

Results for the six months ended 30 June 2022

29 July 2022

- Assets under management (AUM) ended the period at £48.8bn
- Gross inflows of £6.9bn, net outflows of £3.6bn
- Underlying profit before tax (excluding net performance fees) of £53.9m (2021 H1: £79.8m). Underlying profit before tax of £29.7m (2021 H1: £78.2m)
- Statutory profits before tax of £18.8m (2021 H1: £57.0m)
- Underlying earnings per share before performance fees of 7.8p (2021 H1: 11.7p). Underlying earnings per share of 4.2p (2021 H1: 11.5p)
- Statutory earnings per share of 2.6p (2021 H1: 8.7p)
- Interim dividend unchanged at 7.9p per share

	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
Net management fees ¹ (£m)	200.5	224.1	453.7
Underlying profit before tax excluding net performance fees ¹ (£m)	53.9	79.8	164.6
Underlying profit before tax ¹ (£m)	29.7	78.2	216.7
Statutory profit before tax (£m)	18.8	57.0	183.7
Underlying earnings per share excluding net performance fees ¹ (£m)	7.8	11.7	24.1
Basic earnings per share (p)	2.6	8.7	27.6
Underlying earnings per share ¹ (p)	4.2	11.5	31.7
Operating margin (before exceptional items and net performance fees) ¹	28%	37%	38%

¹The Group's use of alternative performance measures is explained on pages 25 to 27.

Andrew Formica, Chief Executive, commented:

"The first half of 2022 has been particularly challenging for both the industry and Jupiter, as the continued impact of the coronavirus pandemic, the war in Ukraine, and rising inflation have created turbulent markets and heavily impacted investor sentiment.

"Our overall AUM and net outflow position is disappointing, and it remains the Board's highest priority to improve the performance of the Group, with a particular focus on improving the client flow position. Outflows were largely driven by redemptions across our unconstrained fixed income strategy as well as several of our growth-focused funds, against a backdrop of increased risk aversion from investors across both equities and fixed income.

"I am encouraged to see that gross flows of £6.9bn for the first half of 2022 were broadly in line with the same period last year, despite these difficult market conditions. There continue to be signs of positive momentum in areas that have been a strategic focus for the business – with both the institutional channel and our sustainable strategies in positive net flows for the period.

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"Despite the challenging backdrop, Jupiter has maintained its capital position. It is prudent that we maintain our rigorous focus on cost discipline, particularly while markets remain challenged, and we have acted quickly to reduce discretionary spending where we can. While the short-term outlook is set to continue to be driven by geopolitical and macroeconomic events, I am confident as I hand over to my successor Matt Beesley that Jupiter remains financially and structurally well placed to deliver growth and investment outperformance over the longer term."

Analyst presentation

There will be an analyst presentation at 10:15am BST on 29 July 2022.

The presentation will be held at The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ and will also be accessible via a live webcast. The webcast is available at: <https://secure.emincote.com/client/jupiter/jfm029>. Please note that questions can be asked either in-person at the presentation or via the webcast.

The results announcement and the presentation will be available at <https://www.jupiteram.com/investor-relations>. Copies may also be obtained from the registered office of the Company at The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ.

The interim report and accounts will be available on the Group's website at: <https://www.jupiteram.com/investor-relations/>.

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Forward-looking statements

This announcement contains forward-looking statements with respect to the financial condition, results of operations and businesses of the Group. Such statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by forward-looking statements and forecasts. Forward-looking statements and forecasts are based on the Directors' current view and information known to them at the date of this announcement. The Directors do not make any undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Nothing in this announcement should be construed as a profit forecast.

Management statement

The first half of 2022 was a challenging period for asset managers, driven by a trend of worsening macroeconomic factors.

With the war in Ukraine, equity markets saw significant falls, particularly towards the end of the period. Central banks raised interest rates, inflationary pressures continued to become more severe and economists forecast an increased likelihood of recession. Markets were both volatile and unusually highly correlated throughout the period, with both equity and fixed income markets falling considerably at the same time.

As with our peers, Jupiter has been impacted by these external factors and we saw the effects on our financial results, AUM and mutual fund performance. As these economic conditions persisted, we have reviewed our cost base and taken actions to reduce fixed staff and non-compensations costs for the full year 2022. We have identified further opportunities and will work to position the Group for a more challenging medium-term environment.

In these highly volatile markets, we saw a decline in our assets outperforming their median. As at 30 June 2022, 43% of our mutual fund assets outperformed their peer group over a three-year period (31 December 2021: 58%). Three funds accounted for the decline from the prior period as they moved from above the median in their peer group. Our unconstrained fixed income strategies performance was impacted by the inflationary environment, while our European Fund and UK Mid Cap suffered relative to peers as a result of their high growth focus.

We are a high-conviction active asset manager and remain focused on delivering positive investment performance to our clients. As such this recent period of underperformance is disappointing. We have, however, seen periods like this in our past and have come through to deliver exceptional long-term results for our clients. We will continue to manage our clients' assets in line with our products' style, strategy and objectives with a focus on the longer term.

Performance over one year was also impacted, with 44% outperforming over one year (31 December 2021: 80%). Over a five-year period, the figure was 64% (31 December 2021: 68%).

AUM fell from £60.5bn at 31 December 2021 to £48.8bn at 30 June 2022. The most significant impact was from declining markets, which reduced our AUM by £8.1bn. Much of this decline came late in the period, with over £3bn of market declines in the month of June alone.

Although gross sales of £6.9bn held up well in a challenging 'risk off' environment, there were total net outflows of £3.6bn.

The combination of falling markets and rising inflation weighed upon retail investor sentiment and restricted client flows across both equity and fixed income. We saw net outflows in the Retail & Wholesale channel of £3.8bn. This was driven by redemptions from European and Asian-based clients out of Dynamic Bond, as well as UK clients from Growth-focused strategies such as European Growth and UK Mid Cap. These outflows were partly offset by positive inflows into value-focused products, such as Asian Income, Japan Income and Global Value Equity.

Growing our presence within the Institutional channel is a key strategic focus for Jupiter and we generated net positive inflows of £0.2bn in the first half. This was driven by a new mandate into our Global Sustainable Equities capability and inflows into NZS Capital's Global Equity strategy, partially offset by a client redemption from a European Growth strategy. We remain encouraged by the pipeline in this strategically important channel.

We have also continued to attract client demand for our sustainability-labelled products, despite their growth-style focus. We generated almost £300m of net inflows in the first half across both channels.

Jupiter remains a well-capitalised business with a strong balance sheet. Noting the resilience of our capital base, the Board has maintained the interim dividend at 7.9p (2021 H1: 7.9p) per share.

Financial performance

The impact of falling markets and lower AUM has had an impact on our financial results in the first half of the year.

