2020

Name	Number of shares notified to the Company	Percentage interest %
Silchester International Investors LLP	99,495,627	17.99
TA Associates	84,115,278	15.21

No notifications have been disclosed to the Company in accordance with DTR 5 during the period 1 January 2021 to 25 February 2021.

Supplier oversight and significant contracts

Following the Merian integration, Jupiter now has ten significant oversight relationships:

- SS&C Technologies – Transfer Agent for unit trusts
- JPMorgan – Custody, Fund Administration, Depositary & Transfer Agent for SICAVs & Investment Trusts
- Northern Trust – Custody, Fund Administration & Depositary for unit trusts.
- IHS Markit – Enterprise Data Management (EDM) software
- BlackRock – Trading, Portfolio Management and Risk Reporting system for all funds
- RBS – Client Money Account and Jupiter Group Accounts
- Citi – Depositary, Fund Administration and Prime Brokerage
- FNZ – Fund Administration
- Maitland – AiFM, Co Sec and Administrator for the Chrysalis fund range
- IFS State Street – Administrator, Regulatory Reporting and Transfer Agent for the Arbea fund

These organisations' activities are defined in service level agreements that are closely monitored to ensure that service delivery standards are met.

Jupiter's supplier management function oversees a suite of agreed activities, including: formal meeting governance; the review of key performance indicators; reviews by Jupiter's assurance functions (including Service Delivery, Business Continuity, IT Security, Enterprise Risk, Compliance and Internal Audit where appropriate); site visits; and the review of key reports (including controls assurance reports and the financial report and Financial Statements. Any risks or issues arising are progressed through to resolution and, where appropriate, escalated to Senior Management and reported to the Board.

Employees

The Group gives full and fair consideration to applications for employment from disabled persons, where a disabled person can adequately fulfil the job's requirements. Where existing employees become disabled, the Group's policy, wherever practicable, is to provide continuing employment under normal terms and conditions and make any required changes to their working environment. The Group provides training, career development and promotion to disabled employees.

Further details of the Company's employment procedures and practices are set out in the Strategic report on pages 32 to 35.

Dividends

The Directors have recommended a final dividend in respect of the year ended 31 December 2020 of 9.2 pence per ordinary share (2019: 9.2 pence per ordinary share). Payment of this dividend is subject to approval by shareholders at the AGM. The Directors have also declared a special dividend of 3 pence per ordinary share. The ordinary and special dividends will be paid on 14 May 2021, to shareholders on the register at the close of business on 16 April 2021.

Appointment and replacement of Directors

The Company's Articles of Association provide that Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director holds office only until the next AGM.

In accordance with the Company's Articles of Association and the Code's requirements, all serving Directors offer themselves for election or re-election at the AGM in 2021. This year Edward Bonham Carter and Jonathon Bond will step down at the 2021 AGM and will not therefore offer themselves for re-election.

As detailed above TA Associates retain the right to appoint a Non-Executive Director to the Board, for so long as they own 10% or more of the Company's issued share capital.

In addition to any powers under the Companies Act 2006 (the Act) to remove Directors from office, the Company may, by passing an ordinary resolution, remove any Director from the Board before the expiration of his or her period in office. The Company may, subject to the Articles of Association, appoint by ordinary resolution another person who is willing to be a Director in his or her place. The Company's Articles of Association may be amended by special resolution of the shareholders.

Powers of the Directors

The Directors manage the Company under the powers set out in the Company's Articles of Association. These powers include the Directors' ability to issue or buy back shares. An ordinary resolution was passed at the AGM on 21 May 2020, authorising the Directors to allot new ordinary shares up to an aggregate nominal amount of £3,051,332, representing approximately one third of the Company's issued share capital. The Directors intend to seek shareholders' approval for the renewal of this authority at the AGM, to allot and grant rights to subscribe for ordinary shares up to an aggregate nominal amount of £3,687,071, representing approximately one third of the Company's issued share capital as at 25 February 2021. If approved, this authority will expire on 30 June 2022 or, if earlier, at the conclusion of the AGM in 2022.

At the AGM in 2020, shareholders approved a resolution authorising the Company to make purchases of its own shares. As at 25 February 2021, 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 55,306,074 ordinary shares (approximately 10% of the Company's issued share capital as at 25 February 2021) 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 2022 or, if earlier, at the conclusion of the AGM in 2022.

Articles of Association

The Board is proposing to adopt new Articles of Association at the 2021 AGM. The Articles are being changed to enable the Company to hold hybrid general meetings enabling shareholders to participate and vote electronically. The revised Articles of Association will be available on the Company's website at **www.jupiteram.com**.

Independent auditors and audit information

PwC were reappointed as external auditors following a tender conducted in 2014. In accordance with the FRC's recommendations as set out in the Code, the audit will be retendered within 10 years of that appointment. It is proposed to undertake an external audit tender during 2021.

Important events affecting the Company since the end of the year

There have been no important events affecting the Company since the end of the year.

Directors' responsibility statements

The statement of Directors' responsibility for preparing the Annual Report and Accounts is set out on page 119 and is deemed to form part of the Directors' report. Within this, the Directors have included a statement that the Annual Report and Accounts present a fair, balanced and understandable assessment of the Group's position and prospects. To help the Board discharge its responsibilities in this area, the Board consulted the Audit and Risk Committee, which advised on the key considerations to comply with best practice and the Code's requirements.

Following the Committee's advice, the Board considered and concluded that:

- the business model and strategy were clearly described;
- the assessment of performance was balanced;
- KPIs were used consistently;
- the language used was concise, with good linkages to different parts of the document; and
- an appropriate forward-looking orientation had been adopted.

Going concern

The Strategic report discusses the Group's business activities, together with the factors likely to affect its future development, performance and position. In addition, it sets out the Group's financial position, cash flows, liquidity position and borrowing facilities. The financial risk management note to the Financial Statements sets out the Group's objectives, policies and processes for managing capital and its financial risk management objectives, together with details of financial instruments and exposure to credit and liquidity risk.

The Group has access to the financial resources required to run the business efficiently and has a strong gross cash position. The Group's forecasts and projections, which are subject to rigorous sensitivity analysis, show that the Group will be able to operate within its available resources. This has included a detailed focus on the market uncertainty arising from Covid-19 and the potential for multiple risks to occur simultaneously. As a consequence, the Directors consider it appropriate to prepare the annual Financial Statements on a going concern basis of accounting.

Statement of viability

In accordance with Provision 31 of the Code, the Directors have assessed the prospects of the Group over a longer period than the 12 months as required by the Going Concern provision. Details of the assessment can be found in the Financial review on page 26.

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 Directors' and Officers' liability insurance cover for Directors.

Directors' service agreements

Each Executive Director, at the time of this report, has a written service agreement. For the CEO, this may be terminated by either party on not less than 12 months' notice in writing and for other Executive Directors on not less than 6 months' notice in writing.

Non-Executive Directors' letters of appointment

The letters of appointment of the Non-Executive Directors are issued for an initial period of three years, which may be renewed for further terms as appropriate. All appointments are subject to a review by the Nomination Committee upon the third anniversary and on extension a further review is undertaken at the sixth anniversary at which the Board's succession plans and the need to refresh the Board's skills and experiences are carefully considered.

The role and responsibilities of each Director are clearly set out and include the duties of a Director as provided in the Act. It is made clear that these duties do not include any management function but an indication that the Director is expected to support and challenge Management and help in the development of the Group's strategy. Three months' notice in writing is required to be served by either party to terminate the appointment.

The Non Executive Directors' letters of appointment are available for inspection at the Company's registered office during normal business hours and at the AGM (for 15 minutes prior to, and during, the Meeting).

Compensation for loss of office

With reference to Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (paragraph 13(2)(k)), there are no agreements in place between the Company and any Director or employee for loss of office in the event of a takeover.

Political donations

The Group made no political donations or contributions during the year (2019: £nil).

Annual General Meeting

The AGM will take place on 6 May 2021. 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. Due to Covid-19 and the current government restrictions in place we may have to restrict access to our AGM. We will hold an engagement call with shareholders in April and before they are required to submit their proxy votes. Due to the continued uncertainty we ask shareholders to review our announcements and Company website for further information.

This document will be available on the Company's website at **www.jupiteram.com**.

By order of the Board

Lisa Daniels, Company Secretary
25 February 2021

DIRECTORS' RESPONSIBILITY AND COMPLIANCE STATEMENTS

Statements relating to the preparation of the Financial Statements

The Directors are responsible for preparing the Annual Report, the Remuneration Report and the Financial Statements in accordance with applicable law and regulations. Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Group and Company Financial Statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. Additionally, the Financial Conduct Authority's Disclosure Guidance and Transparency Rules require the Directors to prepare the Group Financial Statements in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

The Directors' review of the Financial Statements

The Directors undertook a detailed review of the Financial Statements in February 2021. Following this examination, the Board was satisfied that the Financial Statements for 2020 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 and prudent; and
– where applicable International Accounting Standards in conformity with the requirements of the Companies Act 2006 and, for the Group, International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union have been adopted, they have been followed and that there were no material departures.

The Directors' review of going concern

The Financial Statements have been prepared on the going concern basis, the Directors having determined that the Company is likely to continue in business for at least 12 months from the date of this report.

The Directors' review of current position, prospects and principal risks

Supported by the Audit and Risk Committee, the Directors have completed a robust review and assessment of the principal risks in the business making use of the Enterprise Risk Framework which operates in all areas of the Company. The framework ensures that the relevant risks are identified and managed and that information is shared at an appropriate level. Full details of these risks are provided in the Risks to our Strategy pages of the Strategic report. The Board subjected the Enterprise Risk Framework to a detailed review in December. The Directors found it was an effective mechanism through which the principal risks and the Company's risk appetite and tolerances could be tested and challenged.

The Directors' responsibility for accounting records

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the Financial Statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors' responsibility for the safekeeping of assets

The Directors have examined the steps in place for ensuring the prevention and detection of fraud and other irregularities. The procedure is examined and tested on a regular basis. The Board is satisfied it is understood and is operated well, and accordingly that the assets of the Company are safeguarded and protected from fraud and other irregularities.

The Directors' responsibility for information

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Statement of Directors' responsibilities

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 Group's and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Directors' profile on pages 62 to 63 confirm that, to the best of their knowledge:

– the Group and Company Financial Statements, which have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Group and profit of the Company; and
– the Directors' report contained in the Annual Report and Accounts includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each director in office at the date the Directors' report is approved:

– so far as the director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
– they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

On behalf of the Board

Wayne Mepham, Chief Financial Officer
25 February 2021

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2020

	Notes	2020 £m	2019 £m
Revenue	1.1, 1.2	500.5	419.3
Fee and commission expenses	1.1	(42.7)	(40.2)
Net revenue	1.1	**457.8**	**379.1**
Administrative expenses	1.3	(312.1)	(228.5)
Other gains	1.6	3.3	4.1
Amortisation of intangible assets	3.2	(11.3)	(1.8)
Operating profit		**137.7**	**152.9**
Finance income	1.7	–	0.1
Finance costs	1.8	(5.1)	(2.0)
Profit before taxation		**132.6**	**151.0**
Income tax expense	1.9	(27.3)	(28.2)
Profit for the year[1]		**105.3**	**122.8**
Earnings per share			
Basic	1.10	21.3p	27.5p
Diluted	1.10	20.8p	26.8p

1 Non-controlling interests are presented in the Consolidated statement of changes in equity.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2020

	Notes	2020 £m	2019 £m
Profit for the year		**105.3**	**122.8**
Items that may be reclassified subsequently to profit or loss			
Exchange movements on translation of subsidiary undertakings	4.2	0.7	(0.8)
Other comprehensive income/(loss) for the year net of tax		**0.7**	**(0.8)**
Total comprehensive income for the year net of tax		**106.0**	**122.0**

NOTES TO THE GROUP FINANCIAL STATEMENTS – INCOME STATEMENT

Introduction

The Group's financial statements have been split into sections to assist with their navigation and align with the Chief Financial Officer's review on pages 20 to 27.

Accounting policies are contained within relevant notes, with the basis of preparation and general policies collected in Section 5. An explanation of the use of alternative performance measures (APMs) is provided within the Chief Financial Officer's review on page 27.

The impact of exceptional items on the financial statements

The Group has presented certain items as exceptional in 2019 and 2020. In 2020, these items principally relate to the Merian acquisition which has resulted in additional disclosures, including explanations of new areas of accounting estimates, judgements and assumptions. Further details of all items that are deemed exceptional in 2019 and 2020 are explained below, as well as within the relevant notes to the financial statements and in the Chief Financial Officer's Review on page 23.

The use of exceptional items and underlying profit measures in the Strategic report

In the Strategic report of this document, the Group makes use of a number of APMs, including 'Underlying profit before tax'. The use of such measures means that financial results referred to in the Strategic report section of this document may not be equal to the statutory results reported in the financial statements. Guidelines issued by the European Securities and Markets Authority require such differences to be reconciled. As a result of the Merian acquisition, the difference between 'Underlying profit before tax' and the statutory profit before tax is larger than in 2019, due to the recognition of material acquisition and integration costs.

'Underlying profit before tax', which is defined on page 27, is equal to the statutory profit before tax less exceptional items. Exceptional items are also defined on page 27. The financial statements do not refer to or use such measures, but the table below provides a reconciliation, indicating in which note or notes to the statutory financial statements the exceptional items are recorded. Further detail on these items can be found in the relevant notes.

	Notes	2020 £m	2019 £m
Underlying profit before tax (page 24)		**179.0**	**162.7**
Exceptional items included within the following notes:			
Net revenue	1.1	10.0	–
Administrative expenses	1.3	(47.0)	(11.7)
Intangible assets	3.2	(9.4)	–
Statutory profit before tax		**132.6**	**151.0**

Disclosure of relevant accounting information relating to the acquisition

Disclosures required under IFRS 3 Business Combinations can be found in Note 5.4.

Other disclosures

Disclosure of certain items treated as exceptional that are not related to the acquisition are reported in Note 1.4.

New areas of accounting estimates, judgements and assumptions

As a result of the acquisition, there are new accounting estimates and judgements in respect of:

– Assessment of cash-generating units (CGUs) in respect of acquired goodwill (see Note 3.1)

– Intangible assets (see Note 3.2)

– Contingent consideration receivable (see Note 5.4)

– Indemnification against future staff costs (see Note 5.4)

The acquisition also resulted in certain deferred bonus awards that are related to the purchase price but which are required to be recognised as compensation costs. There is estimation in the calculation of share-based payments, with similar principal considerations to existing deferred bonus awards. These are disclosed in Note 1.5.

As the Group has determined that it has a single CGU for the purpose of assessing the carrying value of goodwill (see Note 3.1) in relation to impairment, the increase in goodwill as a result of the acquisition does not result in any new estimates or judgements.

1.1. Revenue

The Group's primary source of revenue is management fees. Management fees are charged for investment management or administrative services and are normally based on an agreed percentage of the assets under management (AUM). Initial charges and commissions are for additional administrative services at the beginning of a client relationship, as well as ongoing administrative costs. Performance fees may be earned from some funds when agreed performance conditions are met. Net revenue is stated after fee and commission expenses to intermediaries for ongoing services under distribution agreements.

Revenue

Revenue comprises the fair value of the consideration received or receivable for the provision of investment management services. Revenue is shown net of any value added tax, rebates and discounts. Our revenue components are accounted for as follows:

- management fees are earned over a period of time, and revenue is recognised in the same period in which the service is performed. Management fees are normally calculated as a percentage of net fund assets managed in accordance with individual management agreements and are billed to the client each period shortly after the relevant asset data is available, with settlement terms commonly being 30 days or less;
- initial charges and commissions on sales of unit trusts are deferred and amortised over the anticipated period of the provision of investment management services. Revenue for initial charges and commissions is recognised over a period of time, but payment is taken upfront resulting in the recognition of contract liabilities; and
- performance fees are calculated as a percentage of the appreciation in the net asset value of a fund above a defined hurdle and are recognised when the fee amount can be estimated reliably and it is highly probable that it will not be subject to significant reversal. Such fees are normally recognised at the end of the relevant reporting period of the fund and payment is collected shortly after.

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

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

Fee and commission expenses

These are paid to third parties for ongoing services under distribution agreements and are charged to the income statement over the period in which the service is expected to be provided. The services provided include the provision of access to a basket of fund products, information on financial products, promotional materials, ongoing services to clients and transaction processing.

	2020 £m	2019 £m
Management fees	426.6	410.0
Initial charges and commissions	0.3	1.4
Performance fees	73.6	7.9
Revenue	**500.5**	**419.3**
Fee and commission expenses relating to management fees	(42.6)	(40.0)
Fee and commission expenses relating to initial charges and commissions	(0.1)	(0.2)
Net revenue	**457.8**	**379.1**

The Chief Financial Officer's review on page 23 refers to exceptional items which comprise £10.0m within revenue. This exceptional item is included within performance fees of £73.6m in the table above. This performance fee revenue of £10.0m is related to the indemnification by TA Associates under the sale and purchase agreement of certain deferred awards to former shareholders of Merian who were also fund managers.

The performance fees have been earned in the normal course of business, but they have been disclosed as exceptional items to offset the exceptional cost of the deferred earn out awards that would not have been recorded as a cost to the Group if the indemnification by TA Associates were required to be fulfilled (see Note 5.4).

Disaggregation of revenue

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

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

Revenue by product type	**2020 £m**	2019 £m
Pooled funds	462.2	399.0
Segregated mandates	38.3	20.3
Revenue	**500.5**	**419.3**

1.2. Segmental reporting

The Group offers a range of products and services through different distribution channels. All financial, business and strategic decisions are made centrally by the Board of Directors (the Board), which determines the key performance indicators of the Group. Information is reported to the chief operating decision maker, the Board, on a single-segment basis. While the Group has the ability to analyse its underlying information in different ways, for example by product type, this information is only used to allocate resources and assess performance for the Group as a whole. On this basis, the Group considers itself to be a single-segment investment management business.

Management monitors operating profit for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

Revenue by location of clients	2020 £m	2019 £m
UK	374.9	322.5
Continental Europe	77.3	65.2
Asia	20.6	19.4
Rest of the world	27.7	12.2
Revenue by location	**500.5**	**419.3**

The location of clients is based on management information received from distribution partners. Where management information is not available, the location of the distribution partner is used as a proxy for the location of the client.

Non-current assets for the Group (excluding financial instruments and deferred tax assets) are domiciled in the UK, continental Europe and Asia, as set out below:

Non-current assets for the Group	2020 £m	2019 £m
UK	686.2	395.4
Continental Europe	1.9	2.1
Asia	0.8	1.4
Non-current assets by location	**688.9**	**398.9**

1.3. Administrative expenses

The largest administrative expense is staff costs. The other administrative expenses category includes certain significant costs such as administration fees, expenditure relating to non-capitalisable investment in the business, marketing and IT costs.