Net revenue was 10% lower at £202.4m (2021 H1: £224.0m), reflecting lower average AUM of £54.8bn (2021 H1: £59.0bn). Total net revenue included £0.7m of performance fees (2021 H1: £nil).

Excluding performance fees, the net revenue margin fell by two basis points to 74bps, with the reduction in AUM disproportionately impacting higher margin equity strategies.

Against a backdrop of falling markets and reduced revenue margins, it is critical that we maintain a rigorous focus on our cost base. We have sought to take actions to reduce our cost base where possible in 2022 and we are exploring opportunities to position the Group in the most effective way for the more challenging environment in the medium term.

Fixed staff costs before exceptional items were broadly in line with the second half of 2021 but increased by 7% to £37.9m compared to 2021 H1 (2021 H1: £35.4m), as we saw the half-year impact of inflationary pressures. Given the market environment, we have been particularly cautious on new hires, focusing on those which were essential to the business or would have the most impact on growth.

Variable staff costs before exceptional items increased from £41.7m in 2021 H1 to £63.9m in 2022 H1. Virtually all of this increase was due to performance fee-related pay relating to performance fees earned in 2020 and 2021. Excluding these performance fee-related costs, variable staff costs were broadly flat compared to 2021 H1.

This deferred compensation in respect of performance fee-related pay is paid out in the shares or units of the underlying funds to which the performance fees relate. The Group hedges its exposure to changes in value of such awards by holding the relevant shares or units. In the first half of 2022, the Group recognised a loss of £11.9m on such awards, net of hedging, as a result of accounting timing differences between the recognition of the full revaluation of the asset and the partial adjustment to the award liability. This loss will reverse in future periods, up to 2025.

The total compensation ratio before net performance fees increased by four percentage points compared to the first half of 2021 to 38%, reflecting the lower revenue base and the necessity for key staff retention.

Non-compensation costs of £58.4m (2021 H1: £61.9m) were also carefully managed and lower than initial expectations. A proportion of our non-compensation costs are linked to AUM levels, which has driven some of this reduction, but we have also achieved further planned cost savings, some of which are reflected in these results.

The Group's total administrative expenses before performance fee-related pay and exceptional items were £135.3m (2021 H1: £137.4m).

There were exceptional items of £10.9m (2021 H1: £21.2m), which mainly comprised amortisation of intangible assets and deferred compensation charges relating to the 2020 Merian acquisition.

Excluding the impact of net performance fees, underlying profit before tax and exceptional items was £53.9m (2021 H1: £79.8m). With the impact of deferred performance-fee related compensation costs, underlying profit before tax was £29.7m (2021 H1: £78.2m), with statutory profit before tax of £18.8m (2021 H1: £57.0m).

Underlying earnings per share, excluding the impact of net performance fees was 7.8p (2021 H1: 11.7p). Including net performance fees, underlying earnings per share was 4.2p (2021 H1: 11.5p) and basic statutory earnings per share was 2.6p (2021: 8.7p).

Before exceptional items and net performance fees, the Group's operating margin decreased by 9 percentage points from 37% to 28%. Including net performance fees, the operating margin was 16% (2021 H1: 36%).

£m	Six months ended 30 June 2022			Six months ended 30 June 2021		
	Before net performance fees	Net performance fees	Total	Before net performance fees	Net performance fees	Total
Net revenue	201.7	0.7	202.4	224.0	-	224.0
Fixed staff costs	(37.9)	-	(37.9)	(35.4)	-	(35.4)
Variable staff costs	(39.0)	(24.9)	(63.9)	(40.1)	(1.6)	(41.7)
Non-compensation costs	(58.4)	-	(58.4)	(61.9)	-	(61.9)
Administrative expenses ¹	(135.3)	(24.9)	(160.2)	(137.4)	(1.6)	(139.0)
Other losses	(8.2)	-	(8.2)	(2.6)	-	(2.6)
Amortisation of intangible assets ²	(1.0)	-	(1.0)	(0.9)	-	(0.9)
Operating profit before exceptional items	57.2	(24.2)	33.0	83.1	(1.6)	81.5
Finance costs	(3.3)	-	(3.3)	(3.3)	-	(3.3)
Profit before taxation and exceptional items	53.9	(24.2)	29.7	79.8	(1.6)	78.2
Exceptional items	(10.9)	-	(10.9)	(21.2)	-	(21.2)
Statutory profit before tax	43.0	(24.2)	18.8	58.6	(1.6)	57.0

¹ Administrative expenses exclude £1.5m of variable staff costs classified as exceptional (2021 H1: £11.8m).

² Amortisation of intangible assets excludes £9.4m classified as exceptional (2021 H1: £9.4m).

AUM and net flows

AUM decreased by 19% to £48.8bn as at 30 June 2022 (31 December 2021: £60.5bn) as a result of negative market-related movements of £8.1bn in H1, combined with net outflows of £3.6bn.

	31 December 2021 £bn	Q1 net flows £bn	Q2 net flows £bn	H1 net flows £bn	Market returns £bn	30 June 2022 £bn
Retail & wholesale	54.2	(1.9)	(1.9)	(3.8)	(6.9)	43.5
Institutional	5.1	0.2	-	0.2	(0.5)	4.8
Investment trusts	1.2	0.1	(0.1)	-	(0.7)	0.5
Total	60.5	(1.6)	(2.0)	(3.6)	(8.1)	48.8
<i>of which is invested in mutual funds</i>	<i>50.9</i>	<i>(1.9)</i>	<i>(1.6)</i>	<i>(3.5)</i>	<i>(6.8)</i>	<i>40.6</i>

Investment performance

Jupiter's purpose is clear. We exist to help our clients achieve their long-term investment objectives, which we achieve through focused, high-conviction active management.

At 30 June 2022, 43% of our mutual fund AUM had delivered above-median performance against their peer group over three years (31 December 2021: 58% of mutual fund AUM), of which 23% of mutual fund AUM had delivered first quartile performance (31 December 2021: 37% of mutual fund AUM).

Measured over one year, 44% of mutual fund AUM (31 December 2021: 80% of mutual fund AUM) delivered above-median performance, whereas over five years this was 64% of mutual fund AUM (31 December 2021: 68% of mutual fund AUM).

Segregated mandates and investment trusts make up £8.2bn or 17% of our AUM. At the period end, 46% of AUM in segregated mandates and investment trusts were above their benchmarks over three years (31 December 2021: 46%).

As a high-conviction active asset manager, we remain focused on delivering positive investment performance to our clients. We will continue to manage our clients' assets in line with our products' style, strategy and objectives.

Capital

The Group continues to maintain a robust capital base. The Board have proposed an unchanged interim dividend for the period of 7.9p per share, which will be paid on 31 August 2022 to shareholders on the register at the close of business on 12 August 2022.