Administrative expenses comprise:

	2020 £m	2019 £m
Staff costs (Note 1.4)	181.9	141.8
Depreciation of property, plant and equipment (Note 3.3)	6.0	5.8
Auditors' remuneration (see below)	2.5	1.6
Other administrative expenses	121.7	79.3
Total administrative expenses	**312.1**	**228.5**

Auditors' remuneration	2020 £m	2019 £m
Fees payable to the Company's auditors and their associates for the audit of the parent company and consolidated financial statements	0.5	0.3
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	0.8	0.7
Audit-related assurance services	0.3	0.2
Other assurance services	0.9	0.2
Other non-audit services	–	0.2
Total auditors' remuneration	**2.5**	**1.6**

The Chief Financial Officer's review on page 23 provides details of exceptional items of £47.0m (2019: £11.7m) within administrative expenses. Of this, £20.0m (2019: £11.7m) is in respect of staff costs and £27.0m (2019: £nil) relates to other administrative expenses. The staff costs are described further in Note 1.4. Other administrative expenses classified as being exceptional on page 22 principally comprise legal and professional fees associated with the Merian acquisition and consultancy fees relating to the post-acquisition integration process of the Merian business.

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.

	2020 £m	2019 £m
Wages and salaries	127.3	95.3
Share-based payments (Note 1.5)	19.8	24.5
Social security costs	16.6	17.6
Pension costs	6.2	5.0
Redundancy costs	12.9	2.4
Staff costs before gains arising from the economic hedging of fund awards	**182.8**	**144.8**
Net gains on instruments held to provide an economic hedge for fund awards (Note 1.6)	(0.9)	(3.0)
Staff costs	**181.9**	**141.8**

Note 1.3 refers to £20.0m (2019: £11.7m) of staff costs that are described as exceptional items within the Chief Financial Officer's review, comprising £16.0m relating to the acquisition of Merian and £4.0m relating to a redundancy programme. In 2020, these chiefly comprise cash and share-based DEO awards and redundancy costs which relate to both the Merian acquisition and to restructuring of the Jupiter business post-integration. In 2019, exceptional items related mainly to the acceleration of share and fund-based compensation awards and redundancy costs.

Pension costs

The Group contributes to a number of defined contribution pension schemes for the benefit of its employees. Contributions in respect of the UK employees (at the rate of 15% of gross salary) are made into the Jupiter Pension Scheme whose financial statements are available from the trustees at the registered office of the Company. No liability is included in the balance sheet as no obligations were outstanding at the balance sheet date.

Contributions made by the Group are charged to the consolidated income statement as they become payable in accordance with the rules of the schemes.

Fund units

As described in Note 1.5(i), deferred bonuses can be deferred into either options over the Company's shares or a cash equivalent to units in the Group's funds. The expense included within wages and salaries in the income statement in relation to fund units for the year ended 31 December 2020 was £32.8m (2019: £24.9m).

Where bonuses are deferred into fund units, the fair value of the award is expensed over the vesting period and included within staff costs. The liability is revalued at each balance sheet date to the expected settlement amount, being the current market value of the underlying fund units adjusted for proportion of the vesting period that has passed. Any increase or decrease in value is recognised in the income statement within staff costs. The liability is included in the balance sheet as part of accrued expenses within trade and other payables (see Note 3.9).

The Group hedges its exposure to price fluctuations in the underlying fund units by purchasing the fund units at the date of grant. These are included within financial assets at fair value through profit or loss (FVTPL) in the balance sheet. Changes in the fair value of the units are recognised in the income statement within staff costs in order to match the gains and losses of both the hedging instrument and the hedged item within the same line item of the income statement.

Average number of employees

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

	2020 Number	2019 Number
Fund management	116	83
Distribution and marketing	145	133
Infrastructure and operations	332	313
	593	**529**

Information regarding Executive Directors' aggregate emoluments of £2.9m (2019: £3.3m) is set out in the Remuneration report.

1.5. Share-based payments

The Group engages in share-based payment transactions in respect of services receivable from certain employees by granting the right to either shares or options over shares, subject to certain vesting conditions and exercise prices. These have been accounted for as equity-settled share-based payments.

The fair value of the awards granted in the form of shares or share options is recognised as an expense over the appropriate performance and vesting period. The corresponding credit is recognised in retained earnings within total equity. The fair value of the awards is calculated using an option pricing model, the principal inputs being the market value on the date of award, discounted for any dividends foregone over the holding period of the award, and an adjustment for expected and actual levels of vesting which includes estimating the number of eligible employees leaving the Group and the number of employees satisfying the relevant performance conditions. Shares and options vest on the occurrence of a specified event under the rules of the relevant plan.

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

	2020 £m	2019 £m
Deferred Bonus Plan (DBP)	15.7	17.2
Long-term Incentive Plan (LTIP)	2.8	7.1
Deferred Earn Out (DEO)	1.1	–
Sharesave Plan (SAYE)	(0.2)	(0.1)
Share Incentive Plan (SIP)	0.4	0.3
Total (Note 1.4)	**19.8**	**24.5**

The fair value of the services provided by employees has been calculated indirectly by reference to the fair value of the equity instruments granted. Fair value amounts for the options granted under the DBP, LTIP and SAYE schemes were determined using a Black-Scholes option-pricing method and the following assumptions:

	2020			2019		
	DBP 2019	LTIP 2020	SAYE 2020	DBP 2018	LTIP 2019	SAYE 2019
Weighted average share price	£2.71	£2.80	£2.13	£3.40	£3.41	£3.59
Weighted average exercise price	–	–	£1.65	–	–	£2.75
Weighted average expected volatility	27.0%	28.7%	32.4%	24.7%	26.2%	26.2%
Weighted average option life (years)	2.5	4.4	4.3	2.7	4.2	4.1
Weighted average dividend yield	–	–	7.6%	–	–	4.8%
Weighted average risk-free interest rate	–	(0.1)%	–	0.5%	0.4%	0.5%

Expected volatility for options granted in 2020 and 2019 has been calculated using the historical volatility of the Group.

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

The Group provides a sensitivity analysis to show the impact to the Group's profit before taxation in the event that forfeiture and performance condition assumptions exceed or are below the Group's estimations by the stated percentages:

Impact on the income statement of a change in leaver assumptions	2020 £m	2019 £m
+5%	(2.0)	(1.3)
-5%	1.7	1.1

Impact on the income statement of a change in performance condition vesting assumptions	2020 £m	2019 £m
+25%	3.1	1.4
-25%	(3.1)	(1.4)

The use of estimation in the calculation of share-based payments

At the year end, the Group had approximately 22.2 million share-based awards in issue. Each year, existing awards vest and new awards are made. Around 13.2 million share-based awards were issued in 2020 in the form of deferred bonus and LTIP awards. In addition, as part of the Merian acquisition, deferred earn out (DEO) awards over shares to a maximum value of £20.0m were granted. Given their significance as a form of employee remuneration for the Group, share-based payments have been included as an area where the use of estimation is important in Note 5.1. The principal estimations made relate to:

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

These estimates are reviewed regularly and the charge to the income statement is adjusted appropriately (at the end of the relevant scheme as a minimum). The sensitivity analysis demonstrates that the risk of material adjustment as a result of changes to our estimations in respect of granted awards by 5% for leavers and 25% for performance condition assumptions is not considered to be significant or material.

(i) Deferred Bonus Plan (DBP)

All employees of the Group who are eligible for a bonus over a certain level, as determined by the Remuneration Committee, are required to participate in the DBP. The DBP provides for compulsory deferral of a proportion of bonus. Deferrals are made into either options over the Company's shares or a cash amount equivalent to the value of units in the Group's funds (see Note 1.4 for information on the treatment of fund units). The awards in respect of DBP are granted after the year end to which they relate. The awards made in 2019 and 2020, in relation to 2018 and 2019 performance respectively, 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 2021 in relation to 2020 performance, thus a charge for these awards has been taken to the income statement in 2020.

1.5. Share-based payments continued

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

	2020		2019	
Options outstanding	Number	WAEP £	Number	WAEP £
At 1 January	9,374,297	–	8,067,347	–
Granted	6,644,446	–	5,584,285	–
Exercised	(5,298,164)	–	(3,904,462)	–
Forfeited	(36,874)	–	(372,873)	–
At 31 December	**10,683,705**	**–**	**9,374,297**	**–**
Exercisable at 31 December	**691,500**	**–**	**55,638**	**–**

There were 5,298,164 options exercised under this plan in 2020 (2019: 3,904,462). The weighted average share price at the date of exercise of these options was £2.21 (2019: £3.68).

The weighted average fair value of options granted under this plan during the year was £2.94 (2019: £3.41).

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2020 was 1.6 years (31 December 2019: 1.6 years).

(ii) Long-Term Incentive Plan (LTIP)

All employees are eligible to participate in the LTIP. Awards are made at the discretion of the Remuneration Committee and may be granted in the form of options (either at market value, nominal value or nil cost), restricted shares or conditional share awards over the Company's shares. The LTIP awards granted in 2020 and 2019 took the form of options over the Company's shares.

	2020		2019	
Options outstanding	Number	WAEP £	Number	WAEP £
At 1 January	8,703,850	0.13	10,651,940	0.13
Granted	3,806,197	–	2,478,818	–
Exercised	(3,545,991)	0.02	(2,795,262)	0.02
Forfeited	(700,916)	0.12	(1,631,646)	0.08
At 31 December	**8,263,140**	**0.12**	**8,703,850**	**0.13**
Exercisable at 31 December	**1,352,700**	**0.02**	**1,270,511**	**0.02**

There were 3,545,991 options exercised under this plan in 2020 (2019: 2,795,262). The weighted average share price at the date of exercise of these options was £2.05 (2019: £3.50).

The weighted average fair value of options granted under this plan during the year was £2.86 (2019: £3.40).

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2020 was 2.4 years (31 December 2019: 2.2 years).

(iii) Deferred earn out (DEO)

As part of the sale and purchase agreement on the acquisition of Merian, certain former Merian shareholders, who are continuing in employment with Jupiter post-completion, have been granted nil-cost options over the Company's shares up to a maximum value of £20.0m. For these awards to vest, the awardees must meet certain performance conditions, based on net revenues, on 1 July 2023. On this date, the awards will be converted to a number of shares, corresponding to the average closing price of a Company share over the three dealing days ending immediately before 1 July 2023 and the fulfilment of the performance conditions. Should performance conditions be fulfilled, the awards will be exercisable on 1 July 2024 and 1 July 2025. Payment will be dependent on the awardees remaining in the employment of the Group until these dates.

(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% 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.

	2020		2019	
Options outstanding	Number	WAEP £	Number	WAEP £
At 1 January	1,504,781	3.01	1,349,943	3.44
Granted	2,711,385	1.65	958,265	2.75
Exercised	(37,363)	3.21	(206,145)	3.28
Forfeited	(1,066,892)	3.00	(597,282)	3.47
At 31 December	**3,111,911**	**1.83**	**1,504,781**	**3.01**
Exercisable at 31 December	**35,336**	**3.79**	**113,317**	**3.30**

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The weighted average share price at the date of exercise of these options was £3.77 (2019: £3.76) per ordinary share.

The weighted average fair value of the options granted under this plan during the year was £0.41 (2019: £0.73).

The range of exercise prices of options granted under this plan is between £1.65 and £4.29.

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2020 was 3.8 years (31 December 2019: 3.1 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 165,177 (2019: 94,813).

(vi) International Share Award (ISA)

All non-UK employees may participate in the Group's International Share Award, which was introduced in 2017 to create a non-UK plan similar to the Sharesave Plan. Under the terms of this award, international employees are offered the opportunity to be granted a share option which is exercisable after three years and three months. The exercise price is set at the same level as for the Sharesave Plan. Participants in the plan have six months from the date of vesting to exercise their option.

The number of awards made during the year was 68,732 (2019: 8,760).

1.6. Other gains

Other gains in 2020 relate principally to net gains made on a hedging instrument purchased to mitigate the Group's exposure to pricing movements in its own shares in respect of share-based awards it has granted and on the Group's seed investment portfolio and derivative instruments held to provide economic hedges against that portfolio. The portfolio and derivatives are held at fair value through profit or loss (see Note 3.5). Gains and losses comprise both realised and unrealised amounts.

	2020 £m	2019 £m
Dividend income	0.8	1.0
Gains on financial instruments designated at fair value through profit or loss upon initial recognition	14.3	8.2
Losses on financial instruments at fair value through profit or loss	(11.8)	(5.1)
Other gains	**3.3**	**4.1**
Net gains on instruments held to provide an economic hedge for fund awards (reported within Note 1.4)	0.9	3.0
	4.2	**7.1**

1.7. Finance income

The Group earns income as a result of holding cash in bank deposits.

Interest on cash and cash equivalents is recognised on an accruals basis using the effective interest method.

	2020 £m	2019 £m
Interest on bank deposits	–	0.1
	–	**0.1**

1.8. Finance costs

Finance costs principally relate to interest payable on Tier 2 subordinated debt notes and the unwinding of the discount applied to lease liabilities (see Notes 3.8 and 3.3 respectively for further details). Finance costs also include ancillary charges for commitment fees and arrangement fees associated with the revolving credit facility. Interest payable is charged on an accrual basis using the effective interest method.

	2020 £m	2019 £m
Interest on subordinated debt	3.1	–
Interest on lease liabilities	1.8	1.8
Finance cost on the revolving credit facility	0.2	0.2
	5.1	**2.0**

1.9. Income tax expense

The Group pays taxes according to the rates applicable in the countries in which it operates. The Group's headquarters are in the UK. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). Tax is charged to equity when the tax benefit exceeds the cumulative income statement expense on share plans.

The Group provides for current tax according to the tax laws of each jurisdiction in which it operates using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

1.9. Income tax expense continued

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.

	2020 £m	2019 £m
Current tax		
Tax on profits for the year	27.7	31.9
Adjustments in respect of prior years	(0.3)	(0.6)
Total current tax	**27.4**	**31.3**
Deferred tax		
Origination and reversal of temporary differences	(0.5)	(2.9)
Adjustments in respect of prior years	0.4	(0.2)
Total deferred tax (Note 3.4)	**(0.1)**	**(3.1)**
Income tax expense	**27.3**	**28.2**

Total tax expense

The corporation tax rate for 2020 was 19% (2019: 19%). The tax charge in the year is higher (2019: lower) than the standard rate of corporation tax in the UK and the differences are explained below:

Factors affecting tax expense for the year	**2020 £m**	2019 £m
Profit before taxation	132.6	151.0
Taxation at the standard corporation tax rate (19%; 2019: 19%)	25.2	28.7
Non-taxable expenditure	1.6	0.2
Other permanent differences	0.3	(0.6)
Adjustments in respect of prior years	0.1	(0.8)
Effect of differences in overseas tax rates	0.1	0.7
Total tax expense	**27.3**	**28.2**

1.10. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year less the weighted average number of own shares held. Own shares are shares held in an Employee Benefit Trust (EBT) for the benefit of employees under the vesting, lock-in and other incentive arrangements in place.

Diluted EPS is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year for the purpose of basic EPS plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

For the purposes of calculating EPS, the share capital of the parent is calculated as the weighted average number of ordinary shares in issue.

The weighted average number of ordinary shares used in the calculation of EPS is as follows:

Weighted average number of shares	**2020 Number m**	2019 Number m
Issued share capital[1]	505.4	457.7
Less time apportioned own shares held	(10.5)	(11.1)
Weighted average number of ordinary shares for the purpose of basic EPS	**494.9**	**446.6**
Add back weighted average number of dilutive potential shares	10.6	10.9
Weighted average number of ordinary shares for the purpose of diluted EPS	**505.5**	**457.5**

1 The Group issued 95.4m ordinary shares on 1 July 2020 (see Note 4.1).

Earnings per share	**2020 p**	2019 p
Basic	21.3	27.5
Diluted	20.8	26.8

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2020

	Notes	2020 £m	2019 £m
Cash flows from operating activities			
Cash generated from operations	2.1	131.8	184.0
Income tax paid		(27.2)	(34.2)
Net cash inflows from operating activities		**104.6**	**149.8**
Cash flows from investing activities			
Purchase of property, plant and equipment	3.3	(1.3)	(1.9)
Purchase of intangible assets	3.2	(1.3)	(1.7)
Purchase of financial assets at FVTPL		(251.5)	(454.4)
Proceeds from disposals of financial assets at FVTPL		249.0	418.0
Cash movement from funds no longer consolidated		–	(3.0)
Net cash received from acquisitions		68.2	–
Dividend income received		0.8	1.0
Finance income received		–	0.1
Net cash inflows/(outflows) from investing activities		**63.9**	**(41.9)**
Cash flows from financing activities			
Proceeds from debt issued	3.8	49.0	–
Repayment of borrowings	3.8	(111.0)	–
Dividends paid	4.3	(83.9)	(127.2)
Purchase of shares by EBT		(10.7)	(32.4)
Finance costs paid		(0.6)	(0.2)
Cash paid in respect of lease arrangements	3.3	(6.7)	(5.1)
Third-party subscriptions into consolidated funds		53.2	54.2
Third-party redemptions from consolidated funds		(47.5)	(16.7)
Distributions paid by consolidated funds		(1.6)	(2.8)
Net cash outflows from financing activities		**(159.8)**	**(130.2)**
Net increase/(decrease) in cash and cash equivalents		**8.7**	**(22.3)**
Cash and cash equivalents at beginning of year		179.4	201.7
Cash and cash equivalents at end of year	3.7	**188.1**	**179.4**

NOTES TO THE GROUP FINANCIAL STATEMENTS – CONSOLIDATED STATEMENT OF CASH FLOWS

2.1. Cash flows from operating activities

	Notes	**2020 £m**	2019 £m
Operating profit		137.7	152.9
Adjustments for:			
Amortisation of intangible assets	3.2	11.3	1.8
Depreciation of property, plant and equipment	3.3	6.0	5.8
Other gains		(7.0)	(4.9)
Fund unit hedges		(0.9)	(3.0)
Share-based payments		19.8	24.5
Cash inflows on exercise of share options		0.2	0.6
Increase in trade and other receivables		(53.2)	(12.1)
Increase in trade and other payables		17.9	18.4
Cash generated from operations		**131.8**	**184.0**

2.2. Changes in liabilities arising from financing activities

	Notes	**2020 £m**	2019 £m
Brought forward at 1 January	3.5	74.9	74.0
Changes from financing cash flows		5.7	37.5
Changes arising from obtaining or losing control of consolidated funds		–	(41.5)
Changes in fair values		8.6	4.9
Changes in financial liabilities at FVTPL	**3.5**	**89.2**	**74.9**
Issue of subordinated debt	3.8	49.2	–
Liabilities arising from financing activities carried forward at 31 December		**138.4**	**74.9**

CONSOLIDATED BALANCE SHEET

at 31 December 2020

	Notes	2020 £m	2019 £m
Non-current assets			
Goodwill	3.1	570.6	341.2
Intangible assets	3.2	70.8	5.8
Property, plant and equipment	3.3	47.4	51.7
Deferred tax assets	3.4	20.0	16.7
Trade and other receivables	3.6	0.5	0.5
		709.3	**415.9**
Current assets			
Financial assets at fair value through profit or loss	3.5	261.1	224.3
Trade and other receivables	3.6	187.3	109.1
Cash and cash equivalents	3.7	188.1	179.4
		636.5	**512.8**
Total assets		**1,345.8**	**928.7**
Equity			
Share capital	4.1	11.1	9.2
Share premium	4.1	242.1	–
Own share reserve	4.2	(0.2)	(0.3)
Other reserve	4.2	8.0	8.0
Foreign currency translation reserve	4.2	2.8	2.1
Retained earnings	4.2	622.5	592.7
Capital and reserves attributable to owners of Jupiter Fund Management plc		**886.3**	**611.7**
Non-controlling interests		(0.2)	–
Total equity		**886.1**	**611.7**
Non-current liabilities			
Loans and borrowings	3.8	49.2	–
Trade and other payables	3.9	87.4	77.2
Deferred tax liabilities	3.4	12.5	–
		149.1	**77.2**
Current liabilities			
Financial liabilities at fair value through profit or loss	3.5	89.4	74.9
Trade and other payables	3.9	212.8	158.4
Current income tax liability		8.4	6.5
		310.6	**239.8**
Total liabilities		**459.7**	**317.0**
Total equity and liabilities		**1,345.8**	**928.7**

The financial statements on pages 120 to 154 were approved by the Board of Directors and authorised for issue on 25 February 2021.
They were signed on its behalf by

Wayne Mepham, Chief Financial Officer

NOTES TO THE GROUP FINANCIAL STATEMENTS – ASSETS AND LIABILITIES

3.1. Goodwill

Goodwill arising on acquisitions, being the excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired, is capitalised in the consolidated balance sheet. Goodwill is carried at cost less provision for impairment. The carrying value of goodwill is not amortised but is tested annually for impairment or more frequently if any indicators of impairment arise. Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing, with the allocation to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. Impairment losses on goodwill are not reversed.