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.

Whilst the market environment and our financial performance in the first half of the year have been challenging, the strength of our capital position and the underlying cash earnings of the Company support the payment of an unchanged interim dividend. The Board will consider the final dividend at the time of the full year results.

External conditions are likely to continue have a material bearing on our financial performance in the second half of the year and the Board's evaluation of the appropriate level for the final dividend will be informed by our trading through that period, the outlook for revenues and costs, and our levels of excess liquidity and capital at that point.

Outlook

It is clear that we are in a very challenging environment for asset managers. With this backdrop in mind, we remain focused on taking a disciplined approach to our cost base.

Over the last three years, we have remained focused on re-strengthening the Group's foundations, and these external factors should not distract from that progress. Our sustainability range continues to attract inflows and we are beginning to see positive flows in the institutional channel.

We see opportunities for growth across our business. I am confident that we will see these come through under Matt Beesley's leadership, as he builds, evolves and adapts the Group's strategy. He will update the market on his plans to do so later in the year.

Andrew Formica
Chief Executive Officer
28 July 2022

¹The Group's use of alternative performance measures is explained on pages 25 to 27.

Consolidated income statement

for the six months ended 30 June 2022

	Notes	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m	Year ended 31 December 2021 £m
Revenue	1	226.5	247.7	617.8
Fee and commission expenses	1	(24.1)	(23.7)	(49.2)
Net revenue	1	202.4	224.0	568.6
Administrative expenses	3	(161.7)	(150.8)	(353.1)
Other losses	4	(8.2)	(2.6)	(4.4)
Amortisation of intangible assets	9	(10.4)	(10.3)	(20.6)
Operating profit		22.1	60.3	190.5
Finance costs	5	(3.3)	(3.3)	(6.8)
Profit before taxation		18.8	57.0	183.7
Income tax expense	6	(4.3)	(9.6)	(34.1)
Profit for the period¹		14.5	47.4	149.6
Earnings per share				
Basic	7	2.6p	8.7p	27.6p
Diluted	7	2.5p	8.5p	26.9p

¹Non-controlling interests are presented in the Consolidated statement of changes of equity.

Consolidated statement of comprehensive income

for the six months ended 30 June 2022

	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m	Year ended 31 December 2021 £m
Profit for the year	14.5	47.4	149.6
Items that may be reclassified subsequently to profit or loss			
Exchange movements on translation of subsidiary undertakings	2.9	(1.3)	(2.5)
Other comprehensive income/(loss) for the year net of tax	2.9	(1.3)	(2.5)
Total comprehensive income for the year net of tax	17.4	46.1	147.1

Consolidated balance sheet

at 30 June 2022

	Notes	30 June 2022	30 June 2021 (restated) ¹	31 December 2021
		£m	£m	£m
NON-CURRENT ASSETS				
Goodwill	8	570.6	570.6	570.6
Intangible assets	9	43.6	61.2	52.1
Property, plant and equipment	10	42.5	45.6	44.1
Deferred tax assets		24.6	23.8	27.6
Trade and other receivables		0.4	0.4	0.5
		<u>681.7</u>	<u>701.6</u>	<u>694.9</u>
CURRENT ASSETS				
Investment in associates	11	-	32.5	-
Financial assets at fair value through profit or loss	11	247.5	244.4	303.5
Trade and other receivables		295.4	135.3	145.0
Current income tax asset		3.9	-	-
Cash and cash equivalents	12	213.9	148.5	197.3
		<u>760.7</u>	<u>560.7</u>	<u>645.8</u>
TOTAL ASSETS		<u>1,442.4</u>	<u>1,262.3</u>	<u>1,340.7</u>
EQUITY				
Share capital	14	11.1	11.1	11.1
Own share reserve	15	(0.6)	(0.2)	(0.4)
Other reserves ¹	15	250.1	250.1	250.1
Foreign currency translation reserve	15	3.2	1.5	0.3
Retained earnings	15	592.3	605.3	639.7
Capital and reserves attributable to owners of Jupiter Fund Management plc		<u>856.1</u>	<u>867.8</u>	<u>900.8</u>
Non-controlling interests		0.7	(0.1)	-
TOTAL EQUITY		<u>856.8</u>	<u>867.7</u>	<u>900.8</u>
NON-CURRENT LIABILITIES				
Loans and borrowings	13	49.4	49.2	49.3
Trade and other payables		103.1	88.7	102.3
Deferred tax liabilities		8.5	12.1	10.3
		<u>161.0</u>	<u>150.0</u>	<u>161.9</u>
CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss	11	50.3	41.7	52.3
Trade and other payables		374.3	201.8	222.2
Current income tax liability		-	1.1	3.5
		<u>424.6</u>	<u>244.6</u>	<u>278.0</u>
TOTAL LIABILITIES		<u>585.6</u>	<u>394.6</u>	<u>439.9</u>
TOTAL EQUITY AND LIABILITIES		<u>1,442.4</u>	<u>1,262.3</u>	<u>1,340.7</u>

¹The split of the Group's total equity between different non-distributable reserves has been restated. See Notes 14 and 15.