Goodwill relates to the 2007 acquisition of Knightsbridge Asset Management Limited (£341.2m) and the acquisition of Merian Global Investors Limited in the current year (£229.4m), as disclosed in Note 5.4.

	2020 £m	2019 £m
Goodwill	570.6	341.2

As the Group operates a single asset management business segment and does not allocate costs between desks or individual funds, it has determined that it has a single CGU for the purpose of assessing the carrying value of goodwill. In performing the impairment test, management prepares a calculation of the recoverable amount of the goodwill, using the value in use approach, and compares this to the carrying value.

The use of estimation and judgement in valuing goodwill

The recoverable amount for the goodwill asset was based on the net present value of the Group's future earnings. The net present value was calculated using a discounted cash flow model, with reference to the Group's projected cash flows over a period of five years, long-term growth rates of 4% (2019: 6%) based on dividend history and forecasts, and a cost of capital of 10% (2019: cost of equity of 12%), which is based on the Group's weighted average cost of capital. A significant headroom was noted, and therefore no impairment was implied. Applying stressed scenarios, such as increasing the cost of capital to 20% and/or reducing growth projections to nil would not result in the recognition of impairment losses.

This impairment test requires assumptions to be made, principally concerning the future levels of profitability, and is an area where the use of estimation and judgement are therefore important. Given the size of the asset and potential impact of impairment losses on the Group's financial position, this has been included as an area where the use of estimation is important in Note 5.1. However, given the headroom resulting from the impairment test, the risk of material adjustment is not deemed significant. The Group also reviews the accuracy of historical estimates of future profitability to assess whether impairment tests from prior years would have given a different result had actual profits been equal to past estimates. No instances have been identified where this would have been the case.

The Group has also applied judgement in determining CGU levels within its business for the purposes of impairment testing of goodwill and in concluding that the whole Group operates as a single CGU.

No impairment losses have been recognised in the current or preceding years.

3.2. Intangible assets

Intangible assets principally comprise the expected value of investment management contracts acquired as part of the Merian transaction, based on the premise that their value is equal to the present value of the earnings they are expected to generate. The cost of intangible assets acquired in the business combination is the fair value as at the date of acquisition. In relation to the investment management contracts, the useful lives were assessed as being finite and they will be amortised over their useful economic lives. The useful economic lives of the investment management contracts acquired were assessed as a maximum of four years. The amortisation expense on intangible assets with finite lives has been recognised in the consolidated income statement on a straight-line basis.

Following initial recognition, intangible assets are held at cost less any accumulated amortisation and any provision for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).

Other intangible assets acquired separately are measured on initial recognition at cost.

Other intangible assets recognised are computer software. 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.

An assessment is made at each reporting date as to whether there is any indication that an asset in use may be impaired. If any such indication exists and the carrying values exceed the estimated recoverable amount at that time, the assets are written down to their recoverable amount. The recoverable amount is measured as the greater of fair value less costs to sell and value in use. Non-financial assets that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The Directors have reviewed the intangible assets as at 31 December 2020 and 31 December 2019 and have concluded there are no indicators of impairment.

	2020			2019		
	Computer software £m	**Investment management contracts £m**	**Total £m**	Computer software £m	Investment management contracts £m	Total £m
Cost						
At 1 January	**16.9**	**–**	**16.9**	**15.2**	**–**	**15.2**
Additions	1.3	75.0	76.3	1.7	–	1.7
At 31 December	**18.2**	**75.0**	**93.2**	**16.9**	**–**	**16.9**
Accumulated amortisation						
At 1 January	**(11.1)**	**–**	**(11.1)**	**(9.3)**	**–**	**(9.3)**
Charge for the year	(1.9)	(9.4)	(11.3)	(1.8)	–	(1.8)
At 31 December	**(13.0)**	**(9.4)**	**(22.4)**	**(11.1)**	**–**	**(11.1)**
Net book value						
At 31 December	**5.2**	**65.6**	**70.8**	**5.8**	**–**	**5.8**

The use of estimation and judgement in valuing intangible assets

The valuation of investment management contracts represents an estimation of the present value of the earnings that those contracts were expected to generate at the completion date. The net present value was calculated using a discounted profitability model, with reference to: the projected profitability by investment desk over a period of four years, based on internal forecasts; customer attrition rates, estimated at a weighted average of 26% per annum, based on historic experience by desk; and a cost of equity of 13%, using market data sourced from UK local inputs to reflect Merian's operations which are principally based in the UK and a premium for size and illiquidity. There were no indicators of impairment of the asset at the balance sheet date.

The calculation required assumptions to be made, principally those listed above, being estimations of both revenues and earnings margins by investment desk, customer attrition levels and an appropriate discount rate including size premium. The calculation has been included as an area where the use of estimation is important in Note 5.1. Judgement was required in determining the appropriateness of the assumptions made. After initial measurement, the valuation of the asset is subject to amortisation over a period of four years, aligned with the estimated customer attrition rates, and, if there are indications of impairment, impairment testing. The Group applies judgement in determining whether there are observable indications that an asset's value may have declined below its carrying value.

3.3. Property, plant and equipment

Property, plant and equipment is made up of leasehold improvements, office furniture and equipment and right-of-use lease assets and is stated at cost, less accumulated depreciation and any provision for impairment. Cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenditures are charged to the income statement during the financial period in which they are incurred. Depreciation is calculated on a straight-line basis to allocate the cost of each asset over its estimated useful life as follows:

Leasehold improvements	19 years (until the end of the lease)
Office furniture and equipment	5 years
Right-of-use assets	Shorter of the asset's useful life and the lease term on a straight-line basis

The assets' useful economic lives and residual values are reviewed at each financial period end and adjusted if appropriate. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on the disposal of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the item, is included in the income statement in the year the item is sold or retired.

	2020				2019			
	Right-of-use assets £m	Leasehold improvements £m	Office furniture and equipment £m	Total £m	Right-of-use assets £m	Leasehold improvements £m	Office furniture and equipment £m	Total £m
Cost								
At 1 January	**48.3**	**5.2**	**12.9**	**66.4**	**47.3**	**5.2**	**11.1**	**63.6**
Additions	0.4	0.2	1.1	1.7	1.4	–	1.9	3.3
Acquired as part of business acquisition	15.5	–	–	15.5	–	–	–	–
Lease modifications	(15.5)	–	–	(15.5)	–	–	–	–
Disposals	(0.4)	–	(0.2)	(0.6)	(0.4)	–	(0.1)	(0.5)
At 31 December	**48.3**	**5.4**	**13.8**	**67.5**	**48.3**	**5.2**	**12.9**	**66.4**
Accumulated depreciation								
At 1 January	**(3.6)**	**(1.5)**	**(9.6)**	**(14.7)**	**–**	**(1.2)**	**(8.0)**	**(9.2)**
Charge for the year	(3.9)	(0.2)	(1.9)	(6.0)	(3.9)	(0.3)	(1.6)	(5.8)
Disposals	0.4	–	0.2	0.6	0.3	–	–	0.3
At 31 December	**(7.1)**	**(1.7)**	**(11.3)**	**(20.1)**	**(3.6)**	**(1.5)**	**(9.6)**	**(14.7)**
Net book value								
At 31 December	**41.2**	**3.7**	**2.5**	**47.4**	**44.7**	**3.7**	**3.3**	**51.7**

Right-of-use assets of £15.5m were acquired on 1 July 2020 as part of the business combination (see Note 5.4). On the same date, the right-of-use asset acquired was modified and the lease liability was remeasured as the Group did not expect to gain any further economic benefits from the asset. The difference between the remeasurement and the reduction in the liability due to reassignment of the lease has been recognised within administrative expenses.

Leases

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	Notes	2020 £m	2019 £m
Right-of-use assets			
Buildings		40.8	44.1
Equipment		0.2	0.3
Motor vehicles		0.2	0.3
		41.2	**44.7**
Lease liabilities			
Current	3.9	3.9	4.0
Non-current	3.9	50.3	53.5
		54.2	**57.5**

Additions to the right-of-use assets during the 2020 financial year (including right-of-use assets acquired as part of the business combination) were £15.9m (2019: £1.4m).

FINANCIAL STATEMENTS

(ii) Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	2020 £m	2019 £m
Depreciation charge of right-of-use assets		
Buildings	3.6	3.6
Equipment	0.1	0.2
Vehicles	0.2	0.1
	3.9	**3.9**
Interest expense (included in finance cost)	1.8	1.8
Expense relating to short-term leases (included in administrative expenses)	0.1	–

The total cash outflow for leases in 2020 was £6.7m (2019: £5.1m).

(iii) The Group's leasing activities and how these are accounted for

The Group leases various offices, equipment and cars. Rental contracts are typically made for fixed periods of 2 to 20 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

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

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

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

To determine the incremental borrowing rate, the Group:

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

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Significant area of estimation and judgement

Calculation of leased assets and liabilities requires the use of both estimation and judgement. The determination of the lease term for each lease involves the Group assessing any extension and termination options, the enforceability of such options, and judging whether it is reasonably certain that they will be exercised. Several of the Group's leases contain such clauses. For each lease, a conclusion was reached on the overall likelihood of the option being exercised.

In addition, the identification of an appropriate discount rate to use in the calculation of the lease liability involves both estimation and judgement. Where the lease's implicit rate is not readily determinable, an incremental borrowing rate must be calculated by the Group. The discount rate used has a direct effect on the size of the lease liability capitalised, and this is included as a significant area of estimation and judgement in Note 5.1.

3.3. Property, plant and equipment continued

Right-of-use assets are measured at cost comprising the following:

– the amount of the initial measurement of lease liability

– any lease payments made at or before the commencement date less any lease incentives received

– any initial direct costs, and

– restoration costs.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

3.4. Deferred tax

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

	Deferred income/expense £m	Share-based payments £m	Other £m	Intangible assets arising upon consolidation £m	Total £m
Assets	–	10.3	6.4	–	16.7
At 31 December 2019	**–**	**10.3**	**6.4**	**–**	**16.7**
Assets	–	7.4	12.6	–	20.0
Liabilities	–	–	–	(12.5)	(12.5)
At 31 December 2020	**–**	**7.4**	**12.6**	**(12.5)**	**7.5**

Movements in temporary differences between the balance sheet dates have been reflected in the income statement and the statement of changes in equity as follows:

	Deferred income/expense £m	Share-based payments £m	Other £m	Intangible assets arising upon consolidation £m	Total £m
At 1 January 2019	**0.1**	**7.7**	**4.5**	**–**	**12.3**
(Charged)/credited to the income statement	(0.1)	1.5	1.7	–	3.1
Credited to equity	–	1.1	0.2	–	1.3
At 31 December 2019	**–**	**10.3**	**6.4**	**–**	**16.7**
Added through acquisition	–	–	6.0	(14.3)	(8.3)
(Charged)/credited to the income statement	–	(1.9)	0.2	1.8	0.1
Charged to equity	–	(1.0)	–	–	(1.0)
At 31 December 2020	**–**	**7.4**	**12.6**	**(12.5)**	**7.5**

The principal movements in deferred tax in the year related to the Merian acquisition, further details of which can be found in Note 5.4.

The other deferred tax balances at 31 December 2019 and 2020 include short-term timing differences and temporary differences between depreciation and capital allowances.

Deferred taxes at the balance sheet date reflected in these financial statements have been measured using the relevant enacted tax rate for the year in which they are expected to be realised or settled.

On 11 March 2020, the Chancellor announced that the corporation tax rate will not fall to 17% from 1 April 2020, as previously announced, but will remain at 19%. This rate was enacted at the balance sheet date and as such, deferred tax assets and liabilities have been recognised at this rate.

3.5. Financial instruments held at fair value

Financial instruments

Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of an instrument. They are initially measured at fair value adjusted for transaction costs, except for financial assets classified as at fair value through profit or loss where transaction costs are immediately recognised in the income statement. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or where they have been transferred and the Group has also transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability has been discharged, cancelled or has expired.

Financial assets

The Group's financial assets include cash and short-term deposits, trade and other receivables, seed investments in pooled funds and derivative financial instruments. Financial assets are classified as being at FVTPL or at amortised cost. The classification adopted by the Group depends on the Group's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets at fair value through profit or loss

Financial assets at FVTPL include seed investments in pooled funds which are managed and evaluated on a fair value basis, in accordance with the documented strategy. A financial asset is classified in this category if it has been acquired principally for the purpose of selling in the short term. Other financial assets at FVTPL comprise derivative instruments which are held to provide an economic hedge in respect of specific risk exposures (see Note 5.2). Financial assets at FVTPL are carried at fair value, with gains and losses recognised in the income statement in the period in which they arise either in other gains/losses or in administrative expenses for instruments held to provide an economic hedge against fund unit awards. Assets in this category are classified as current assets.

Financial liabilities

The Group's financial liabilities include trade and other payables, derivative financial instruments and the non-controlling interests in funds that have been consolidated as subsidiaries.

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL are carried at fair value, with gains and losses recognised in the income statement within other gains/losses in the period in which they arise. Financial liabilities at FVTPL comprise non-controlling interests in consolidated funds.

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

	2020 £m	2019 £m
Financial assets		
Financial assets at FVTPL	257.4	222.8
Other financial assets at FVTPL	3.7	1.5
	261.1	**224.3**

	2020 £m	2019 £m
Financial liabilities		
Financial liabilities at FVTPL	(89.2)	(74.9)
Other financial liabilities at FVTPL	(0.2)	–
	(89.4)	**(74.9)**

3.5. Financial instruments held at fair value continued

A further analysis of the Group's financial assets is provided below:

	2020 £m	2019 £m
Direct seed investment at fair value	138.3	128.7
Additional financial assets due to consolidation of funds	74.0	67.0
Derivatives and fund unit hedges	48.8	28.6
Total financial assets	**261.1**	**224.3**

3.6. Trade and other receivables

Trade and other receivables are recognised initially at fair value. The Group holds trade and other receivables to collect the contractual cash flows, which are solely payments of principal and interest, and are therefore subsequently measured at amortised cost using the effective interest method, less loss allowances.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years and are adjusted for forward-looking estimates. ECLs are applied to the total balance of non-credit impaired trade receivables.

The Group considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganisation.

When a trade receivable is credit impaired, it is written-off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written-off are credited to the income statement. In line with the Group's historical experience, and after consideration of current credit exposures, the Group does not expect to incur any credit losses and has not recognised any ECLs in the current year (2019: £nil) (see Note 5.1).

Trade and other receivables, including loans to employees, are included in current assets except where they have maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Accrued income relates to accrued interest and accrued management, performance and registration fees. It is based on the latest available information and therefore involves a degree of estimation relating to the valuation of underlying AUM.

Current	2020 £m	2019 £m
Trade receivables	153.3	77.4
Prepayments	9.6	7.7
Accrued income	22.6	23.8
Deferred acquisition and commission costs	1.8	0.2
	187.3	**109.1**
Non-current		
Deferred acquisition and commission costs	0.1	0.2
Rent deposits	0.4	0.3
	0.5	**0.5**

Trade receivables are non-interest bearing and are generally collected within four working days. An analysis of the ageing profile of trade receivables is disclosed in Note 5.2. Within trade and other receivables, the amount receivable from contracts with customers is £159.9m (2019: £92.9m).

3.7. Cash and cash equivalents

	2020 £m	2019 £m
Cash at bank and in hand	179.7	166.7
Cash held by EBT and seed investment subsidiaries	8.4	12.7
	188.1	**179.4**

Cash and cash equivalents have an original maturity of three months or less.

Cash at bank earns interest at the current prevailing daily bank rates. Short-term deposits are made for varying periods of between one and 33 days, depending on the forecast cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Cash held by EBT and seed investment subsidiaries is not available for use by the Group.

3.8. Loans and borrowings

On 27 April 2020 the Group issued £50.0m of Tier 2 subordinated debt notes at a discount of £0.5m. Issue costs were £0.5m and the net proceeds were therefore £49.0m. These notes will mature on 27 July 2030 and bear interest at a rate of 8.875% per annum to 27 July 2025, and at a reset rate thereafter. The Group has the option to redeem all of the notes from 27 April 2025 onwards. The fair value of the notes as at 31 December 2020 was £54.0m.

As part of the Merian Global Investors Limited acquisition on 1 July 2020, the Group acquired £111.0m of bank loans. These loans were repaid in full on 1 July 2020.

	2020 £m	2019 £m
Non-current subordinated debt in issue	49.2	–

The Group increased its revolving credit facility (RCF) to £80.0m (2019: £50.0m) in 2020. The facility expires in April 2023 and was undrawn at 31 December 2019 and 31 December 2020.

Interest on the RCF is payable at a rate per annum of LIBOR plus a margin of 0.6%. A commitment fee is payable on the RCF at a rate of 0.21% per annum on the undrawn balance. A utilisation fee is also payable at a rate of 0.08% per annum when up to to 33% of the facility is drawn, 0.15% per annum when when 33% to 66% of the facility is drawn, and 0.3% per annum when more than 66% of the facility is drawn.

3.9. Trade and other payables

Trade and other payables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

The Group may from time to time be exposed to potential legal claims, regulatory action and related costs arising from its activities through the normal course of its business. Where such claims and costs arise, there is often uncertainty over whether a payment will be required and the quantum and timing of that payment. The Directors are not currently aware of any legal claims or regulatory proceedings which are likely to lead to a material liability.

The most significant accruals at the year end relate to cash and fund award bonuses. At the end of each financial year, the Group recognises accrued expenses for bonuses accrued but not yet paid in respect of service attributable to that year.

Contract liabilities represent performance obligations that are unsatisfied or partially unsatisfied as of the end of the reporting period. The Group's contract liabilities relate to initial charges and commissions where payment has been received upfront but revenue is recognised over the expected lives of the contracts, which are estimated to be six years, on a straight-line basis.

Current	**2020 £m**	2019 £m
Accrued expenses	126.7	66.9
Trade payables	53.7	69.7
Social security and other taxes	16.4	11.6
Other payables	11.3	5.2
Lease liabilities	3.9	4.0
Contract liabilities	0.8	1.0
	212.8	**158.4**

Non-current	**2020 £m**	2019 £m
Lease liabilities	50.3	53.5
Accrued expenses	29.8	16.5
Social security and other taxes	6.8	6.0
Contract liabilities	0.5	1.2
	87.4	**77.2**

Accrued expenses of £19.6m (2019: £16.5m) included within non-current trade and other payables and £29.9m (2019: £16.1m) included within current trade and other payables relate to deferred bonus awards whose settlement amounts will be based on the value of units in the Group's funds. See Note 1.4.

The amount of revenue recognised in the current reporting period that was included in the contract liability balance at the beginning of the period was £1.0m (2019: £1.4m). The Group expects to recognise revenue for the remaining performance obligations over the following durations:

Contract liabilities	**2020 £m**	2019 £m
< 1 year	0.8	1.0
1-5 years	0.5	1.2
	1.3	**2.2**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2020

	Share capital £m	Share premium £m	Own share reserve £m	Other reserve £m	Foreign currency translation reserve £m	Retained earnings £m	Total £m	Non-controlling interest	Total equity £m
At 1 January 2019	**9.2**	**–**	**(0.2)**	**8.0**	**2.9**	**603.5**	**623.4**	**–**	**623.4**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**122.8**	**122.8**	**–**	**122.8**
Exchange movements on translation of subsidiary undertakings	–	–	–	–	(0.8)	–	(0.8)	–	(0.8)
Other comprehensive loss	**–**	**–**	**–**	**–**	**(0.8)**	**–**	**(0.8)**	**–**	**(0.8)**
Total comprehensive income	**–**	**–**	**–**	**–**	**(0.8)**	**122.8**	**122.0**	**–**	**122.0**
Vesting of ordinary shares and options	–	–	0.1	–	–	0.5	0.6	–	0.6
Dividends paid	–	–	–	–	–	(127.2)	(127.2)	–	(127.2)
Purchase of shares by EBT	–	–	(0.2)	–	–	(32.2)	(32.4)	–	(32.4)
Share-based payments	–	–	–	–	–	24.0	24.0	–	24.0
Current tax	–	–	–	–	–	0.2	0.2	–	0.2
Deferred tax	–	–	–	–	–	1.1	1.1	–	1.1
Total transactions with owners	**–**	**–**	**(0.1)**	**–**	**–**	**(133.6)**	**(133.7)**	**–**	**(133.7)**
At 31 December 2019	**9.2**	**–**	**(0.3)**	**8.0**	**2.1**	**592.7**	**611.7**	**–**	**611.7**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**105.5**	**105.5**	**(0.2)**	**105.3**
Exchange movements on translation of subsidiary undertakings	–	–	–	–	0.7	–	0.7	–	0.7
Other comprehensive income	**–**	**–**	**–**	**–**	**0.7**	**–**	**0.7**	**–**	**0.7**
Total comprehensive income	**–**	**–**	**–**	**–**	**0.7**	**105.5**	**106.2**	**(0.2)**	**106.0**
Issuance of ordinary shares as consideration for a business combination, net of transaction costs and tax	1.9	242.1	–	–	–	–	244.0	–	244.0
Vesting of ordinary shares and options	–	–	0.2	–	–	–	0.2	–	0.2
Dividends paid	–	–	–	–	–	(83.9)	(83.9)	–	(83.9)
Purchase of shares by EBT	–	–	(0.1)	–	–	(10.6)	(10.7)	–	(10.7)
Share-based payments	–	–	–	–	–	19.8	19.8	–	19.8
Deferred tax	–	–	–	–	–	(1.0)	(1.0)	–	(1.0)
Total transactions with owners	**1.9**	**242.1**	**0.1**	**–**	**–**	**(75.7)**	**168.4**	**–**	**168.4**
At 31 December 2020	**11.1**	**242.1**	**(0.2)**	**8.0**	**2.8**	**622.5**	**886.3**	**(0.2)**	**886.1**
Notes	4.1	4.1	4.2	4.2	4.2	4.2			

NOTES TO THE GROUP FINANCIAL STATEMENTS – EQUITY

4.1. Share capital and share premium

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. On 1 July 2020, 95.4 million shares were issued in order to acquire shares in Merian Global Investors Limited as disclosed in Note 5.4.

Authorised, issued, allotted, called-up and fully paid	**2020 Shares m**	2019 Shares m	**2020 £m**	2019 £m
Share capital and share premium				
Ordinary shares of £0.02 each	553.1	457.7	253.2	9.2
	553.1	**457.7**	**253.2**	**9.2**

	Number of ordinary shares m	**Par value £m**	**Share premium £m**
Movements in ordinary shares			
At 1 January 2020	457.7	9.2	–
Shares issued relating to acquisition of subsidiary	95.4	1.9	242.1
At 31 December 2020	**553.1**	**11.1**	**242.1**

There were no movements in issued share capital or share premium in 2019.

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 2020, 7.2m ordinary shares (2019: 13.3m), with a par value of £0.2m (2019: £0.3m), 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 (2019: £8.0m) relates to the conversion of Tier 2 preference shares in 2010.

(iii) Foreign currency translation reserve

The foreign currency translation reserve of £2.8m (2019: £2.1m) is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

(iv) Retained earnings

Retained earnings of £622.5m (2019: £592.7m) 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.

	2020 £m	2019 £m
Full-year dividend (9.2p per ordinary share) (2019: 9.2p per ordinary share)	40.8	41.0
Interim dividend (7.9p per ordinary share) (2019: 7.9p per ordinary share)	43.1	35.4
Special dividend (nil per ordinary share) (2019: 11.4p per ordinary share)	–	50.8
	83.9	**127.2**

Full-year and special dividends are paid out of profits recognised in the year prior to the year in which the dividends are declared and reported.

The EBT has waived its right to receive future dividends on shares held in the trust. Dividends waived on shares held in the EBT in 2020 were £1.9m (2019: £3.3m).

A full-year dividend for 2020 of 9.2p per share (2019: 9.2p) and a special dividend of 3.0p (2019: nil) have been declared by the Directors. These dividends amount to £50.9m and £16.6m respectively (before adjusting for any dividends waived on shares in the EBT) and will be accounted for in 2021. Including the interim dividend for 2020 of 7.9p per share (2019: 7.9p), this gives a total dividend per share of 20.1p (2019: 17.1p).

NOTES TO THE GROUP FINANCIAL STATEMENTS – OTHER

5.1. Basis of preparation and other accounting policies

Basis of preparation

The Group financial statements have been prepared in accordance with both international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

The financial statements have been prepared on a going concern basis using the historical cost convention modified by the revaluation of certain financial assets and financial liabilities (including derivatives) that have been measured at fair value. After reviewing the Group's current plans and forecasts and financing arrangements, as well as the current trading activities of the Group, the Directors consider that the Group has adequate resources to continue operating for a period of at least 12 months from the date of signing.

Basis of accounting

The consolidated financial statements for the year ended 31 December 2020 include the consolidated financial information of the Company and its subsidiaries. The accounting policies set out those policies that have been applied consistently in preparing the Group financial statements. Due to acquisitions that occurred during the year, IFRS 3 Business Combinations was applicable for the year ended 31 December 2020. No Standards or Interpretations have been issued that have had or are expected to have an impact on the Group's financial statements. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed later in this note within the section Critical accounting estimates, judgements and assumptions.

Business combinations

The Group applies the acquisition method to account for business combinations. The consideration for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and any equity interests issued by the Group. The consideration includes the fair value of any asset or liability resulting from contingent or deferred consideration arrangements.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Basis of consolidation

Subsidiaries

Subsidiaries are those entities over which the Group has control. The Group controls an entity if the Group has all of the following:

– power over the investee;

– exposure, or rights, to variable returns from its involvement with the investee; and

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

The Group's subsidiaries comprise operating and holding companies, and those funds where the Group acts as fund manager which are consolidated as a result of additional exposure to the variable returns of the funds through seed investment. Where we own 100% of an operating or holding company, our judgement is that the above elements of control are immediately satisfied and that the companies are therefore subsidiaries of the Group.

Seed investments are accounted for as subsidiaries, associates or other financial investments depending on the holdings of the Group and on the level of influence and control that the Group is judged to have.

Significant area of judgement

In determining the level of control for seed investments, additional judgement is required. The Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the purpose and design of an investee, relevant activities, substantive and protective rights, and voting rights and potential voting rights. Exposure to variable returns is usually determined by the earning of management fees, and the percentage investment in the funds' net assets. Where the value of the Group's holding exceeds 50% of the total value of the fund, the Group deems control to automatically exist. Where ownership is under 50%, the Group applies a rebuttable presumption that interests amounting to 30% or more are consolidated, subject to review of the facts and circumstances of each individual investment relevant to establishing whether the Group is acting as principal or agent to the fund. These include the potential for large performance fees to be earned, an assessment of kick-out rights and the existence of any other large investors in the fund. Kick-out rights rarely vary between the different types of funds that the Group manages; the percentage investment in a fund is therefore the primary means for determining whether control exists for the Group, and the determination of the threshold to be used as the rebuttable presumption is a key area of judgement for the Group. This judgement determines the extent to which the Group's balance sheet is grossed up to reflect additional financial instruments under the Group's control and, as the value of such instruments is material to the Group, this has been included as a significant area of judgement as set out below.

5.1. Basis of preparation and other accounting policies continued

The Group has seed investments in both its unit trusts and its SICAV sub-funds. The Group's judgement is that control can exist in a sub-fund, even if it does not exist in the whole of the umbrella fund, as the sub-funds have no cross-liability risk to other sub-funds or to the SICAV umbrella fund and thus should be accounted for as separate entities.

The Group reassesses whether or not it controls an entity if facts or circumstances indicate that there are changes to one or more of the three elements of control.

A list of subsidiaries, split into operating and holding companies and consolidated funds, is provided in Note 6.3. Consistent accounting policies are applied across all Group companies. Intra-group transactions, balances, income and expenses are eliminated on consolidation. The transactions and balances of subsidiaries are consolidated in these financial statements from the date that control commences until the date that control ceases. Where external investors hold shares in funds controlled by the Group, the portion of profit or loss and net assets held by these non-controlling interests is included within other gains/losses in the consolidated income statement and as liabilities at fair value through profit or loss in the consolidated balance sheet respectively.

Foreign currency

(i) Functional and presentational currency

Items included in the financial information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Sterling, which is both the Company's functional and presentational currency as well as the currency in which the majority of the Group's revenue streams, assets and liabilities are denominated.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement within administrative expenses.

Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit or loss, are recognised in the consolidated income statement as part of other gains/losses.

(iii) Group companies

The assets and liabilities of Group entities that have a functional currency different from the presentational currency are translated at the closing rate at the balance sheet date, with income and expenses translated at average monthly 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 (IFRS IC) have issued a number of new accounting standards, interpretations, and amendments to existing standards and interpretations. There are no IFRSs or IFRS IC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Critical accounting estimates, judgements and assumptions

The preparation of the financial information requires Management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. If such estimates and assumptions, which are based on Management's best judgement at the date of preparation of the financial information, deviate from actual circumstances, the original estimates and assumptions are modified as appropriate in the period in which the circumstances change.

There are no instances in these financial statements where there is a reasonable level of risk that the use of estimates could lead to a material change within the next financial year. However, there are areas of the financial statements where the use of estimation is important, but where the risk of material adjustment is not significant, being:

- 1.5 Share-based payments;
- 3.1 Goodwill;
- 3.2 Intangible assets;
- 3.3 Calculation of lease assets and liabilities; and
- 5.4 Contingent consideration relating to the Merian acquisition.

The areas where judgements are significant to the Group financial statements are discussed in the following notes:

- 3.1 Goodwill;
- 3.2 Intangible assets;
- 3.3 Calculation of lease assets and liabilities;
- 5.1 Consolidation of seed investments; and
- 5.4 Business combinations.

5.2. Financial risk management

Financial instruments by category

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

2020	Financial assets at FVTPL £m	Financial assets held at amortised cost £m	Financial liabilities at FVTPL £m	Other financial liabilities £m	Total financial instruments £m	Non-financial instruments £m	Total £m
Goodwill	–	–	–	–	–	570.6	570.6
Intangible assets	–	–	–	–	–	70.8	70.8
Property, plant and equipment	–	–	–	–	–	47.4	47.4
Deferred tax assets	–	–	–	–	–	20.0	20.0
Non-current trade and other receivables[1]	–	0.4	–	–	0.4	0.1	0.5
Financial assets at FVTPL	261.1	–	–	–	261.1	–	261.1
Current trade and other receivables[1]	–	175.9	–	–	175.9	11.4	187.3
Cash and cash equivalents	–	188.1	–	–	188.1	–	188.1
Non-current loans and borrowings	–	–	–	(49.2)	(49.2)	–	(49.2)
Non-current trade and other payables[1]	–	–	–	(80.1)	(80.1)	(7.3)	(87.4)
Deferred tax liabilities	–	–	–	–	–	(12.5)	(12.5)
Current trade and other payables[1]	–	–	–	(195.6)	(195.6)	(17.2)	(212.8)
Current income tax liability	–	–	–	–	–	(8.4)	(8.4)
Financial liabilities at FVTPL	–	–	(89.4)	–	(89.4)	–	(89.4)
Total	**261.1**	**364.4**	**(89.4)**	**(324.9)**	**211.2**	**674.9**	**886.1**

2019	Financial assets at FVTPL £m	Financial assets held at amortised cost £m	Financial liabilities at FVTPL £m	Other financial liabilities £m	Total financial instruments £m	Non-financial instruments £m	Total £m
Goodwill	–	–	–	–	–	341.2	341.2
Intangible assets	–	–	–	–	–	5.8	5.8
Property, plant and equipment	–	–	–	–	–	51.7	51.7
Deferred tax assets	–	–	–	–	–	16.7	16.7
Non-current trade and other receivables[1]	–	0.3	–	–	0.3	0.2	0.5
Financial assets at FVTPL	224.3	–	–	–	224.3	–	224.3
Current trade and other receivables[1]	–	101.2	–	–	101.2	7.9	109.1
Cash and cash equivalents	–	179.4	–	–	179.4	–	179.4
Non-current trade and other payables[1]	–	–	–	(70.0)	(70.0)	(7.2)	(77.2)
Current trade and other payables[1]	–	–	–	(145.8)	(145.8)	(12.6)	(158.4)
Current income tax liability	–	–	–	–	–	(6.5)	(6.5)
Financial liabilities at FVTPL	–	–	(74.9)	–	(74.9)	–	(74.9)
Total	**224.3**	**280.9**	**(74.9)**	**(215.8)**	**214.5**	**397.2**	**611.7**

1 Prepayments, contract liabilities, deferred acquisition and commission costs and social security and other taxes do not meet the definition of financial instruments.

For financial instruments held at 31 December 2020, issued subordinated debt, recorded within non-current loans and borrowings above, had a fair value of £54.0m, less unamortised expenses of £0.4m. At 31 December 2019, there were no material differences between the carrying value and fair value of any financial instruments.

Gains and losses recognised in the income statement during the year ended 31 December 2020 by category are shown below:

	2020				2019			
	Financial assets at FVTPL[2] £m	Financial liabilities at FVTPL £m	Other income and expense £m	Total £m	Financial assets at FVTPL[2] £m	Financial liabilities at FVTPL £m	Other income and expense £m	Total £m
Revenue	–	–	500.5	500.5	–	–	419.3	419.3
Fee and commission expenses	–	–	(42.7)	(42.7)	–	–	(40.2)	(40.2)
Administrative expenses	0.9	–	(313.0)	(312.1)	3.0	–	(231.5)	(228.5)
Other gains	3.3	–	–	3.3	4.1	–	–	4.1
Amortisation of intangible assets	–	–	(11.3)	(11.3)	–	–	(1.8)	(1.8)
Finance income	–	–	–	–	–	–	0.1	0.1
Finance costs	–	–	(5.1)	(5.1)	–	–	(2.0)	(2.0)
Income tax expense	–	–	(27.3)	(27.3)	–	–	(28.2)	(28.2)
	4.2	**–**	**101.1**	**105.3**	**7.1**	**–**	**115.7**	**122.8**

2 See Notes 1.4 and 1.6 for further details.

5.2. Financial risk management continued

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 2020, the Group held the following financial instruments measured at fair value:

2020	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets at FVTPL – funds	183.2	74.2	–	257.4
Other financial assets at FVTPL – derivatives	–	3.7	–	3.7
Financial liabilities at FVTPL	(89.2)	–	–	(89.2)
Other financial liabilities at FVTPL – derivatives	–	(0.2)	–	(0.2)
	94.0	**77.7**	**–**	**171.7**

As at 31 December 2019, the Group held the following financial instruments measured at fair value:

2019	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets at FVTPL – funds	145.9	76.9	–	222.8
Other financial assets at FVTPL – derivatives	–	1.5	–	1.5
Financial liabilities at FVTPL	(74.9)	–	–	(74.9)
	71.0	**78.4**	**–**	**149.4**

Where funds are consolidated, we look through to the underlying instruments and assign a level in accordance with the definitions above. Where funds are not consolidated, we do not apply a look through and these funds are classified as level 1 as the prices of these funds are quoted in active markets.