WAYNE MEPHAM


JUPITER

Consolidated statement of changes in equity

for the six months ended 30 June 2022

	Share capital	Share premium (restated) ¹	Own share reserve	Other reserves (restated) ¹	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 1 January 2021	11.1	242.1	(0.2)	8.0	2.8	622.5	886.3	(0.2)	886.1
Restatement adjustment ¹	-	(242.1)	-	242.1	-	-	-	-	-
At 1 January 2021 (restated)	11.1	-	(0.2)	250.1	2.8	622.5	886.3	(0.2)	886.1
Profit for the period	-	-	-	-	-	47.3	47.3	0.1	47.4
Exchange movements on translation of subsidiary undertakings	-	-	-	-	(1.3)	-	(1.3)	-	(1.3)
Other comprehensive loss	-	-	-	-	(1.3)	-	(1.3)	-	(1.3)
Total comprehensive (loss)/income	-	-	-	-	(1.3)	47.3	46.0	0.1	46.1
Vesting of ordinary shares and options	-	-	0.1	-	-	-	0.1	-	0.1
Dividends paid	-	-	-	-	-	(66.9)	(66.9)	-	(66.9)
Purchase of shares by EBT	-	-	(0.1)	-	-	(13.1)	(13.2)	-	(13.2)
Share-based payments	-	-	-	-	-	15.2	15.2	-	15.2
Current tax	-	-	-	-	-	(0.1)	(0.1)	-	(0.1)
Deferred tax	-	-	-	-	-	0.4	0.4	-	0.4
Total transactions with owners	-	-	-	-	-	(64.5)	(64.5)	-	(64.5)
At 30 June 2021 (restated)¹	11.1	-	(0.2)	250.1	1.5	605.3	867.8	(0.1)	867.7
Profit for the period	-	-	-	-	-	102.1	102.1	0.1	102.2
Exchange movements on translation of subsidiary undertakings	-	-	-	-	(1.2)	-	(1.2)	-	(1.2)
Other comprehensive loss	-	-	-	-	(1.2)	-	(1.2)	-	(1.2)
Total comprehensive (loss)/income	-	-	-	-	(1.2)	102.1	100.9	0.1	101.0
Dividends paid	-	-	-	-	-	(42.9)	(42.9)	-	(42.9)
Purchase of shares by EBT	-	-	(0.2)	-	-	(35.1)	(35.3)	-	(35.3)
Share-based payments	-	-	-	-	-	10.3	10.3	-	10.3
Current tax	-	-	-	-	-	0.2	0.2	-	0.2
Deferred tax	-	-	-	-	-	(0.2)	(0.2)	-	(0.2)
Total transactions with owners	-	-	(0.2)	-	-	(67.7)	(67.9)	-	(67.9)
At 31 December 2021	11.1	-	(0.4)	250.1	0.3	639.7	900.8	-	900.8
Profit for the period	-	-	-	-	-	13.8	13.8	0.7	14.5
Exchange movements on translation of subsidiary undertakings	-	-	-	-	2.9	-	2.9	-	2.9
Other comprehensive income	-	-	-	-	2.9	-	2.9	-	2.9
Total comprehensive income	-	-	-	-	2.9	13.8	16.7	0.7	17.4
Dividends paid	-	-	-	-	-	(48.6)	(48.6)	-	(48.6)
Purchase of shares by EBT	-	-	(0.2)	-	-	(21.2)	(21.4)	-	(21.4)
Share-based payments	-	-	-	-	-	8.7	8.7	-	8.7
Deferred tax	-	-	-	-	-	(0.1)	(0.1)	-	(0.1)
Total transactions with owners	-	-	(0.2)	-	-	(61.2)	(61.4)	-	(61.4)
At 30 June 2022	11.1	-	(0.6)	250.1	3.2	592.3	856.1	0.7	856.8
Notes	14		15	15	15	15			

¹ In the Group's half year results in respect of the six months ended 30 June 2021, a balance of £242.1m was recorded as 'Share premium'. In the Group's full year results for 2021, this balance was restated as 'Other reserves'. See Notes 14 and 15.

Consolidated statement of cash flows

for the six months ended 30 June 2022

	Notes	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m	Year ended 31 December 2021 £m
Cash flows from operating activities				
Cash generated from operations	17	121.4	123.2	237.5
Income tax paid		(10.5)	(21.0)	(48.6)
Net cash inflows from operating activities		110.9	102.2	188.9
Cash flows from investing activities				
Purchase of property, plant and equipment	10	(0.9)	(0.8)	(1.4)
Purchase of intangible assets	9	(1.9)	(0.7)	(2.1)
Purchase of financial assets at fair value through profit or loss (FVTPL)		(130.6)	(126.1)	(190.4)
Proceeds from disposal of financial assets at FVTPL		100.1	83.8	184.9
Cash movement from funds no longer consolidated		-	(3.9)	(4.1)
Dividend income received		0.6	0.5	1.1
Net cash outflows from investing activities		(32.7)	(47.2)	(12.0)
Cash flows from financing activities				
Dividends paid	16	(48.6)	(66.9)	(109.8)
Purchase of shares by EBT		(21.4)	(13.2)	(48.5)
Finance costs paid		(4.7)	(4.7)	(5.1)
Cash paid in respect of lease arrangements		(2.9)	(2.8)	(5.2)
Third-party subscriptions into consolidated funds		26.3	16.6	31.5
Third-party redemptions from consolidated funds		(10.2)	(22.4)	(28.7)
Distributions paid by consolidated funds		(2.0)	(1.2)	(1.9)
Net cash outflows from financing activities		(63.5)	(94.6)	(167.7)
Net increase/(decrease) in cash and cash equivalents		14.7	(39.6)	9.2
Cash and cash equivalents at beginning of period		197.3	188.1	188.1
Effects of exchange rates changes on cash and cash equivalents ¹		1.9	-	-
Cash and cash equivalents at end of period	12	213.9	148.5	197.3

¹ The effects of foreign exchange movements on cash and cash equivalents in prior periods were judged to be immaterial to those periods.

Notes to the Group financial statements

Introduction

Jupiter Fund Management plc (the Company) and its subsidiaries (together, the Group) offer a range of asset management products. Through its subsidiaries, the Group acts as an investment manager to authorised unit trusts, SICAVs, ICVCs, OEICs, investment trusts, segregated mandates, a hedge fund (closed in 2022) and a Delaware LP. At 30 June 2022, the Group had offices in the United Kingdom, Ireland, Austria, Germany, Hong Kong, Italy, Luxembourg, Singapore, Spain, Sweden, Switzerland and the United States of America.

The impact of exceptional items on the financial statements

The Group has presented certain items as exceptional. These items principally relate to the Merian Global Investors Limited (Merian) acquisition in 2020. Further details of all items that are deemed exceptional in 2021 and first half of 2021 and 2022 are explained below, as well as within the relevant notes to the accounts and in the Management statement.

The use of exceptional items and underlying profit measures

In the Financial review of this document, the Group makes use of a number of alternative performance measures (APMs), including 'Underlying profit before tax'. The use of such measures means that financial results referred to in that section of this document may not be equal to the statutory results reported in the financial statements. Guidelines issued by the Financial Reporting Council require such differences to be reconciled (see pages 25 to 27).

'Underlying profit before tax' is equal to the statutory profit before tax after 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 notes the exceptional items are recorded.

		Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
	Notes	£m	£m	£m
Underlying profit before tax (page 1)		29.7	78.2	216.7
Administrative expenses	3	(1.5)	(11.8)	(14.2)
Amortisation of intangible assets	9	(9.4)	(9.4)	(18.8)
Statutory profit before tax		18.8	57.0	183.7

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 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.

	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m	Year ended 31 December 2021 £m
Management fees	224.1	247.6	501.5
Initial charges and commissions	1.7	0.1	3.3
Performance fees	0.7	-	113.0
Revenue	226.5	247.7	617.8
Fee and commission expenses relating to management fees	(23.6)	(23.5)	(47.8)
Fees and commission expenses relating to initial charges and commissions	(0.5)	(0.2)	(1.4)
Net revenue	202.4	224.0	568.6

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.