Level 1 financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market prices at the balance sheet date.

Financial assets at FVTPL

Financial assets at FVTPL – funds relates to non-consolidated seed investments and hedges of awards in fund units in mutual funds. It also includes the underlying holdings in consolidated funds that meet the definition of level 1 financial instruments.

Financial liabilities at FVTP

These relate to non-controlling interests in funds that have been consolidated as subsidiaries.

Level 2 financial instruments

The fair value of financial instruments are valued based on observable market data from readily-available external sources.

Financial assets at FVTPL

Financial assets at FVTPL – funds relates to underlying holdings in consolidated funds that meet the definition of level 2 financial instruments. Financial assets at FVTPL – derivatives relates to a forward contract the Group holds over 9m of its own shares for the purpose of hedging pricing risk in respect of unfunded share option obligations to employees.

Derivative financial instruments

These are held to hedge specific seed-related exposures and have maturities designed to match the exposures they are hedging. The derivatives are held at fair value, being the price to exit the instruments at the balance sheet date. Movements in the fair value are recorded in the income statement.

The Group enters into swap arrangements and foreign exchange forward contracts to provide an economic hedge of certain of its seed investments. Gains and losses arising from fair value movements in the swap and forward contracts are recognised in the consolidated income statement within other gains/losses and are settled periodically, in accordance with the terms of the contract. Any cash settlements due from or to the counterparty in relation to the swap arrangements, which are required to be settled at the end of each month, are recorded within current assets or current liabilities as trade receivables or other payables, as appropriate. The fair value of the foreign exchange contracts, which are required to be settled at periods other than month end, are recorded within financial assets or liabilities at FVTPL, as appropriate.

At 31 December 2020, the notional value of the swaps was £118.1m (2019: £65.7m) and the foreign exchange forward contracts was £90.6m (2019: £106.6m). The settlement amount of the swaps at 31 December 2020 was a payable of £2.2m (2019: payable of £0.6m) which is included within trade and other payables. The fair value of the foreign exchange forward contracts is included within financial assets at FVTPL (£nil (2019: £1.5m)) and financial liabilities at FVTPL (£0.2m (2019: £nil)).

Financial risk management objectives and policies

The Group is subject to a number of financial risks throughout its business, the principal risks being market risk (including price, foreign exchange and interest rate risk), credit risk and liquidity risk. The Board is accountable for risk and is responsible for oversight of the risk management process. The Board has ultimate responsibility for the risk strategy of the Group, and for determining an appropriate risk appetite and tolerance levels within which the Group must operate. By defining these, the Board demonstrates that it is aware of and, where appropriate, has taken steps to mitigate the impact of risks that may have a material impact on the Group.

The Executive Committee reviews the key corporate risks facing the Group. The Chief Executive Officer has ultimate responsibility for the governance of the risk management of the firm, but delegates the risk and control framework to the Chief Risk Officer, who has responsibility for the monitoring and reporting of risk and controls, and through the Risk and Finance Committee manages the ongoing development of the Group's risk and control framework. Jupiter embeds risk management within the business, with independent oversight and challenge being provided by the risk function.

Price risk

Price risk is the risk that a decline in the value of assets will adversely impact the profitability of the Group. Management has identified price risk as the exposure to unfavourable movements in the value of financial assets held by the Group which would result in a loss recognised in the consolidated income statement. In addition, due to the nature of the business, the Group's exposure extends to the impacts on revenue that are determined on the basis of a percentage of AUM, and therefore impacted by the financial instrument risk exposure of our clients – the secondary exposure. This price risk analysis deals only with our primary exposure of the risks from the Group's direct holdings. The Group is not exposed to commodity price risk.

The Group holds listed equity investments in its seed investments portfolio which are exposed to the risk of changes in equity markets. At 31 December 2020, the fair value, and therefore maximum exposure to listed securities, was £138.3m (2019: £128.7m).

The Group's policy is to hedge the equity market and currency exposure of its seed investments depending on the fund mandate and whether available transactions are cost effective. As at 31 December 2020 and 31 December 2019, the Group held swap instruments to act as hedges against risk exposures arising from certain holdings in seed fund investments.

Price risk sensitivity analysis on financial assets

The Directors believe that 10% gives a reasonable measure of the Group's sensitivity to price risk. An increase or decrease of 10% in equity markets would have the impact shown below on the Group's profit before taxation. This reflects estimated gains and losses on the Group's listed investments at the balance sheet date and not any likely impact on the Group's revenue or costs. There is no further impact on the Group's equity.

Impact on the income statement of change in equity markets	**2020 £m**	2019 £m
+10%	4.5	6.3
-10%	(4.5)	(6.3)

The analysis takes account of the relevant derivative transactions the Group has entered into to hedge against such movements.

Foreign exchange risk

Foreign exchange risk is the risk that the Group will sustain losses through adverse movements in currency exchange rates. The Group predominantly operates in the UK, with some transactions from overseas third parties in foreign currencies, which create exposure to non-Sterling income and expenses. The Group's policy is to hold the minimum amount of foreign currency required to cover operational needs and to convert foreign currency on receipt. Direct exposures are limited to operational cash held in overseas subsidiaries, short-term outstanding foreign currency fee debtors and investments in seed denominated in a foreign currency. The Group does not normally hedge these exposures, other than in the case of certain seed investments, which are hedged using foreign exchange forward contracts. These contracts are measured at fair value at the balance sheet date. Foreign currency risk is monitored closely and managed by the finance function.

Foreign exchange rate sensitivity analysis

The Directors believe that 10% gives a reasonable measure of the Group's sensitivity to foreign exchange risk. The following table demonstrates the sensitivity to a possible change in foreign exchange rates, with all other variables held constant, on the Group's profit before tax. This reflects estimated gains and losses on retranslating the Group's foreign currency assets and liabilities at the balance sheet date and not any likely impact on the Group's revenue or costs. The exposure to foreign exchange risk arises principally through operational cash balances held in foreign currencies and seed investments held in non-Sterling share classes. There is no further impact on the Group's equity.

	2020		2019	
Impact on the income statement of change in exchange rates	**+10% £m**	**-10% £m**	+10% £m	-10% £m
Sterling against Euro	(5.5)	6.7	(0.9)	1.1
Sterling against US Dollar	(1.1)	1.3	(0.2)	0.2
Sterling against SG Dollar	(0.2)	0.2	(0.1)	0.2
Sterling against Swiss Franc	(0.2)	0.3	(0.1)	0.1
Sterling against HK Dollar	(0.8)	1.0	–	–

The sensitivity analysis takes account of the relevant derivative transactions the Group has entered into to hedge against such exposures.

5.2. Financial risk management continued

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk relates primarily to the Group's cash balances (Note 3.7). The Group manages interest rate risk via the finance function monitoring of the interest rate cash flow risks and returns. The Group puts cash on deposit at fixed rates of interest for periods of up to three months. The Group's Tier 2 subordinated debt was issued at a fixed interest rate, and therefore has no interest rate risk exposure.

Interest rate sensitivity analysis

The Directors believe that a movement in interest rates of 50bps gives a reasonable measure of the Group's sensitivity to interest rate risk. The following table demonstrates the sensitivity to a possible change in interest rates, with all other variables held constant and using a floor of 0bps, on the Group's profit before tax (mainly through the impact on floating rate cash deposits). There is no further impact on the Group's equity.

Impact on the income statement of change in interest rates	**2020 £m**	2019 £m
+50 bps	0.9	0.9
-50 bps	(0.3)	(0.2)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss in the Group's operating activities.

The Group is exposed to credit risk primarily from its treasury activities, including deposits with banks and financial institutions, but also from its trade receivables and, in certain circumstances, financial assets at fair value through profit or loss. Trade receivables are monitored regularly. Historically, default levels have been insignificant. Financial assets at fair value through profit or loss expose the Group to credit risk where seed investments in funds are consolidated and those funds hold investments in debt instruments or derivative positions with a positive fair value. The Group's maximum exposure to credit risk is £400.3m (2019: £321.8m), represented by the carrying value of its non-equity financial assets at FVTPL (£58.9m (2019: £65.0m)), trade receivables (£153.3m (2019: £77.4m)) and cash and cash equivalents (£188.1m (2019: £179.4m)).

The fair values of the Group's financial liabilities at FVTPL are not affected by changes in the Group's credit risk. There is no difference between the carrying amount of financial liabilities at FVTPL and the amount the Group would be contractually required to pay at maturity.

With regard to credit risk related to financial instruments, the Group's policy is to place deposits only with financial institutions which satisfy minimum ratings and other criteria set by the Counterparty Review Committee (CRC). 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 CRC monitors the Group's counterparty exposures.

The table below contains an ageing analysis of current and overdue trade receivables:

Impact on the income statement of change in interest rates	**2020 £m**	2019 £m
Neither past due nor impaired	152.9	73.4
Days past due		
< 30	–	1.8
30–60	0.2	0.3
61–90	–	–
> 90	0.2	1.9
	153.3	**77.4**

None of the receivables past due were considered to be impaired (2019: £nil).

The table below contains an analysis of financial assets held by the Group for which credit ratings are available:

	2020				2019			
	Financial assets at FVTPL £m	**Trade receivables £m**	**Cash and cash equivalents £m**	**Total £m**	Financial assets at FVTPL £m	Trade receivables £m	Cash and cash equivalents £m	Total £m
AAA	–	–	–	–	5.1	–	–	5.1
AA	3.7	–	85.6	89.3	0.7	–	48.8	49.5
A	0.3	3.9	102.5	106.7	0.9	1.9	130.6	133.4
BBB	10.1	–	–	10.1	7.6	–	–	7.6
BB	19.5	–	–	19.5	22.7	–	–	22.7
B	16.0	–	–	16.0	20.1	–	–	20.1
CCC	8.9	–	–	8.9	7.4	–	–	7.4
CC	0.2	–	–	0.2	0.5	–	–	0.5
C	0.2	–	–	0.2	–	–	–	–
Not rated	202.2	149.4	–	351.6	159.3	75.5	–	234.8
Total	**261.1**	**153.3**	**188.1**	**602.5**	**224.3**	**77.4**	**179.4**	**481.1**

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:

- to ensure that both the Group as a whole and individual entities within the Group have access to sufficient liquid funds to trade solvently and meet trading liabilities as they fall due;
- to allow the Group to maintain a flexible dividend policy, taking reference to prior year and prospective profitability, capital requirements and cash flow; and
- to provide the Group with appropriate flexibility over the transferability of its capital and cash balances.

Surplus cash held by the operating entities over and above the balances required for working capital management is held in interest-bearing accounts. Regulated companies ensure that sufficient capital is maintained to meet regulatory requirements.

The Group has access to a revolving credit facility (RCF) of £80.0m (2019: £50.0m) which was unutilised at 31 December 2020 (2019: same). The facility expires in 2023.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2020 and 31 December 2019 based on contractual undiscounted payments:

	2020				2019			
Financial liabilities	**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
Loans and borrowings	–	–	49.2	49.2	–	–	–	–
Lease liabilities	3.9	17.9	32.4	54.2	4.0	17.7	35.8	57.5
Trade and other payables	191.7	29.8	–	221.5	141.8	16.5	–	158.3
Financial liabilities at FVTPL	89.4	–	–	89.4	74.9	–	–	74.9
Total	**285.0**	**47.7**	**81.6**	**414.3**	**220.7**	**34.2**	**35.8**	**290.7**

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.

	2020 £m	2019 £m
Cash and short-term deposits	188.1	179.4
Loans and borrowings	(49.2)	–
Net cash and cash equivalents	**138.9**	**179.4**
Equity[1]	261.0	16.9
Retained earnings and foreign currency translation reserve	625.1	594.8
Equity attributable to shareholders	**886.1**	**611.7**

1 Share capital, share premium, own share reserve and other reserve.

Regulatory capital requirements

The Group considers its share capital, reserves and subordinated debt, which was issued during the year and which qualifies as lower Tier 2 capital, to constitute its total capital. The subsidiaries within the Group which are regulated are required to maintain capital resources to comply with the regulatory capital requirements of the FCA and certain overseas financial regulators. Headroom over regulatory capital is discussed by the Risk and Finance Committee. Further information on the Risk and Finance Committee can be found in the Management Committees overview within the Governance section.

In addition to the capital held to meet regulatory capital requirements, the Group maintains sufficient cash resources to meet its liabilities as and when they fall due, based on regularly produced cash forecasts, modelling both normal and stressed conditions. Liquidity risk is mitigated by the availability of the RCF and the high level of cash in the business.

5.3. Interests in structured entities

IFRS 12 requires certain disclosures in respect of interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities.

A structured entity is defined as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements. The Group has assessed whether the funds it manages are structured entities and concluded that mutual funds and investment trusts managed by the Group are structured entities unless substantive removal or liquidation rights exist.

The Group has interests in these funds through the receipt of management and other fees and, in certain funds, through ownership of fund units. The Group's investments in these funds are subject to the terms and conditions of the respective fund's offering documentation and are susceptible to market price risk. The investments are included in financial assets at fair value through profit or loss in the balance sheet.

Where the Group has no equity holding in a fund it manages, the investment risk is borne by the external investors and therefore the Group's maximum exposure to loss relates to future management fees and any uncollected fees at the balance sheet date. Where the Group does have an equity holding, the maximum exposure to loss constitutes the future and uncollected management fees plus the fair value of the Group's investment in that fund.

The Group does not sponsor any of the structured entities and there are no guarantees or commitments.

Direct holdings in unconsolidated structured entities

Direct investments in unconsolidated structured entities comprise seed investments and hedges of awards in fund units in mutual funds and investment trusts, details of which are given below:

	Number of funds	Net AUM of funds £bn	Financial assets at FVTPL £m	Investment management/ performance fees in the year £m	Management/ performance fees receivable £m
As at 31 December 2020	**72**	**42.5**	**257.4**	**383.4**	**93.3**
As at 31 December 2019	46	33.2	222.8	325.4	16.4

Subsidiaries and associates

Information about seed investments judged to be subsidiaries and associates at 31 December 2020 is given below:

Name	Category	Country of incorporation	Principal activities	Financial assets at FVTPL £m	Percentage of total AUM held	Share class held by the Group	Date of the end of the fund's reporting period
Jupiter European Smaller Companies	Subsidiary	England & Wales	Unit trust	19.9	33%	I Class Acc	30 August
Jupiter Global Sustainable Equities	Subsidiary	England & Wales	Unit trust	71.9	41%	P Class Acc P Class Inc	30 April
Jupiter Global Fund SICAV: Eurozone Equity	Subsidiary	Luxembourg	SICAV sub-fund	12.7	93%	I EUR Acc I GBP Acc	30 September
Jupiter Global Fund SICAV: Flexible Income	Subsidiary	Luxembourg	SICAV sub-fund	74.3	67%	I EUR Acc L EUR Acc I EUR Q Inc L USD M Inc HSC N USD Acc HSC A USD Acc HSC C USD Acc HSC L AUD M Inc IRD HSC L SGD M Inc IRD HSC L USD M Inc IRD HSC D USD Q Inc IRD HSC D USD Acc HSC L USD Acc HSC D EUR Q Inc	30 September
Jupiter Global Fund SICAV: Flexible Macro	Subsidiary	Luxembourg	SICAV sub-fund	10.8	88%	F EUR Acc D EUR Q Inc Dist L EUR Acc I EUR Acc D EUR Acc D GBP Acc HSC D USD Acc HSC	30 September
Jupiter Merlin Real Return	Subsidiary	England & Wales	Unit trust	7.5	71%	I Class Acc	31 May
Jupiter Global SICAV: Global High Yield Short Duration Bond	Subsidiary	Luxembourg	SICAV sub-fund	14.8	100%	F EUR Acc D EUR Q Inc Dist L EUR Acc I EUR Acc D EUR Acc D USD Acc HSC	30 September