3. Administrative expenses

	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m	Year ended 31 December 2021 £m
Staff costs	55.3	94.8	229.9
Depreciation of property, plant and equipment	2.9	2.8	5.6
Other administrative expenses	55.5	59.1	120.3
Administrative expenses before losses/(gains) arising from economic hedging of fund awards	113.7	156.7	355.8
Net losses/(gains) on instruments held to provide an economic hedge for fund awards	48.0	(5.9)	(2.7)
Total administrative expenses	161.7	150.8	353.1

The management statement of this document provides details of exceptional items of £1.5m (2021 H1: £11.8m, 2021 FY: £14.2m) within administrative expenses. All of this expense is included within staff costs and comprises £1.5m (2021 H1: £3.8m, 2021 FY: £7.7m) relating to cash and share-based deferred earn out (DEO) awards, and £nil (2021 H1: £8.0m, 2021 FY: £6.5m) relating to a redundancy programme.

4. Other (losses)/gains

Other (losses)/gains relate principally to (losses)/gains made on the Group's seed investment portfolio and derivative instruments held to provide economic hedges against that portfolio. The portfolio and derivatives are held at fair value through profit or loss (see Note 11). Gains and losses on these investments comprise both realised and unrealised amounts. In 2021, other losses also related to a hedging instrument purchased to mitigate the Group's exposure to pricing movements in its own shares in respect of share-based awards it had granted.

	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
	£m	£m	£m
Dividend income	0.6	0.5	1.1
(Losses)/gains on financial instruments designated at fair value through profit or loss upon initial recognition	(24.8)	4.9	9.7
Gains/(losses) on financial instruments at fair value through profit and loss	16.0	(8.0)	(15.2)
Other losses	(8.2)	(2.6)	(4.4)

5. Finance costs

Finance costs principally relate to interest payable on Tier 2 subordinated debt notes (see Note 13 for further details) and the unwinding of the discount applied to lease liabilities. Finance costs also include ancillary charges for commitment fees and arrangement fees associated with the revolving credit facility. Interest payable is charged on an accruals basis using the effective interest method.

	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
	£m	£m	£m
Interest on subordinated debt	2.3	2.2	4.7
Interest on lease liabilities	0.8	0.8	1.6
Finance costs on the revolving credit facility	0.1	0.1	0.3
Interest on bank deposits	0.1	0.2	0.2
Total finance costs	3.3	3.3	6.8

6. Income tax expense

Analysis of charge in the period:

	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m	Year ended 31 December 2021 £m
Current tax			
Tax on profits for the period	3.1	12.9	45.0
Adjustments in respect of prior periods	-	0.5	(1.3)
	3.1	13.4	43.7
Deferred tax			
Originating and reversal of temporary differences	1.2	(3.8)	(9.8)
Adjustments in respect of prior periods	-	-	0.2
	1.2	(3.8)	(9.6)
Total income tax expense	4.3	9.6	34.1

The weighted average UK corporation tax rate for the period ended 30 June 2022 was 19.0% (2021 H1 and 2021 FY: 19.0%). The estimated average annual tax rate used for the period to 30 June 2022 is 22.9%, compared to 16.8% for the six months ended 30 June 2021.

The increase in this rate is largely driven by differences on deferred compensation awards due to the movement in the share price. This, coupled with the lower current year profits, gives rise to greater sensitivity to prior year tax adjustments relative to prior year.

On 3 March 2021 it was announced that the corporation tax rate will increase to 25%, from 1 April 2023. This rate was substantively enacted at the balance sheet date and, as such, deferred tax assets and liabilities have been recognised at this rate where they are expected to unwind after this date.

The other deferred tax balances at 31 December 2022 include short-term timing differences and temporary differences between depreciation and capital allowances.

7. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period, 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 period by the weighted average number of ordinary shares outstanding during the period 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.

	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m	Year ended 31 December 2021 £m
Profit attributable to shareholders ¹	13.8	47.3	149.6

¹Excludes profit attributable to non-controlling interests (see Consolidated statement of changes in equity on page 9).

The weighted average number of ordinary shares used in the calculation of EPS is as follows:

	Six months ended 30 June 2022 Number million	Six months ended 30 June 2021 Number million	Year ended 31 December 2021 Number million
Weighted average number of shares			
Issued share capital	553.1	553.1	553.1
Less: time apportioned own shares held	(23.5)	(7.8)	(10.6)
Weighted average number of ordinary shares for the purpose of basic EPS	529.6	545.3	542.5
Add back: weighted average number of dilutive potential shares	13.5	11.4	12.9
Weighted average number of ordinary shares for the purpose of diluted EPS	543.1	556.7	555.4

	Six months ended 30 June 2022 Pence	Six months ended 30 June 2021 Pence	Year ended 31 December 2021 Pence
Earnings per share			
Basic	2.6	8.7	27.6
Diluted	2.5	8.5	26.9

8. Goodwill

Goodwill relates to the 2007 acquisition of Knightsbridge Asset Management Limited (£341.2m) and the 2020 acquisition of Merian Global Investors Limited (£229.4m).

	30 June 2022	30 June 2021	31 December 2021
	£m	£m	£m
Goodwill	570.6	570.6	570.6
	<u>570.6</u>	<u>570.6</u>	<u>570.6</u>

The Group has determined that it is a single cash generating unit for the purpose of assessing the carrying value of goodwill. No additional goodwill was recognised in the period (2021 H1: £nil, 2021 FY: £nil).

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. At 30 June 2022 (and subsequently), the Group's net assets of £856.8m were greater than the Group's market capitalisation. Under IAS 36 Impairment of Assets, this requires an impairment test to be carried out.

Our impairment testing involved the calculation of the net present value of the Group's future earnings using a discounted cash flow model, and a comparison of this amount to the carrying value of the Group's relevant net assets. We performed calculations using the Group's base case forecasts, using current year actual data and revised forecasts to 2026 and also using stressed and alternative versions of the base case. The stresses applied were principally in respect of lower AUM of the Group over the forecast period compared with the base case.

We performed our test and assessed the sensitivity of the headroom over the valuation of the Group's goodwill asset to changes in profitability, discount rates and long-term growth rates. Our base case used a discount rate of 11% (2021: 11%) and a long-term growth rate of 2% (2021: 3%). We concluded that, although a significant limitation in headroom was noted due to a combination of the Group's current reduced levels of AUM and the volatile macroeconomic environment, no impairment of the Group's goodwill asset was implied in any of the Group's tests.

In terms of the sensitivity of the Group's current headroom position to possible future changes in key assumptions, an increase in the discount rate to around 17% or more, or a decrease in forecast profit of 40% would result in the recoverable amount of the relevant net assets of the Group falling below their carrying amount, indicating impairment of the goodwill asset. Neither the Group's regulatory capital or liquidity resources nor its regulatory requirements would be directly impacted by impairment charges relating to the Group's goodwill asset.