Related undertakings other than subsidiaries and associates

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

Name	Share class held by the Group	Country of incorporation	Principal activities	Financial assets at FVTPL £m	Percentage of share class held by the Group	Percentage of total shares held	Date of the end of the fund's reporting period
Jupiter Global Fund SICAV: Asia Pacific Income	L SGD Q Inc Dist HSC	Luxembourg	SICAV sub-fund	0.6	100%	15%	30 September
Jupiter Global Fund SICAV: Asia Pacific Income	L EUR Q Inc Dist	Luxembourg	SICAV sub-fund	0.2	69%	15%	30 September
Jupiter Global Fund SICAV: Asia Pacific Income	C USD Acc	Luxembourg	SICAV sub-fund	0.1	100%	15%	30 September
Jupiter Global Fund SICAV: Asia Pacific Income	A USD Acc	Luxembourg	SICAV sub-fund	–	100%	15%	30 September
Jupiter Global Fund SICAV: Asia Pacific Income	N USD Acc	Luxembourg	SICAV sub-fund	–	100%	15%	30 September
Jupiter Global Fund SICAV: Pan European Smaller Companies	D GBP Acc HSC	Luxembourg	SICAV sub-fund	–	100%	0%	30 September
Jupiter Global Fund SICAV: Pan European Smaller Companies	N USD Acc HSC	Luxembourg	SICAV sub-fund	–	100%	0%	30 September
Jupiter Global Fund SICAV: Pan European Smaller Companies	L USD Acc HSC	Luxembourg	SICAV sub-fund	–	100%	0%	30 September
Jupiter Global Fund SICAV: Pan European Smaller Companies	A USD Acc HSC	Luxembourg	SICAV sub-fund	–	100%	0%	30 September
Jupiter Global Fund SICAV: Pan European Smaller Companies	C USD Acc HSC	Luxembourg	SICAV sub-fund	–	100%	0%	30 September
Jupiter Global Fund SICAV: European Growth	L HSC HKD Acc	Luxembourg	SICAV sub-fund	0.1	100%	0%	30 September
Jupiter Global Fund SICAV: European Growth	C USD Acc HSC	Luxembourg	SICAV sub-fund	–	100%	0%	30 September
Jupiter Global Fund SICAV: European Growth	E USD Acc	Luxembourg	SICAV sub-fund	–	100%	0%	30 September
Jupiter Asset Management Series Plc: Gold & Silver	A SGD Acc Hedged	Ireland	ICVC sub-fund	0.1	100%	0%	31 December
Jupiter Global Fund SICAV: Global Emerging Markets Short Duration Bond	C USD Acc	Luxembourg	SICAV sub-fund	–	100%	0%	30 September
Jupiter Global Fund SICAV: Global Emerging Markets Short Duration Bond	L EUR Acc HSC	Luxembourg	SICAV sub-fund	–	22%	0%	30 September
Jupiter Global Fund SICAV: Global Emerging Markets Short Duration Bond	L USD DIS	Luxembourg	SICAV sub-fund	–	100%	0%	30 September
Jupiter Global Fund SICAV: Global Emerging Markets Short Duration Bond	D USD DIS	Luxembourg	SICAV sub-fund	–	100%	0%	30 September
Jupiter Global Fund SICAV: Global Emerging Markets Short Duration Bond	N USD Q DIS	Luxembourg	SICAV sub-fund	–	100%	0%	30 September
Jupiter Global Fund SICAV: Global Emerging Markets Short Duration Bond	A USD Q DIS	Luxembourg	SICAV sub-fund	–	100%	0%	30 September
Jupiter Global Fund SICAV: Global Emerging Markets Short Duration Bond	I USD A Inc DIS	Luxembourg	SICAV sub-fund	–	100%	0%	30 September
Jupiter Global Fund SICAV: Dynamic Bond	C USD Acc HSC	Luxembourg	SICAV sub-fund	0.1	24%	0%	30 September
Jupiter Global Fund SICAV: Dynamic Bond	C USD Q Inc HSC	Luxembourg	SICAV sub-fund	0.1	100%	0%	30 September
Jupiter Global Fund SICAV: Global Convertibles	A USD Acc HSC	Luxembourg	SICAV sub-fund	–	100%	0%	30 September
Jupiter Global Fund SICAV: Global Convertibles	N USD Acc HSC	Luxembourg	SICAV sub-fund	–	100%	0%	30 September
Jupiter Global Fund SICAV: Global Convertibles	C USD Acc HSC	Luxembourg	SICAV sub-fund	0.1	100%	0%	30 September
Jupiter Global Fund SICAV: Global Emerging Markets Corporate Bond	L USD Acc	Luxembourg	SICAV sub-fund	–	100%	0%	30 September
Jupiter Global Fund SICAV: Global Emerging Markets Corporate Bond	N USD Q DIS	Luxembourg	SICAV sub-fund	–	100%	0%	30 September
Jupiter Global Fund SICAV: Global Emerging Markets Corporate Bond	A USD Q DIS	Luxembourg	SICAV sub-fund	–	100%	0%	30 September
Jupiter Global Fund SICAV: Global Emerging Markets Corporate Bond	D USD M Inc Dist	Luxembourg	SICAV sub-fund	–	100%	0%	30 September
Jupiter Global Fund SICAV: Jupiter Global Sovereign Opportunities	L USD Ac	Luxembourg	SICAV sub-fund	–	100%	0%	30 September
Jupiter Global Fund SICAV: Jupiter Global Sovereign Opportunities	D USD Acc	Luxembourg	SICAV sub-fund	–	100%	0%	30 September
Jupiter Global Fund SICAV: Jupiter Global Sovereign Opportunities	A USD Acc	Luxembourg	SICAV sub-fund	–	100%	0%	30 September

5.3. Interests in structured entities continued

Related undertakings other than subsidiaries and associates continued

Name	Share class held by the Group	Country of incorporation	Principal activities	Financial assets at FVTPL £m	Percentage of share class held by the Group	Percentage of total shares held	Date of the end of the fund's reporting period
Jupiter Global Fund SICAV: Jupiter Global Sovereign Opportunities	N USD Acc	Luxembourg	SICAV sub-fund	–	100%	0%	30 September
Jupiter Global Fund SICAV: Jupiter Global Sovereign Opportunities	D EUR Acc HSC	Luxembourg	SICAV sub-fund	0.1	100%	0%	30 September
Jupiter Global Fund SICAV: Jupiter Global Sovereign Opportunities	I EUR Acc HSC	Luxembourg	SICAV sub-fund	0.1	100%	0%	30 September
Jupiter Global Fund SICAV: Jupiter Global Sovereign Opportunities	I GBP Acc HSC	Luxembourg	SICAV sub-fund	0.1	100%	0%	30 September
Jupiter Asset Management Series plc: Europe (ex UK) Smaller Companies Fund	U2 GBP Acc	Ireland	ICVC sub-fund	0.2	96%	1%	31 December
Jupiter Investment Funds Series II: Global Strategic Bond Fund	U2 GBP Inc	England & Wales	OEIC sub-fund	–	95%	0%	31 October
Jupiter Asset Management Series plc: Local Currency Emerging Market Debt Fund	U2 GBP Acc	Ireland	ICVC sub-fund	–	90%	0%	31 December
Jupiter Investment Management Series I: Monthly Income Bond Fund	U2 GBP Inc	England & Wales	OEIC sub-fund	–	93%	0%	31 July
Jupiter Asset Management Series plc: North American Equity Fund	U2 GBP Acc	Ireland	ICVC sub-fund	0.6	89%	0%	31 December
Jupiter Asset Management Series plc: Strategic Absolute Return Bond Fund	U3 USD Acc	Ireland	ICVC sub-fund	0.2	23%	0%	31 December
Jupiter Investment Management Series I: UK Equity Income Fund	U2 GBP Acc	England & Wales	OEIC sub-fund	0.1	43%	0%	31 July
Jupiter Asset Management Series plc: UK Specialist Equity Fund	X GBP Acc	Ireland	ICVC sub-fund	2.7	80%	1%	31 December
MGI Arbea Fund Limited	USD Man	Cayman Islands	Hedge fund	3.1	93%	19%	31 December
MGI Arbea Fund Limited	GBP Man	Cayman Islands	Hedge fund	0.6	27%	19%	31 December

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

5.4. Business combinations

(i) Merian Global Investors Limited

On 1 July 2020, the Group acquired 100% of the issued share capital of Merian Global Investors Limited (Merian), an investment management company registered in Jersey. The principal reasons for the acquisition are to enhance Jupiter's position as one of the UK's leading active asset managers through the reinforcement of Jupiter's core UK franchise and the extension of its capabilities into attractive product gaps. Further, Jupiter's existing business and investment culture, built on a high-conviction active approach, will benefit from the complementary and diversifying nature of the acquisition.

Details of the purchase consideration, the net liabilities acquired and goodwill are as follows:

	£m
Purchase consideration	
Ordinary shares issued	244.3
Net assets adjustment	(8.5)
Total purchase consideration	**235.8**

The fair value of the 95.4m shares issued as part of the consideration paid for Merian Global Investors Limited (£244.3m) was based on the published opening share price on 1 July 2020 of 256.2p per share. In line with the Share Purchase Agreement, the purchase price was adjusted after the transaction had taken place to reflect Merian's net liability position at completion, resulting in a reduction in the consideration paid of £8.5m. Of this amount, £6.7m was received by the Group in 2020, with the remaining £1.8m receivable due to be paid in 2021, concurrent with the payment of the Group's final dividend for 2020. Issue costs of £0.3m were directly attributable to the issue of the shares and have been netted against the deemed proceeds.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value recognised on acquisition £m
Cash and cash equivalents	61.5
Investments in collective investment schemes	17.6
Trade and other receivables	24.0
Property, plant and equipment	15.5
Deferred tax asset	2.1
Trade and other payables	(64.0)
Interest-bearing loans and borrowings	(111.0)
Net identifiable liabilities acquired	**(54.3)**
Goodwill arising on acquisition	229.4
Intangible assets arising on acquisition	75.0
Deferred tax liabilities arising on acquisition	(14.3)
Net assets acquired	**235.8**

Goodwill of £229.4m was recognised as part of this acquisition, which results from the expected synergies from combining the operations of Merian with the Group's operations. None of the goodwill recognised is deductible for tax purposes.

There were no acquisitions in the year ending 31 December 2019.

Contingent consideration

In the event that the assets under management in respect of certain Merian funds fall below a specified level due to net flows between 21 May 2020 and 31 December 2021, an amount would become payable by TA Associates, as set out in the sale and purchase agreement. Any amount due is reduced by pre-tax profit from performance fees that crystallise between 1 July 2020 and 31 December 2021. Any remaining amount due is settled by TA Associates through the sale of a specified number of Jupiter shares by TA Associates, with the proceeds remitted to the Group. Any relevant performance fee profits that are not required to offset an obligation for TA Associates to reduce the consideration paid may be used to reduce or eliminate TA Associates' indemnification of the Group against the cost of cash-based deferred earn out awards (see Note 1.4). Based on internal forecasts of future AUM levels, the Group does not currently expect to receive any such remittances and has not recognised any amounts of contingent consideration receivable.

Revenue and profit contribution

The acquired business contributed revenues of £129.1m and net profit of £11.3m to the Group for the period from 1 July to 31 December 2020. If the acquisition had occurred on 1 January 2020, consolidated pro-forma revenue and profit for the year ended 31 December 2020 would have been £549.9m and £96.0m respectively. These amounts have been calculated by aggregating the consolidated result for the combined Group, as reported within these financial statements, with the results of the pre-acquisition Merian group from 1 January 2020 to 30 June 2020 and adjusting for:

– additional amortisation of the acquired intangible asset that would have been applied from 1 January 2020;

– additional charges for compensation awards that formed part of the sale and purchase agreement; and

– consequential tax effects of the above.

Acquisition-related costs

Acquisition-related costs of £43.0m that were not directly attributable to the issue of shares are included in administrative expenses in the income statement and in operating cash flows in the statement of cash flows.

Estimates and judgements

The fair value of certain items of consideration, assets acquired and liabilities assumed requires some estimation. For intangible assets, this estimation required assumptions regarding the level of future management fees that will be earned over the relevant period (see Note 3.2). In respect of contingent consideration, estimations of future AUM flows and net performance fees were required to determine the amount of any expected amounts receivable (see above). The sale and purchase agreement also contains an indemnification of certain deferred costs, also subject to the receipt of future levels of net performance fee (see Note 1.4 and above).

The net impact of changes to these assumptions would be to change the carrying value of individual assets and liabilities with a corresponding change to goodwill.

Judgements made in respect of the calculation of intangible assets are set out in Note 3.2.

(ii) NZS Capital, LLC

On 27 February 2020, the Group acquired 25% of the equity interests of NZS Capital, LLC, an investment management company based in Delaware in the United States of America, for an initial consideration of £0.8m. A further payment of £0.8m was made on 25 February 2021. The Group's share of the equity interests remained at 25% after this payment. NZS Capital, LLC is considered to be a subsidiary undertaking of the Group on account of the extent of the power the Group has over the operations and financing of the entity as well as the revenue and profit sharing arrangements to which it is entitled through its investment in the entity.

5.5. Related parties

The Group manages a number of investment trusts, unit trusts, OEICs, SICAVs, ICVCs, an ICAV and a hedge fund 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 38 (2019: 39) authorised unit trusts and 12 (2019: nil) OEICs. Each unit trust is jointly administered with the trustees, Northern Trust Global Services SE (the trustees changed from National Westminster Bank plc in June 2019). The aggregate total value of transactions for the year was £2,360m (2019: £2,132m) for unit trust creations and £5,295m (2019: £5,355m) for unit trust redemptions. The actual aggregate amount due to (2019: from) the trustees at the end of the accounting year in respect of transactions awaiting settlement was £1.5m (2019: £19.5m). The Group also acts as the management company for the Jupiter Global Fund and Jupiter Merlin Fund SICAVs, made up of 18 sub-funds (2019: 23) and four sub-funds (2019: four) respectively as well as the Jupiter Investment Management Series II (previously known as the Merian Investment Fund Series II), the Jupiter Asset Management Series plc (previously known as the Merian Global Investors Series plc) and the Jupiter Investment Funds Series II (previously known as the Merian Global Investors Series II), made up of 12, 21 and one sub-funds respectively.

The amounts received in respect of gross management, registration and performance fee charges were £274.9m (2019: £317.1m) for unit trusts, £42.0m (2019: £nil) for OEICs, £110.5m (2019: £109.8m) for SICAVs, £56.7m (2019: £nil) for ICVCs, £0.3m (2019: £nil) for the ICAV, £38.3m (2019: £17.3m) for investment trusts and £25.0m (2019: £20.3m) for segregated mandates. At the end of the year, there was £32.9m (2019: £20.6m) accrued for annual management fees, £3.1m (2019: £3.3m) in respect of registration fees and £72.9m (2019: £nil) in respect of performance fees.

Included within financial instruments (see Note 3.5) are seed investments and hedges of awards in fund units in mutual funds and investment trusts managed by the Group. At 31 December 2020, the Group had a total net investment in such funds of £168.2m (2019: £147.9m) and received distributions of £0.8m (2019: £1.0m). During 2020, it invested £46.7m (2019: £70.6m) in these funds and made disposals of £51.1m (2019: £57.4m).

During the period, three members of key management personnel invested in the Group's subordinated debt issued on 27 April 2020 in the sum of £1.6m. These were made on terms equivalent to those that prevail in arms' length transactions.

Key management compensation

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

	2020 £m	2019 £m
Short-term employee benefits	5.6	4.1
Share-based payments	5.4	4.0
Post-employment benefits	0.4	0.3
Other long-term employee benefits	0.4	–
	11.8	**8.4**

COMPANY BALANCE SHEET

at 31 December 2020

	Notes	2020 £m	2019 £m
Non-current assets			
Investment in subsidiary undertakings	6.2	515.6	260.0
		515.6	**260.0**
Current assets			
Financial assets at FVTPL	6.4	3.7	–
Trade and other receivables	6.5	105.8	18.2
Cash and cash equivalents	6.6	0.5	9.1
		110.0	**27.3**
Total assets		**625.6**	**287.3**
Equity capital and reserves			
Share capital	4.1	11.1	9.2
Share premium	4.1	242.1	–
Own share reserve	4.2	(0.2)	(0.3)
Other reserve	4.2	8.0	8.0
Retained earnings at 1 January		268.0	257.0
Profit for the year		61.4	145.9
Other movements		(74.7)	(134.9)
Retained earnings		254.7	268.0
Total equity		**515.7**	**284.9**
Non-current liabilities			
Loans and borrowings	3.8	49.2	–
		49.2	–
Current liabilities			
Trade and other payables	6.8	60.7	2.4
Total liabilities		**109.9**	**2.4**
Total equity and liabilities		**625.6**	**287.3**

The financial statements of Jupiter Fund Management plc (registered number 6150195) on pages 155 to 161 were approved by the Board of Directors and authorised for issue on 25 February 2021. They were signed on its behalf by

Wayne Mepham, Chief Financial Officer

COMPANY STATEMENT OF CASH FLOWS

for the year ended 31 December 2020

	Notes	2020 £m	2019 £m
Cash flows from operating activities			
Cash generated from operations	6.7	30.6	162.1
Net cash inflows from operating activities		**30.6**	**162.1**
Cash flows from investing activities			
Proceeds from net asset adjustment on acquisition	5.4	6.7	–
Net cash inflows from investing activities		**6.7**	**–**
Cash flows from financing activities			
Proceeds from debt issued	3.8	49.0	–
Purchase of shares by EBT		(10.7)	(32.4)
Finance costs paid		(0.3)	(0.2)
Dividends paid	4.3	(83.9)	(127.2)
Net cash outflows from financing activities		**(45.9)**	**(159.8)**
Net (decrease)/increase in cash and cash equivalents		**(8.6)**	**2.3**
Cash and cash equivalents at beginning of year		9.1	6.8
Cash and cash equivalents at end of year	**6.6**	**0.5**	**9.1**

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2020

	Share capital £m	Share premium £m	Own share reserve £m	Other reserve £m	Retained earnings £m	Total £m
At 1 January 2019	**9.2**	**–**	**(0.2)**	**8.0**	**257.0**	**274.0**
Profit for the year	–	–	–	–	145.9	145.9
Total comprehensive income	**–**	**–**	**–**	**–**	**145.9**	**145.9**
Vesting of ordinary shares and options	–	–	0.1	–	0.5	0.6
Dividends paid	–	–	–	–	(127.2)	(127.2)
Share-based payments	–	–	–	–	24.0	24.0
Purchase of shares by EBT	–	–	(0.2)	–	(32.2)	(32.4)
Total transactions with owners	**–**	**–**	**(0.1)**	**–**	**(134.9)**	**(135.0)**
At 31 December 2019	**9.2**	**–**	**(0.3)**	**8.0**	**268.0**	**284.9**
Profit for the year	–	–	–	–	61.4	61.4
Total comprehensive income	**–**	**–**	**–**	**–**	**61.4**	**61.4**
Issuance of ordinary shares as a consideration for a business combination, net of transactions costs and tax	1.9	242.1	–	–	–	244.0
Vesting of ordinary shares and options	–	–	0.2	–	–	0.2
Dividends paid	–	–	–	–	(83.9)	(83.9)
Share-based payments	–	–	–	–	19.8	19.8
Purchase of shares by EBT	–	–	(0.1)	–	(10.6)	(10.7)
Total transactions with owners	**1.9**	**242.1**	**0.1**	**–**	**(74.7)**	**169.4**
At 31 December 2020	**11.1**	**242.1**	**(0.2)**	**8.0**	**254.7**	**515.7**
Notes	4.1	4.1	4.2	4.2		

NOTES TO THE COMPANY FINANCIAL STATEMENTS

6.1. Accounting policies

Basis of preparation

The separate financial statements of the Company have been prepared in accordance with both international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. 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 £61.4m (2019: £145.9m).

Investments in subsidiary undertakings

Investments in subsidiary undertakings are held at cost less provision for impairment.

Share-based payments

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to the investment in subsidiary undertakings, with a corresponding credit to equity in the Company financial statements.

6.2. Investment in subsidiary undertakings

	2020 £m	2019 £m
At 1 January	**260.0**	**235.8**
Acquisition of subsidiary	235.8	–
Share-based payments	19.8	24.2
At 31 December	**515.6**	**260.0**

On 1 July 2020, the Company acquired 100% of the share issued capital of Merian Global Investors Limited (Merian), an investment management company registered in Jersey. The fair value of the 95.4m shares issued as part of the consideration paid for Merian (£244.3m) was based on the published opening share price on 1 July 2020 of 256.2p per share. In line with the Share Purchase Agreement, the purchase price was adjusted after the transaction had taken place to reflect Merian's net asset position at completion. Issue costs of £0.3m were directly attributable to the issue of the shares and have been netted against the deemed proceeds. See Note 5.4.

During 2020 and 2019, a number of subsidiary companies granted options to their employees over the shares of Jupiter Fund Management plc. For accounting purposes, these grants are recorded as investments by the Company in its subsidiary undertakings.

6.3. Related undertakings

The following information relates to the Company's operating subsidiaries. At 31 December 2020 and 2019 (unless otherwise indicated), with the exception of Jupiter Fund Management Group Limited, these were all indirectly held, although the Company has some direct investments in operating subsidiaries for accounting purposes as a result of share-based payment awards (see Note 6.2). All subsidiaries have the same reporting dates and period of reporting as the parent Company. The parent held directly or indirectly all of the issued ordinary shares and controlled all of the voting rights in all of the subsidiaries. All subsidiaries have been consolidated in the Group financial statements and operate and are incorporated in the countries in which they are registered.

Name	Registered office	Principal activities
Jupiter Asset Management (Asia) Private Limited	50 Raffles Place, #27-01 Singapore Land Tower, Singapore	Investment management
Jupiter Asset Management (Canada) Limited	45 O'Connor Street, Ottawa, Canada	Dormant
Jupiter Asset Management Group Limited	70 Victoria Street, London, UK	Investment holding company
Jupiter Asset Management (Hong Kong) Limited	17th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong	Investment management
Jupiter Asset Management International S.A	5 Rue Heienhaff, Senningerberg, L-1736, Luxembourg	SICAV management
Jupiter Asset Management Limited	70 Victoria Street, London, UK	Investment management
Jupiter Asset Management (N America) Inc	1209 Orange Street, Wilmington, USA	Investment holding company
Jupiter Asset Management US LLC	1675 South State Street, #B, Dover, Delaware, USA	Investment management
Jupiter Management GP LLC	1675 South State Street, #B, Dover, Delaware, USA	Investment management
Jupiter Investment Management Holdings LLC	1675 South State Street, #B, Dover, Delaware, USA	Investment holding company
Jupiter Asset Management (Switzerland) AG	16 Löwenstrasse, Zurich, Switzerland	Investment management

6.3. Related undertakings continued

Name	Registered office	Principal activities
Jupiter Fund Management Group Limited	70 Victoria Street, London, UK	Investment holding company
Jupiter Investment Management Group Limited	70 Victoria Street, London, UK	Investment holding company
Jupiter Investment Trust Limited	70 Victoria Street, London, UK	Dormant
Jupiter Unit Trust Managers Limited	70 Victoria Street, London, UK	Unit trust management
Knightsbridge Asset Management Limited	70 Victoria Street, London, UK	Investment holding company
Tyndall Holdings Limited	70 Victoria Street, London, UK	Investment holding company
Merian Global Investors Limited	47 Esplanade, St Helier, Jersey	Investment holding company
Merian Global Investors (Jersey) Limited	47 Esplanade, St Helier, Jersey	Investment holding company
Merian Global Investors (Finance) Limited	47 Esplanade, St Helier, Jersey	Investment holding company
Merian Global Investors Holdings Limited	70 Victoria Street, London, UK	Investment holding company
Merian Global Investors (Europe) Limited	53 Merrion Square, South Dublin, Ireland	ICVC management
Merian Global Investors (UK) Limited	70 Victoria Street, London, UK	Investment management
Merian Investment Management Limited	70 Victoria Street, London, UK	OEIC management
Merian Global Investors (Switzerland) LLC	16 Löwenstrasse, Zurich, Switzerland	Investment management
Merian Global Investors (Asia Pacific) Limited	17th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong	Investment management
Merian Global Investors (Singapore) PTE Limited	50 Raffles Place, #27-01 Singapore Land Tower, Singapore	Investment management
NZS Capital LLC	850 New Burton Road. #201, Dover, Delaware, USA	Investment management

The following information relates to seed investments which are judged to be subsidiaries of the Group at 31 December 2020:

Name	Registered office	Principal activities	Percentage of AUM indirectly held by the Company
Jupiter Global Fund SICAV: Eurozone Equity	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund	93%
Jupiter Global Fund SICAV: Flexible Income	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund	67%
Jupiter Global Fund SICAV: Flexible Macro	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund	88%
Jupiter Global Fund SICAV: Global High Yield Short Duration Bond	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund	100%
Jupiter European Smaller Companies Fund	70 Victoria Street, London, UK	Unit trust	33%
Jupiter Global Sustainable Equities	70 Victoria Street, London, UK	Unit trust	41%
Jupiter Merlin Real Return	70 Victoria Street, London, UK	Unit trust	71%

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

Name	Registered office	Principal activities
Jupiter Global Fund SICAV: Asia Pacific Income	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund
Jupiter Global Fund SICAV: Dynamic Bond	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund
Jupiter Global Fund SICAV: European Growth	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund
Jupiter Global Fund SICAV: Global Convertibles	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund
Jupiter Global Fund SICAV: Global Emerging Markets Corporate Bond	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund
Jupiter Global Fund SICAV: Global Emerging Markets Short Duration Bond	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund
Jupiter Global Fund SICAV: Jupiter Global Sovereign Opportunities	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund
Jupiter Global Fund SICAV: Pan European Smaller Companies	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund
Jupiter Asset Management Series plc: Gold & Silver[1]	53 Merrion Square, South Dublin, Ireland	ICVC sub-fund

Name	Registered office	Principal activities
Jupiter Asset Management Series plc: Europe (ex UK) Smaller Companies Fund[1]	53 Merrion Square, South Dublin, Ireland	ICVC sub-fund
Jupiter Asset Management Series plc: Local Currency Emerging Market Debt Fund[1]	53 Merrion Square, South Dublin, Ireland	ICVC sub-fund
Jupiter Asset Management Series plc: North American Equity Fund[1]	53 Merrion Square, South Dublin, Ireland	ICVC sub-fund
Jupiter Asset Management Series plc: Strategic Absolute Return Bond Fund[1]	53 Merrion Square, South Dublin, Ireland	ICVC sub-fund
Jupiter Asset Management Series plc: UK Specialist Equity Fund[1]	53 Merrion Square, South Dublin, Ireland	ICVC sub-fund
Jupiter Investment Management Series I: Monthly Income Bond Fund[1]	70 Victoria Street, London, UK	OEIC sub-fund
Jupiter Investment Management Series I: UK Equity Income Fund[1]	70 Victoria Street, London, UK	OEIC sub-fund
Jupiter Investment Funds Series II: Global Strategic Bond Fund[1]	70 Victoria Street, London, UK	OEIC sub-fund
MGI Arbea Fund Limited	190 Elgin Avenue, George Town, Grand Cayman	Hedge Fund

1 The umbrella fund names were amended from Merian Global Investors Series Plc, Merian Investment Funds Series I and Merian Investment Funds Series II to Jupiter Asset Management Series Plc, Jupiter Investment Management Series I and Jupiter Investment Management Series II respectively, effective from 15 February 2021.

6.4. Financial instruments held at fair value

At 31 December 2020, the Company held a forward contract over 9m of its own shares due to be settled on 21 December 2021 for the purpose of satisfying share option obligations to employees. The forward contract is measured at fair value through profit and loss.

	2020 £m	2019 £m
Financial assets		
Financial assets at FVTPL	3.7	–
	3.7	–

6.5. Trade and other receivables

	2020 £m	2019 £m
Amounts owed from subsidiaries	103.0	17.1
Trade receivables	2.6	1.0
Prepayments and accrued income	0.2	0.1
	105.8	**18.2**

6.6. Cash and cash equivalents

	2020 £m	2019 £m
Cash at bank and in hand	0.5	1.8
Cash held by EBT	–	7.3
	0.5	**9.1**

6.7. Cash flows from operating activities

	2020 £m	2019 £m
Operating profit	64.4	145.9
Adjustments for:		
Fair value gains on current financial assets at fair value through profit or loss	(3.7)	–
(Increase)/decrease in trade and other receivables	(85.6)	195.0
Increase/(decrease) in trade and other payables	55.3	(179.4)
Cash inflows on exercise of share options	0.2	0.6
Cash generated from operations	**30.6**	**162.1**

6.8. Trade and other payables

	2020 £m	2019 £m
Amounts owed to subsidiaries	56.9	–
Accruals	3.8	0.4
Other payables	–	2.0
	60.7	**2.4**

6.9. Financial instruments

Financial instruments by category

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

2020	Financial assets held at amortised cost £m	Financial assets held at fair value through profit and loss	Financial liabilities held at amortised cost	Total financial instruments £m	Non-financial instruments £m	Total £m
Investment in subsidiary undertaking	–	–	–	–	515.6	515.6
Financial assets at FVTPL	–	3.7	–	3.7	–	3.7
Current trade and other receivables	105.8	–	–	105.8	–	105.8
Cash and cash equivalents	0.5	–	–	0.5	–	0.5
Current trade and other payables	–	–	(60.7)	(60.7)	–	(60.7)
Non-current loans and borrowings	–	–	(49.2)	(49.2)	–	(49.2)
Total	**106.3**	**3.7**	**(109.9)**	**0.1**	**515.6**	**515.7**

2019	Financial assets held at amortised cost £m	Other financial liabilities £m	Total financial instruments £m	Non-financial instruments £m	Total £m
Investment in subsidiary undertaking	–	–	–	260.0	260.0
Current trade and other receivables	18.2	–	18.2	–	18.2
Cash and cash equivalents	9.1	–	9.1	–	9.1
Current trade and other payables	–	(2.4)	(2.4)	–	(2.4)
Total	**27.3**	**(2.4)**	**24.9**	**260.0**	**284.9**

For financial instruments held at 31 December 2020, issued subordinated debt, recorded within non-current loans and borrowings above, had a fair value of £54.0m, less unamortised expenses of £0.4m. At 31 December 2019, the Company did not hold any financial instruments at fair value.

The Company 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 2020, the Company held the following financial instruments measured at fair value:

2020	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets at FVTPL – derivatives	–	3.7	–	**3.7**

Level 2 financial instruments

The fair value of financial instruments are valued based on observable market data from readily-available external sources.

Financial assets at FVTPL

Financial assets at FVTPL – derivatives relates to a forward contract the Group holds over 9m of its own shares for the purpose of hedging pricing risk in respect of unfunded share option obligations to employees.

Price risk

Price risk is the risk that a decline in the value of assets will adversely impact the profitability of the Company. Management has identified price risk as the exposure to unfavourable movements in the value of financial assets held by the Company which would result in a loss recognised in the consolidated income statement. The Company is not exposed to commodity price risk. The Company holds a forward contract over its own shares for the purpose of satisfying share option obligations to employees. The value of the contract is exposed to the risk of changes in equity markets. At 31 December 2020, the fair value, and therefore maximum exposure to listed securities, was £3.7m (2019: £nil).

Price risk sensitivity analysis on financial assets

The Directors believe that 10% gives a reasonable measure of the Group's sensitivity to price risk. An increase or decrease of 10% in equity markets would have the impact shown below on the Company's profit before taxation. This reflects estimated gains and losses on the Company's investments at the balance sheet date and not any likely impact on the Company's revenue or costs. There is no further impact on the Company's equity.

Impact on the income statement of change in equity markets

	2020 £m
+10%	2.5
-10%	(2.5)

The Company's exposure to foreign exchange, interest rate, credit and liquidity risk is not considered to be material and, therefore, no further information is provided.

6.10. Related parties

Investment in subsidiary undertakings are disclosed in Note 6.2 and the amounts due from and to subsidiaries in Notes 6.5 and 6.8.

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:

	2020 £m	2019 £m
Short-term employee benefits	0.9	1.1
Share-based payments	0.6	0.6
	1.5	**1.7**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JUPITER FUND MANAGEMENT PLC

Report on the audit of the financial statements

Opinion

In our opinion, Jupiter Fund Management plc's group financial statements and company financial statements (the "financial statements"):

– give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2020 and of the group's profit and the group's and company's cash flows for the year then ended;

– have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and

– have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts 2020 (the "Annual Report"), which comprise: Consolidated and Company balance sheets as at 31 December 2020; Consolidated income statement and Consolidated statement of comprehensive income; the Consolidated and Company statements of cash flows; the Consolidated and Company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Separate opinion in relation to international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union

As explained in note 5.1 to the group financial statements, the group, in addition to applying international accounting standards in conformity with the requirements of the Companies Act 2006, has also applied international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

In our opinion, the group financial statements have been properly prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the group.

Other than those disclosed in note 1.3 to the financial statements, we have provided no non-audit services to the group in the period under audit.

Our audit approach

Context

Jupiter Fund Management plc ("Jupiter") is an active fund manager which listed on the London Stock Exchange in 2010. Jupiter has a significant presence in the UK, covering both retail and institutional clients, and increasing distribution activities overseas, particularly in European and Asian markets. Jupiter offers a range of products such as Unit Trusts, SICAVs, Investment Trusts and Segregated Mandates. On 1 July 2020, the group acquired 100% of the issued share capital of Merian Investors Limited ("Merian"), an investment management company registered in Jersey.

Overview

Audit scope

– We conducted a full scope audit over the financial information of Jupiter Asset Management Limited and Merian Global Investors (UK) Limited (which are significant components as each represent more than 15% of the profit before tax of the group), Jupiter Unit Trust Managers Limited, Jupiter Asset Management International S.A., Merian Investment Management Limited and Jupiter Management plc based on their size and risk.

– As the adjustments made for the consolidation, including those for the seeded funds, are material for a number of financial statement line items (FSLIs), we scoped in these adjustments as a component and performed audit testing.

– Taken together, our audit work accounted for more than 97% of group revenue and 99% of profit before tax. Our audit scope provided sufficient appropriate audit evidence as a basis for our opinion on the group financial statements as a whole.

Key audit matters

– Revenue recognition (group)

– Share-based payments expense and fund unit award employee benefits (group)

– Valuation of intangibles from the acquisition of Merian and impairment of the goodwill arising on acquisition (group)

– Impairment of goodwill (group)

– Current and deferred taxes (group)

– Impact of COVID-19 (group)

Materiality

– Overall group materiality: £8.9 million (2019: £7.6 million) based on 5% of underlying profit before tax (2019: profit before tax).

– Overall company materiality: £5.6 million (2019: £2.8 million) based on 1% of total assets.

– Performance materiality: £6.7 million (group) and £4.2 million (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Capability of the audit in detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined in the Auditors' responsibilities for the audit of the financial statements section, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority (see page 57 of the Annual Report), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue or expenses, and management bias in accounting estimates. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Review of the financial statement disclosures to underlying supporting documentation.
- Reading correspondence with the Financial Conduct Authority in relation to compliance with laws and regulations.
- Enquiries of management, including legal, compliance, risk and internal audit, including consideration of known or suspected instances of non-compliance with laws and regulations including fraud.
- Reviewing the group/company's litigation log in so far as it related to non-compliance with laws and regulations and fraud.
- Identifying and testing journal entries, in particular any journal entries posted on non-working days or by senior management.
- Review of relevant meeting minutes, including those of the Audit and Risk Committee and Board.
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to share-based payments (see related key audit matter).
- Testing of the whistleblowing helpline including discussion with the Whistleblowing Champion.
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Valuation of intangibles from the acquisition of Merian and impairment of the goodwill arising on acquisition and Impact of COVID-19 are new key audit matters this year. Otherwise, the key audit matters below are consistent with last year.

FINANCIAL STATEMENTS

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

Revenue recognition (group)

Refer to Note 1.1. Revenue and Note 5.1. Basis of preparation and other accounting policies.

Revenue is the most significant balance in the Consolidated income statement. Revenue comprises a number of streams including management fees and performance fees which result from the business activities of the group.

We focused on management and performance fees as follows:

Management fees

- Management fees consist of gross management fees from Unit Trusts, ICVCs, SICAVs, Segregated Mandates and Investment Trusts, less rebates;
- The calculation of Unit Trust and SICAV gross management fees, which make up the majority of the revenue balance, is calculated as a percentage of the assets under management ('AUM') of the funds managed by the group;
- The revenue from Segregated Mandates and Investment Trusts is manually calculated as a percentage, per Investment Management Agreements ('IMAs'), of the segregated mandates or investment trust holdings; and
- Rebates are calculated by a combination of in-house systems and external parties with the outputs of both processes being monitored and stored on spreadsheets which increases the risk of error.

Performance fees

- Performance fees are often one-off or infrequent and involve manual and complex calculations and this increases the risk of error.

We understood and evaluated the design and implementation of key controls in place around revenue. For Jupiter entities, this included outsourced activities at HSBC Securities Services UK Limited (HSBC), J.P Morgan Bank Luxembourg S.A (JP Morgan), J.P Morgan Chase Bank N.A (JP Morgan), Northern Trust Global Service SE (NT) and SS&C Financial Services International Limited (SS&C). For Merian entities, this included Citibank N.A. (Citi) and Maitland Group South Africa Limited (Maitland).

To obtain audit evidence over the key controls at the outsourced providers, we assessed the control environment in place to the extent that it was relevant to our audit. This involved obtaining and reading the reports issued by the independent service auditor of the third-party providers in accordance with generally accepted assurance standards for such work. Where appropriate, we have obtained, and reviewed bridging letters issued by the third-party providers. We found that the key controls on which we placed reliance for the purposes of our audit were designed, implemented and operating effectively.

In addition to identifying those key controls on which we placed reliance, the specific audit evidence over each revenue stream is summarised below:

Unit Trust, SICAV and ICVC gross management fees

- We recalculated management fees using information from NT, JP Morgan and Citi and then reconciled to amounts included in the group financial statements;
- We reconciled a sample of management fee rates to supporting documentation on the Jupiter website; and
- We checked that the data received from the outsourced provider included all Jupiter funds.

Segregated Mandates and Investment Trusts management fees

- We recalculated the management fees for a sample of invoices, agreeing a sample of the key inputs back to IMAs and information from third parties, and compared this to amounts included in the group financial statements; and
- We tested the population for completeness by comparing the full list of management fees audited in the prior year working papers to the population testing in the current year.