The Group continues to monitor its market capitalisation against implied internal valuations and adjust its internal models on a regular basis to reflect the impacts of market information and its own profitability levels. The Group reviews the accuracy of its estimates of future profitability to establish whether impairment tests from previous periods would have given a different result had estimates been equal to actual results.

9. Intangible assets

Intangible assets consist of investment management contracts acquired in the 2020 acquisition of Merian and computer software. The useful economic lives of the investment management contracts were assessed as a maximum of four years and are amortised on a straight line basis over their useful economic lives.

During the period, the Group acquired computer software of £1.9m (2021 H1: £0.7m, 2021 FY: £2.1m), and disposed of £nil (2021 H1: £nil, 2021 FY £0.2m).

The amortisation charge for the period was £10.4m (2021 H1: £10.3m, 2021 FY: £20.6m).

The Directors have reviewed intangible assets as at 30 June 2022 and have concluded there are no indicators of impairment (2021 H1 and 2021 FY: same).

	30 June 2022	30 June 2021	31 December 2021
	£m	£m	£m
Intangible assets	43.6	61.2	52.1
	43.6	61.2	52.1

The management statement of this document refers to exceptional items of £9.4m (2021 H1: £9.4m, 2021 FY: £18.8m) relating to amortisation of intangible assets. This charge is in respect of the Merian acquisition in 2020.

10. Property, plant and equipment

The net book value of property, plant and equipment at 30 June 2022 was £42.5m (2021 H1: £45.6m, 2021 FY: £44.1m).

During the period, the Group acquired items of property, plant and equipment (excluding right-to-use leased assets) with a value of £0.9m (2021 H1: £0.8m, 2021 FY: £1.4m). Additions to the right-of-use leased assets during the period were £0.4m (2021 H1: £0.2m, 2021 FY: £0.9m).

11. Financial instruments held at fair value

As at 30 June 2022, the Group held the following classes of financial instruments measured at fair value, which principally arise from the Group's investments in seed investments (see Note 20):

	30 June 2022	30 June 2021	31 December 2021
	£m	£m	£m
Investments in associates	-	32.5	-
Financial assets at FVTPL	247.5	244.4	303.5
Financial liabilities at FVTPL	(50.3)	(41.4)	(52.3)
Other financial liabilities at FVTPL	-	(0.3)	-
	197.2	235.2	251.2

12. Cash and cash equivalents

	30 June 2022	30 June 2021	31 December 2021
	£m	£m	£m
Cash at bank and in hand	209.2	145.0	193.5
Cash held by the EBT and seed investment subsidiaries	4.7	3.5	3.8
Total cash and cash equivalents	213.9	148.5	197.3

13. 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. 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 movements in the balance in the six month period to 31 December 2021 represent the unwinding of the discount applied to the liability.

	30 June 2022	30 June 2021	31 December 2021
	£m	£m	£m
Non-current subordinated debt in issue	49.4	49.2	49.3
	49.4	49.2	49.3

14. Share capital

	Number of ordinary shares		
	30 June 2022	30 June 2021	31 December 2021
	m	m	m
Ordinary shares of 2p each	553.1	553.1	553.1
	553.1	553.1	553.1

Movements in ordinary shares	Number of ordinary shares million	Par value £m
At 30 June 2021	553.1	11.1
At 31 December 2021	553.1	11.1
At 30 June 2022	553.1	11.1

Restatement of six months ended 30 June 2021 share premium reserve

In the Group's half year results in respect of the six months ended 30 June 2021, a balance of £242.1m was recorded as 'Share premium'. In the Group's full year results for 2021, this balance was restated as 'Other reserves'. See note 19 in the Group's 2021 Annual Report and Accounts for further detail.

15. 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 30 June 2022, 28.0m ordinary shares (2021 H1: 10.2m, 2021 FY: 18.5m), with a par value of £0.6m (2021 H1: £0.2m, 2021 FY: £0.4m), were held as own shares within the Group's EBT for the purpose of satisfying share option obligations to employees.

(ii) Other reserves

The other reserves of £250.1m (2021 H1 restated: £250.1m, 2021 FY: £250.1m) comprise the merger relief reserve of £242.1m (2021 H1 restated: £242.1m, 2021 FY: £242.1m) formed on the acquisition of Merian in 2020, and £8.0m (2021 H1: £8.0m, 2021 FY: £8.0m) that relates to the conversion of Tier 2 preference shares in 2010.

In the Group's half year results in respect of the six months ended 30 June 2021, a balance of £242.1m was recorded as 'Share premium'. In the Group's full year results for 2021, this balance was restated as 'Other reserves'. See note 19 in the Group's 2021 Annual Report and Accounts for further detail.

(iii) Foreign currency translation reserve

The foreign currency translation reserve of £3.2m (2021 H1: £1.5m, 2021 FY: £0.3m) is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

(iv) Retained earnings

Retained earnings of £592.3m (2021 H1: £605.3m, 2021 FY: £639.7m) are the amount of earnings that are retained within the Group after dividend payments and other transactions with owners.

16. Dividends

On 20 May 2022 the Group paid a full-year dividend for 2021 of 9.2p per ordinary share. This amounted to a total payment of £48.6m after taking into account the £2.2m dividends waived on shares held in the EBT.

The Board has declared an interim dividend for the period of 7.9p per ordinary share. This dividend will be paid on 31 August 2022 to ordinary shareholders on the register at close of business on 12 August 2022. This dividend amounts to £43.7m (before adjusting for any dividends waived on shares in the EBT).

17. Cash flows generated from operating activities

	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m	Year ended 31 December 2021 £m
Operating profit	22.1	60.3	190.5
Adjustments for:			
Amortisation of intangible assets	10.4	10.3	20.6
Depreciation of property, plant and equipment	2.9	2.8	5.6
Other losses/(gains)	29.7	(7.2)	(9.4)
Losses/(gains) on fund unit hedges	48.0	(6.0)	(7.7)
Share-based payments	8.7	15.2	25.5
Cash inflows from exercise of share options	-	0.1	0.1
Performance fee receivable in shares	-	-	(55.5) ¹
(Increase)/decrease in trade and other receivables	(158.3)	52.1	39.1
Increase/(decrease) in trade and other payables	157.9	(4.4)	28.7
Cash generated from operations	121.4	123.2	237.5

¹ The decrease in performance fee receivable in shares was settled as a non-cash transaction in 2022.

18. Changes in liabilities arising from financing activities

	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 (restated) ¹ £m	Year ended 31 December 2021 £m
Brought forward at 1 January	152.7	192.6	192.6
New leases	0.4	-	0.2
Changes from financing cash flows	13.2	(8.6)	(2.4)
Changes arising from obtaining or losing control of consolidated funds	(10.4)	(47.0)	(47.0)
Changes in fair values	(7.7)	5.0	7.3
Interest expense	0.9	0.8	1.7
Other movements	(0.2)	-	0.3
Liabilities arising from financing activities	148.9	142.8	152.7

¹ Comparative data relating to the six months ended 30 June 2021 has been restated to incorporate cash flows relating to lease liabilities. The impact of this restatement is to increase the brought forward balance by £54.2m.

19. Basis of preparation and other accounting policies

Within this Interim Report and Accounts, all current and comparative data covering periods to (or as at) 30 June are unaudited. Data given in respect of the year ended 31 December 2021 is audited. Information which is the required content of the Interim Management Report can be found on pages 1 to 6, 23, and 25 to 27.

These condensed financial statements for the six months ended 30 June 2022 have been prepared in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the Financial Conduct Authority and with IAS 34 Interim Financial Reporting, as adopted by the United Kingdom. The condensed interim financial statements should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2021, which were prepared in accordance with UK-adopted international financial reporting standards (IFRS) and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The condensed financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2021 were approved by the Board on 24 February 2022 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. The condensed interim financial statements have been reviewed, not audited.

The Group has access to the financial resources required to run the business efficiently and 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 even given the uncertainty inherent within future market levels and investment performance. The Directors have not identified any material uncertainties to the Group's ability to continue to adopt the going concern basis. As a consequence, the Directors have a reasonable expectation that the Group has adequate resources to continue operating for a period of at least 12 months from the balance sheet signing date. Accordingly, they continue to adopt the going concern basis of accounting in preparing these financial statements.

Changes in the composition of the Group

The Group is required to consolidate seed capital investments where it is deemed to control them. The following changes have been made to the consolidation of the Group since 31 December 2021:

Included in consolidation (as a result of investments)

Jupiter Global Ecology Fund

Changes in accounting policies

The International Accounting Standards Board and IFRS Interpretations Committee (IC) have issued a number of new accounting standards and 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.

Accounting policies

The accounting policies applied are consistent with those applied in the Group's annual financial statements for the year ended 31 December 2021.

20. Financial instruments

Financial instruments held at fair value are carried at a value which represents the price to exit the instruments at the balance sheet date. The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. Where a quoted market price is not available, the Group establishes the fair value using valuation techniques such as recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

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 30 June 2022, the Group held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	£m	£m	£m	£m
Financial assets at FVTPL - funds	162.5	85.0	-	247.5
Financial assets at FVTPL - derivatives	-	-	-	-
Financial liabilities at FVTPL	(50.3)	-	-	(50.3)
	<u>112.2</u>	<u>85.0</u>	<u>-</u>	<u>197.2</u>

As at 30 June 2021, the Group held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	£m	£m	£m	£m
Investments in associates	32.5	-	-	32.5
Financial assets at FVTPL - funds	179.8	60.9	-	240.7
Financial assets at FVTPL - derivatives	3.7	-	-	3.7
Financial liabilities at FVTPL	(41.4)	-	-	(41.4)
Other financial liabilities at FVTPL - derivatives	-	(0.3)	-	(0.3)
	<u>174.6</u>	<u>60.6</u>	<u>-</u>	<u>235.2</u>

As at 31 December 2021, the Group held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	£m	£m	£m	£m
Financial assets at FVTPL – funds	194.6	52.4	-	247.0
Financial assets at FVTPL – derivatives	-	1.0	-	1.0
Financial assets at FVTPL – fees receivable in shares	55.5	-	-	55.5
Financial liabilities at FVTPL	(52.3)	-	-	(52.3)
	<u>197.8</u>	<u>53.4</u>	<u>-</u>	<u>251.2</u>

21. Related party transactions

All related party transactions during the period are consistent with those disclosed in the Annual Report and Accounts for the year ended 31 December 2021 and have taken place on an arm's length basis.

The Group consolidated Jupiter Global Ecology Fund (as set out in Note 19 above) in the period as a result of investments.

Other than the above, no new related parties or related party transactions that materially affect the financial position or performance of the Group existed or occurred during the period.

Statement of Directors' responsibilities

Statements relating to the preparation of the Financial Statements

We confirm that to the best of our knowledge:

- The condensed interim set of financial statements has been prepared in accordance with International Accounting Standard 34, '*Interim Financial Reporting*' as required by the Companies Act 2006 and International Financial Reporting Standards as adopted by the United Kingdom and gives a true and fair view of the assets, liabilities, financial position and profits of the Group for the period ended 30 June 2022.
- The interim report includes a fair review of the information required by:
 - a) DTR 4.2.7R of the Guidance, being an indication of important events that have occurred during the first six months of the current financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - b) DTR 4.2.8R of the Guidance, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions described in the last Annual Report and Accounts that could have a material effect on the financial position or performance of the Group in the past six months of the current financial year.
- A list of the Directors of Jupiter Fund Management plc can be found in the Annual Report and Accounts for the year ended 31 December 2021. A current list of Directors is maintained on the website at www.jupiteram.com.

On behalf of the Board



Wayne Mephram
Chief Financial Officer

28 July 2022

Principal risks and mitigations

The Group is exposed to various risk types in pursuing its business objectives, which can be driven by both internal and external factors. Understanding and managing these risks is a regulatory requirement but also imperative to the success of the business. Following review of our principal risks, as disclosed in the Group's 2021 Annual Report and Accounts, we recognise that our risk profile has increased during H1 2022.

Jupiter's regulatory footprint has increased alongside the scale of our business. We have seen an increase in communication with regulatory bodies in the post pandemic environment, as well as the complexity of regulatory divergence. We continue to engage with our Regulators in an open and transparent manner. The geopolitical events following the invasion of Ukraine disrupted markets which increased volatility, alongside operational risk. The corresponding changing global sanctions regimes have increased our financial crime risk. Whilst the landscape continues to evolve, we believe that the Group has taken appropriate action and is well positioned and equipped to respond in a way that continues to mitigate risk and protect our client interests. Technology and Information Security risk has also increased due to the heightened awareness of a potential Russian cyber attack. We continue to maintain a robust control environment in this area of the business, reducing vulnerabilities where possible.

Looking forward to the second half of 2022 and beyond we have identified key emerging risks which may further impact our overall risk profile. These include the ongoing global inflationary landscape and current bear market, along with the continued focus on environmental, social, governance and sustainability metrics. These areas continue to be assessed through the Group's Enterprise Risk Management framework to ensure we are well positioned to understand and manage them in line with the Group's risk appetite.

Alternative performance measures

The use of alternative performance measures (APMs)

The Group uses APMs for two principal reasons:

- We use ratios to provide metrics for users of the accounts; and
- We use revenue, expense and profitability-based APMs to explain the Group's underlying profitability.