Rebates

- We used data auditing techniques on the underlying data to recalculate rebates or agreed the rebates to invoices. We agreed a sample of rates to discount forms and reconciled the amounts back to the group financial statements;
- To gain comfort over completeness for Jupiter SICAV rebates we have obtained a listing from JPMorgan of all unitholders with positive holdings and compared to our rebate testing to compile a list of unitholders that have not received a rebate. We then confirm if any of the unit holders in our sample have agreed rebate terms. For Jupiter Unit Trust rebates we have confirmed a sample of agents which are on standard terms and therefore not eligible to receive a rebate; and
- For Merian funds administered by Citi, we have confirmed with third party administrators, for a sample of investors with no rebates, that those terms are accurate; and
- For Merian funds administered by FNZ, we have obtained calculations since the date of acquisition and confirmed those investors with a nil rebate rate by obtaining and reviewing a sample of investor agreements against the calculations.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Revenue recognition (group) continued	**Performance fees** – For a sample of performance fees we have assessed whether the performance fee has crystallised and hence can be recognised, by reviewing the legal agreements the manager has with the Fund as well as the underlying calculations to ensure the performance conditions have been met; – We recalculated the performance fees, for a sample, to check that it had been calculated in accordance with the signed IMAs and Fund prospectuses; – For a sample of investment trusts, segregated mandates and funds, we reviewed supporting IMAs to ensure all products eligible to receive a performance fee were included in the population to assess completeness; and – Where available we agreed the performance fees to the audited financial statements of the investment trusts concerned and subsequently to a cash confirmation. No material issues were identified.
Share-based payments expense and fund unit award employee benefits (group) **Refer to the Audit and Risk Committee report, Note 1.5. Share-based payment and Note 5.1. Basis of preparation and other accounting policies.** The share-based payments expense is judgemental in nature, including management determining the fair value of the awards and appropriate recognition of the expense, which involves estimating performance and service conditions. Also involved is the interpretation of complex terms in the scheme agreements, the number of schemes in operation, and the manual nature of the calculations.	**Fund Unit award employee benefits** In testing the employee benefit expense in relation to fund awards granted, we performed the following testing: – Obtained the Deeds of Grant for a sample of new awards in the year. For the sample of awards selected, we tested that they were appropriately authorised, consistent with scheme plans and that fair value for each had been calculated correctly; – For a sample of new schemes granted in the year, we tested key inputs used to source documentation and independently recalculated the value of the award and spreading it over the appropriate vesting period; – Tested a sample of current charges based on the year-end price of underlying funds and verified re-measurement of the liability; – Assessed the reasonableness of the key assumptions, leaver rate and performance conditions, by examining historical data and performing sensitivity analyses; – Tested forfeitures and lapses by agreeing samples back to source documentation and ensuring the expense recognised had been trued up appropriately, particularly in relation to good leavers and the acceleration of the expense; and – Tested a sample of options exercised during the year to check they were exercised in accordance with the terms of the grant. **Share-based payments expense** In addition to the above, we performed the following testing over the share-based payments expense: – Tested the classification of awards as equity or cash settled; – For cash settled parts of the awards, including national insurance, we tested a sample of current year charges based on year-end share price information; and – Read and assessed the share-based payment disclosures made in the financial statements. No material issues were identified.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Valuation of intangibles from the acquisition of Merian and impairment of the goodwill arising on acquisition (group) **Refer to Note 3.2. Intangible assets and Note 5.1. Basis of preparation and other accounting policies.** On acquisition management are required to identify and determine the fair value of intangibles assets acquired in the business combination. The calculation of the fair value is inherently complex and subject to estimation and complex judgements. Intangible assets with a total value of £75.0m were identified. The goodwill arising from the acquisition (£229.4m) must also be assessed for potential impairment at the acquisition date.	In testing the calculation of the fair value of intangibles resulting from the acquisition and impairment of goodwill arising on acquisition we performed the following: – With the assistance of PwC valuation specialists we evaluated the accounting paper prepared by management's expert with respect to the recognition and measurement of goodwill and intangible assets, with reference to the requirements of the applicable accounting standards, to ensure that the approach, rationale and conclusions reached were reasonable; – Agreed the inputs to the calculation to supporting documentation to ensure they reflect the underlying facts and circumstances; – Recalculated the amortisation of intangible assets in the period and challenged judgements made by management, with the involvement of PwC valuation specialists; – Ensured that deferred tax was appropriately calculated and recorded; – Reviewed all associated disclosures to ensure these were appropriate; and – We assessed management's analysis of indicators of impairment of the acquired assets, including the resulting goodwill balances, ensuring no impairment was required at the acquisition date. No material issues were identified.
Impairment of goodwill (group) **Refer to the Audit and Risk Committee report, Note 3.1. Goodwill and Note 5.1. Basis of preparation and other accounting policies.** Goodwill of £570.6m is the most significant balance in the Consolidated balance sheet with a further £229.4m arising during the year on acquisition of Merian. 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 impairment review involves a number of estimates to be made by management. 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. Following the integration of Merian, management considers that the group has one operating segment, investment management, and as such the Group is one cash generating unit.	We obtained management's impairment review and performed the following. We: – Evaluated management's models checking the relevant inputs to supporting documentation; this included challenging management on key assumptions within the calculations; – Evaluated the sensitivity analysis performed by management and discussed with them the likelihood and impacts of such changes; – Performed back testing to assess the accuracy of management's historic forecasts against actual financial results to assess the reasonableness of estimates used in the forecast; – Considered publicly available information on the asset management industry and considered whether there were any views contrary to those of management; – Compared the fair value implied by management's models to the market value of the company for any indicators of impairment; – Determined that there was reasonable headroom in management's fair value less costs to sell calculations; and – Read and assessed the goodwill disclosures made in the financial statements. No material issues were identified.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Current and deferred taxes (group) **Refer to Note 1.9. Income tax expense, Note 3.5. Deferred tax and Note 5.1. Basis of preparation and other accounting policies.** The calculation of the current and deferred tax is produced manually and is based on a number of supporting complex calculations including share-based payments and deferred bonuses. 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 income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.	In assessing the current and deferred taxes, we: – Assessed whether management had reflected appropriately the changes in UK corporation tax in their current and deferred tax calculations; – Obtained and read tax working papers for the group and significant components and obtained supporting evidence; – Obtained the deferred tax calculations and verified the inputs used within the calculations. We also performed recalculation to ensure accuracy. We evaluated whether the temporary difference will reverse in the future; and – Read and assessed the tax disclosures included within the financial statements. We also evaluated whether the group had met its tax compliance obligations where material to the group, and as such we assessed the conclusions reached by management in relation to the current transfer pricing arrangements, changes to the group structure and controlled foreign companies' position. No material issues were identified.
Impact of COVID-19 (group) Refer to Strategic report including page 4 and page 54. The outbreak of the novel coronavirus (known as COVID-19) in many countries continues to rapidly evolve and the socioeconomic impact is unprecedented. It has been declared as a global pandemic and is having a major impact on economies and financial markets. In order to assess the impact of COVID-19 on the Group, management have updated their risk assessment and going concern models to reflect the potential impacts. The most significant potential impact to the financial statements has been in relation to the impairment assessment of goodwill. This is described in the key audit matter above. Management has also modelled possible downside scenarios to its base case forecast. Having taken into account these models, together with an assessment of current plans and forecasts and financing arrangements, management has concluded that the Group remains a going concern and there is no material uncertainty in respect of this conclusion.	We evaluated the Group's updated risk assessment and analysis and considered whether it addresses the relevant threats posed by COVID-19. We also evaluated management's assessment and corroborated evidence of the operational impacts, considering their consistency with other available information and our understanding of the business. We evaluated management's assessment of other accounting estimates, which could be impacted by the economic environment resulting from COVID-19, including estimates involved in the impairment assessment of goodwill. Our conclusions are included in our key audit matter above. We reviewed the disclosures presented in the Annual Report in relation to COVID-19 by reading the other information, including the Principal risks set out in the Strategic report, and assessing their consistency with the financial statements and the evidence we obtained in our audit. In respect of going concern, we assessed management's going concern analysis in light of COVID-19 and evaluated management's base case and downside scenarios, challenging the underlying data and adequacy and appropriateness of the underlying assumptions used to make the assessment, and evaluated the directors' plans for future actions in relation to their going concern assessment. Our conclusions relating to going concern and other information are set out in the 'Going concern' and 'Reporting on other information' sections of our report, respectively, below.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The group is structured as one operating segment, 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 funds. The group is operated centrally from the UK.

On 1 July 2020, the group acquired 100% of the issued share capital of Merian Investors Limited, an investment management company registered in Jersey. The scoping of our audit has been updated to reflect the changes in the group structure as a result of the acquisition.

We conducted a full scope audit over the financial information of Jupiter Asset Management Limited and Merian Global Investors (UK) Limited (which are significant components as each represent more than 15% of the profit before tax of the group), Jupiter Unit Trust Managers Limited, Jupiter Asset Management International S.A., Merian Investment Management Limited and Jupiter Management plc based on their size and risk.

Taken together, our audit work accounted for more than 97% of group revenue and 99% of profit before tax. Our audit scope provided sufficient appropriate audit evidence as a basis for our opinion on the group financial statements as a whole.

The company financial statements were also in scope for our audit.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – group	Financial statements – company
Overall materiality	£8.9 million (2019: £7.6 million).	£5.6 million (2019: £2.8 million).
How we determined it	5% of underlying profit before tax (2019: profit before tax)	1% of total assets
Rationale for benchmark applied	A profit before tax benchmark was applied in 2019, however given the volatility of profit before tax in 2020, as a result of exceptional costs incurred in connection with the Merian acquisition, we believe that underlying profit before tax is the primary measure used by the shareholders in assessing the performance of the group during 2020.	As the company is a holding company and does not earn any revenue, total assets is the most appropriate method to determine materiality and is a generally accepted auditing benchmark.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £0.3 million and £8.1 million. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to £6.7 million for the group financial statements and £4.2 million for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £448,000 (group audit) (2019: £379,000) and £282,000 (company audit) (2019: £138,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- We obtained from management their latest forecasts that support the board's assessment and conclusions with respect to the going concern basis of preparation of the financial statements.
- We checked the arithmetical accuracy of management's forecasts.
- We evaluated management's base case forecast and downside scenarios, challenging the underlying data and adequacy and appropriateness of the underlying assumptions used to make the assessment, and evaluated the directors' plans for future actions in relation to their going concern assessment, should these be required.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

In relation to the company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report and Accounts that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and company's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

– we have not obtained all the information and explanations we require for our audit; or

– adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or

– certain disclosures of directors' remuneration specified by law are not made; or

– the company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

We were appointed by the Directors to audit the financial statements for the year ended 31 December 2007 and subsequent financial periods. Following a competitive tender process in 2014, we were reappointed as auditor of the Company by recommendation of the Audit and Risk Committee for the period ending 31 December 2015 and subsequent financial periods. The period of total uninterrupted engagement is 14 years, covering the years ended 31 December 2007 to 31 December 2020.

Lindsay Gardiner (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 February 2021

HISTORICAL SUMMARY (UNAUDITED)

for the year ended 31 December 2020

	2020 £m	2019 £m	2018 £m	2017 £m	2016 £m
Net revenue	457.8	379.1	412.7	409.5	351.4
Administrative expenses	(312.1)	(228.5)	(225.1)	(214.8)	(182.1)
Other gains/(losses)	3.3	4.1	(6.5)	0.6	5.1
Amortisation of intangible assets	(11.3)	(1.8)	(1.8)	(2.3)	(3.3)
Operating profit	**137.7**	**152.9**	**179.3**	**193.0**	**171.1**
Finance income	–	0.1	0.1	0.1	0.5
Finance costs	(5.1)	(2.0)	(0.2)	(0.2)	(0.2)
Profit before taxation	**132.6**	**151.0**	**179.2**	**192.9**	**171.4**
Income tax expense	(27.3)	(28.2)	(36.2)	(38.1)	(35.1)
Profit for the year	**105.3**	**122.8**	**143.0**	**154.8**	**136.3**
Earnings per share					
Basic (p/share)	21.3	27.5	31.8	34.5	30.3
Diluted (p/share)	20.8	26.8	31.1	33.7	29.6
Dividends per share					
Interim (p/share)	7.9	7.9	7.9	6.8	4.5
Final (p/share)	9.2	9.2	9.2	10.3	10.2
Special (p/share)	3.0	–	11.4	15.5	12.5
Total dividends paid out of current year profit	**20.1**	**17.1**	**28.5**	**32.6**	**27.2**
AUM at year end (£bn)	58.7	42.8	42.7	50.2	40.5
Average headcount (number)	593	529	533	504	463
Cash and cash equivalents (£m)	188.1	179.4	201.7	234.2	258.9
Net cash inflows from operating activities (£m)	104.6	149.8	170.5	194.6	147.3
Underlying profit before tax (£m)	179.0	162.7	183.0	193.8	168.4
Underlying earnings per share (p/share)	28.7	28.8	32.4	34.2	29.4

SHAREHOLDER INFORMATION

Shareholder enquiries

All enquiries relating to holdings of shares in Jupiter Fund Management plc, including notification of change of address, queries regarding dividend/interest payments or the loss of a share certificate, should be addressed to the Company's Registrars:

Link Group
10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Tel: 0871 664 0300 (Calls cost 12p per minute plus access charge)
Overseas tel: +44 (0) 371 664 0300
Calls outside the UK will be charged at the applicable international rate.
Lines are open (UK only) 9.00am-5.30pm Monday to Friday.

Email: shareholderenquiries@linkgroup.co.uk

Other shareholder queries should be addressed to the Company Secretary (shareholderservices@jupiteram.com).

Share dealing service

There is a share dealing service offered by the Registrars. It is a simple way to buy and sell shares via the internet or telephone with quick settlement. For information visit: **www.linksharedeal.com**

For telephone purchases:
Tel: 0371 664 0445. Lines are open 8.00am to 4.30pm, Monday to Friday. UK calls are charged at the standard geographic rate. Calls outside the UK will be charged at the applicable international rate.

Financial calendar

Event	Date
Ex-dividend date for final and special dividends	15 April 2021
Record date for final and special dividends	16 April 2021
Trading update	20 April 2021
Annual General Meeting	6 May 2021
Payment date for final and special dividends	14 May 2021
Interim results announcement	29 July 2021
Trading update	15 October 2021

Company details and principal office

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

Registered number: 6150195

Company Secretary – Lisa Daniels
Tel: 020 3817 1000

Website

The Company has a corporate website, which holds, amongst other information, copies of its latest annual report and copies of all press announcements released. This site can be found at **www.jupiteram.com**

Share information

The Company's ordinary shares are traded on the London Stock Exchange:

ISIN	GB00B53P2009
SEDOL	B53P200
TICKER	JUP.LN

Electronic communications

We encourage shareholders to receive shareholder documentation electronically to help reduce the environmental impact caused by printing and distributing hard copies. You can register your communication preference at **www.signalshares.com**

Electronic proxy voting

This year we have not produced hard copies of the proxy form and are requesting all shareholders vote electronically by logging onto **www.signalshares.com** and selecting Jupiter Fund Management plc. Alternatively you can request a hard copy proxy form by calling our Registrars, Link Group, on the number above. Further information can be found in the 2021 Notice of Annual General Meeting.

GLOSSARY OF TERMS

A

Act
Companies Act 2006 (as amended, supplemented or replaced from time to time)

AGM
Annual General Meeting

APM
Alternative Performance Measures as defined on page 27

AUM
Assets under management

Available profit
Net revenue less operating expenses

B

Board
The Board of Directors of the Company

Bps
One one-hundredth of a percentage point (0.01%)

BREEAM
Building Research Establishment Environmental Assessment Method is the world's longest established method of assessing, rating, and certifying the sustainability of buildings

Brexit
The withdrawal of the United Kingdom from membership in the European Union

C

CASS
The FCA's Client Asset Sourcebook rules

CDP
Carbon Disclosure Project

CGU
Cash-generating unit

Code
UK Corporate Governance Code adopted by the Financial Reporting Council in 2018

Company
Jupiter Fund Management plc

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

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

Fiat currencies
Fiat currencies are government-issued currencies that are not backed by a physical commodity, such as gold or silver, but rather by the government that issued them

FRC
Financial Reporting Council

FVTPL
Fair value through profit or loss

G

GDPR
General Data Provision Regulation. An EU regulation for strengthening and unifying data protection

GHG
Greenhouse gas

Good Work Initiative
A ShareAction-led coalition that brings together institutional investors to collaboratively engage on workforce issues, including the Living Wage, diversity and inclusion and insecure working practices

Group
The Company and all of its subsidiaries

I

IAS
International Accounting Standard(s)

ICAAP
Internal Capital Adequacy Assessment Process

ICAV
Irish Collective Asset-management Vehicle

ICVC
Investment Company with Variable Capital

IFRS
International Financial Reporting Standard(s)

IFRS IC
IFRS Interpretations Committee

ISA
International Share Award

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

Merian
Merian Global Investors Limited and its subsidiary undertakings

Mutual funds
Collective investments where a group of investors pool their money (buying units or a portion of the mutual fund)

O

OEIC
Open Ended Investment Company

Ordinary dividends per share
Interim and full-year dividends (does not include any special dividends)

P

PBT
Profit before tax

Platforms
Service providers that enable investors to buy and hold in a single place a range of investments from multiple providers with different tax wrappers

R

RCF
Revolving credit facility

Registrar
Link Asset Services

S

SAYE
Save As You Earn

SEDOL
Stock Exchange Daily Official List

Segregated mandates
An investment strategy run exclusively for certain institutional clients

SICAV
Société d'Investissement à Capital Variable; an open-ended collective investment scheme offered in Europe

SIP
Share Incentive Plan

SMCR
Senior Managers and Certification Regime; an FCA regime governing the regulation of senior employees of entities operating in the financial services sector in the UK

T

TCF
Treating customers fairly

TCFD
The Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD) is a market-driven initiative to help investors understand their financial exposure to climate risk and help companies disclose this information in a clear and consistent way

U

UCITS
Undertaking for Collective Investment in Transferable Securities as defined by EC Council Directive 85/611/EEC, as amended

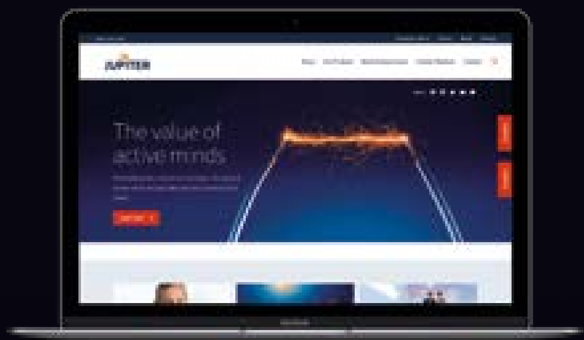
Underlying profit before tax
Profit before tax excluding amortisation arising from acquisitions and non-recurring items

UNGC
United Nations Global Compact. A UN-led pact to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. It is the world's largest corporate sustainability initiative and is based on ten principles in the areas of human rights, labour, the environment and anti-corruption

W

WAEP
Weighted average exercise price

Visit our website to find out more
www.jupiteram.com



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Registered address:

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www.jupiteram.com

An active mind is agile and responsive. It sparks new ideas. It challenges convention and takes a hands-on approach. We give our people the freedom to nurture investment ideas and opportunities as they arise, allowing their individual styles to shine through. The result is a diversity of thought, something we believe will always win out in the long term.

We call this human advantage 'the value of active minds'.

JUPITER