Ratios

The Group calculates ratios to provide comparable metrics for users of the accounts. These ratios are derived from other APMs that measure underlying revenue and expenditure data.

In this document, we have used the following ratios:

	APM	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021	Definition	Reconciliation
1	Net revenue before performance fees margin	74 bps	76 bps	76 bps	Net revenue before performance fees divided by average AUM	See table 1 below
2	Operating margin	16%	36%	39%	Operating profit (before exceptional items) divided by Net revenue	
3	Operating margin before net performance fees	28%	37%	38%	Operating profit (before exceptional items and performance fees) divided by Net revenue before performance fees	
4	Total compensation ratio before net performance fees	38%	34%	33%	Fixed staff costs before exceptional items plus Variable staff costs before exceptional items and performance fee-related costs as a proportion of Net revenue before performance fees	
5	Underlying EPS	4.2p	11.5p	31.7p	Underlying profit after tax divided by Average issued share capital	
6	Underlying EPS before net performance fees	7.8p	11.7p	24.1p	Underlying profit after tax before net performance fees divided by Average issued share capital	

Reconciliations and calculations: table 1

	APM	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m	Year ended 31 December 2021 £m
Management fees (page 12)		224.1	247.6	501.5
Less: Fees and commissions relating to management fees (page 12)		(23.6)	(23.5)	(47.8)
Net management fees		200.5	224.1	453.7
Add: Net of initial charges and commission revenue and expenses (page 12)		1.2	(0.1)	1.9
Net revenue before performance fees		201.7	224.0	455.6
Average AUM (£bn)		54.8	59.0	59.7
Net revenue before performance fees margin	1	74 bps	76 bps	76 bps
Operating profit (page 7)		22.1	60.3	190.5
Exceptional items (page 11)		10.9	21.2	33.0
Operating profit (before exceptional items)		33.0	81.5	223.5
Net revenue (page 12)		202.4	224.0	568.6
Operating margin	2	16%	36%	39%
Operating profit (before exceptional items) (see above)		33.0	81.5	223.5
Net performance fees (page 5)		24.2	1.6	(52.1) ¹
Operating profit (before exceptional items and performance fees)		57.2	83.1	171.4
Net revenue before performance fees (page 5)		201.7	224.0	455.6¹
Operating margin before net performance fees	3	28%	37%	38%
Fixed staff costs before exceptional items (page 5)		37.9	35.4	73.0
Variable staff costs before exceptional items and performance fee-related costs (page 5)		39.0	40.1	79.1
Total		76.9	75.5	152.1
Net revenue before performance fees (see above)		201.7	224.0	455.6¹
Total compensation ratio before net performance fees	4	38%	34%	33%
Statutory profit before tax (page 12)		18.8	57.0	183.7
Exceptional items (see above)		10.9	21.2	33.0
Underlying profit before tax and exceptional items (page 5)		29.7	78.2	216.7
Tax at average statutory rate of 19%		(5.6)	(14.8)	(41.2)
Less: Profit attributable to non-controlling interests (page 9)		(0.7)	-	-
Underlying profit after tax		23.4	63.4	175.5
Average issued share capital (m) (page 18)		553.1	553.1	553.1
Underlying EPS	5	4.2p	11.5p	31.7p
Underlying profit before tax before net performance fees (page 5)		53.9	79.8	164.6
Tax at average statutory rate of 19%		(10.2)	(15.2)	(31.3)
Less: Profit attributable to non-controlling interests (see above)		(0.7)	-	-
Underlying profit after tax before net performance fees		43.0	64.6	133.3
Average issued share capital (m) (see above)		553.1	553.1	553.1
Underlying EPS before net performance fees	6	7.8p	11.7p	24.1p

¹ See page 21 of the Group's 2021 Annual Report and Accounts.

Revenue, expense and profit-related measures

- Asset managers commonly draw out subtotals of revenues less cost of sales, taking into account items such as fee expenses, including commissions payable, without which a proportion of the revenues would not have been earned. Such net subtotals can also be presented after deducting non-recurring exceptional items.
- The Group uses expense-based APMs to identify and separate out non-recurring exceptional items or recurring items that are of significant size in order to provide useful information for users of the accounts who wish to determine the underlying cost base of the Group. To further assist in this, we also provide breakdowns of administrative expenses below the level required to be disclosed in the statutory accounts, for example, distinguishing between variable and fixed compensation, as well as non-compensation expenditure. These subdivisions of expenditure are also presented before and after exceptional items and after accounting for the impact of performance fee pay-aways to fund managers.
- Profitability-based APMs are effectively the sum of the above revenue and expense-based APMs and are provided for the same purpose – to separate out non-recurring exceptional items or recurring items that are of significant size in order to provide useful information for users of the accounts who wish to determine the underlying profitability of the Group.
- Underlying profit after tax is, in addition, used to calculate underlying EPS which determines the Group's ordinary dividend per share and is used in one of the criteria for measuring the vesting rates of share-based awards that have performance conditions attached.

In this document, we have used the following measures which are reconciled or cross-referenced in table 1:

Measure	Rationale for use of measure
Net revenue before performance fees	1
Operating profit	3
Exceptional items ¹	1, 2
Net revenue	1
Performance fee profits	3
Fixed staff costs before exceptional items	2
Variable staff costs before exceptional items	2
Underlying profit before tax ²	3
Underlying profit after tax ²	3, 4

¹ 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.

² We also use these measures excluding performance fees (see page 5).

As stated in 2 above, the Group presents a breakdown of administrative expenses below the level required to be disclosed in the statutory accounts, distinguishing between variable and fixed compensation, as well as non-compensation expenditure. The relevant amounts are set out in the table on page 5.

Changes in the use of APMs

The Group has not used the following APMs in this report:

- Adjusted net revenue
- Total compensation ratio
- Total pay-out ratio.

Independent Review Report to Jupiter Fund Management plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Jupiter Fund Management plc's condensed consolidated interim financial statements (the "interim financial statements") in the *Interim Report and Accounts of Jupiter Fund Management plc* for the six month period ended 30 June 2022 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Consolidated balance sheet as at 30 June 2022;
- the Consolidated income statement and the Consolidated statement of comprehensive income for the period then ended;
- the Consolidated statement of cash flows for the period then ended;
- the Consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the *Interim Report and Accounts of Jupiter Fund Management plc* have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the *Interim Report and Accounts* and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

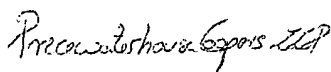
Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with this ISRE. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Interim Report and Accounts, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Interim Report and Accounts in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Interim Report and Accounts, including the interim financial statements, the directors are responsible for assessing the group'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 to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Interim Report and Accounts based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, 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.



PricewaterhouseCoopers LLP
Chartered Accountants
London

28 July 2022