

INTERIM RESULTS

2019



Maintaining shareholder returns

Delivering growth through investment excellence

**Investment
performance**

72%

3 year mutual fund outperformance*
(Dec 2018: 77%)

**Net
sales**

Outflows of £1.1bn

(H1 18: outflows of £2.3bn)

**Net
management
fees**

Down 8% to £182.9m

(H1 18: £199.2m)

**Underlying
earnings per
share**

Down 9% to 15.7p

(H1 18: 17.2p)

£45.9bn

AUM

(Dec 18: £42.7bn)

7.9p

Interim dividend

(H1 18: 7.9p)

*Mutual fund outperformance is defined as those funds in quartiles 1 or 2

Charlotte Jones

INTERIM RESULTS

2019



Financial highlights

Solid financial performance

	H1 18	H1 19	Change
Net management fees	£199.2m	£182.9m	-8%
Net revenue	£214.8m	£190.8m	-11%
Underlying profit before tax*	£97.2m	£88.8m	-9%
Profit before tax	£96.5m	£81.4m	-16%
Underlying EPS	17.2p	15.7p	-9%
Statutory EPS	17.3p	15.1p	-13%
Interim dividend	7.9p	7.9p	
Operating margin**	45%	47%	+2%

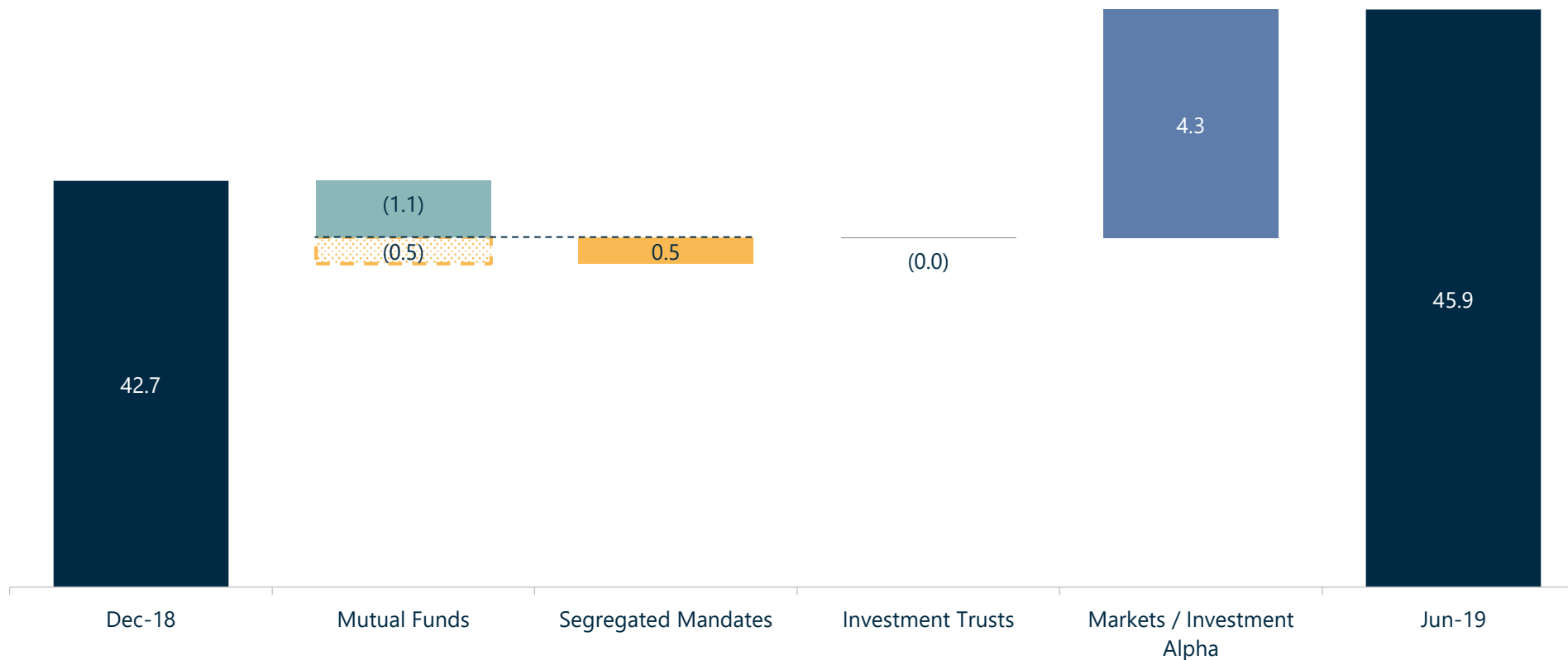
*Underlying profit before tax = profit before tax excluding exceptional items

**Operating margin = operating profit excluding exceptional items divided by net revenue

2019 AUM progression

AUM up 8% to £45.9bn

Movement in AUM (£bn)

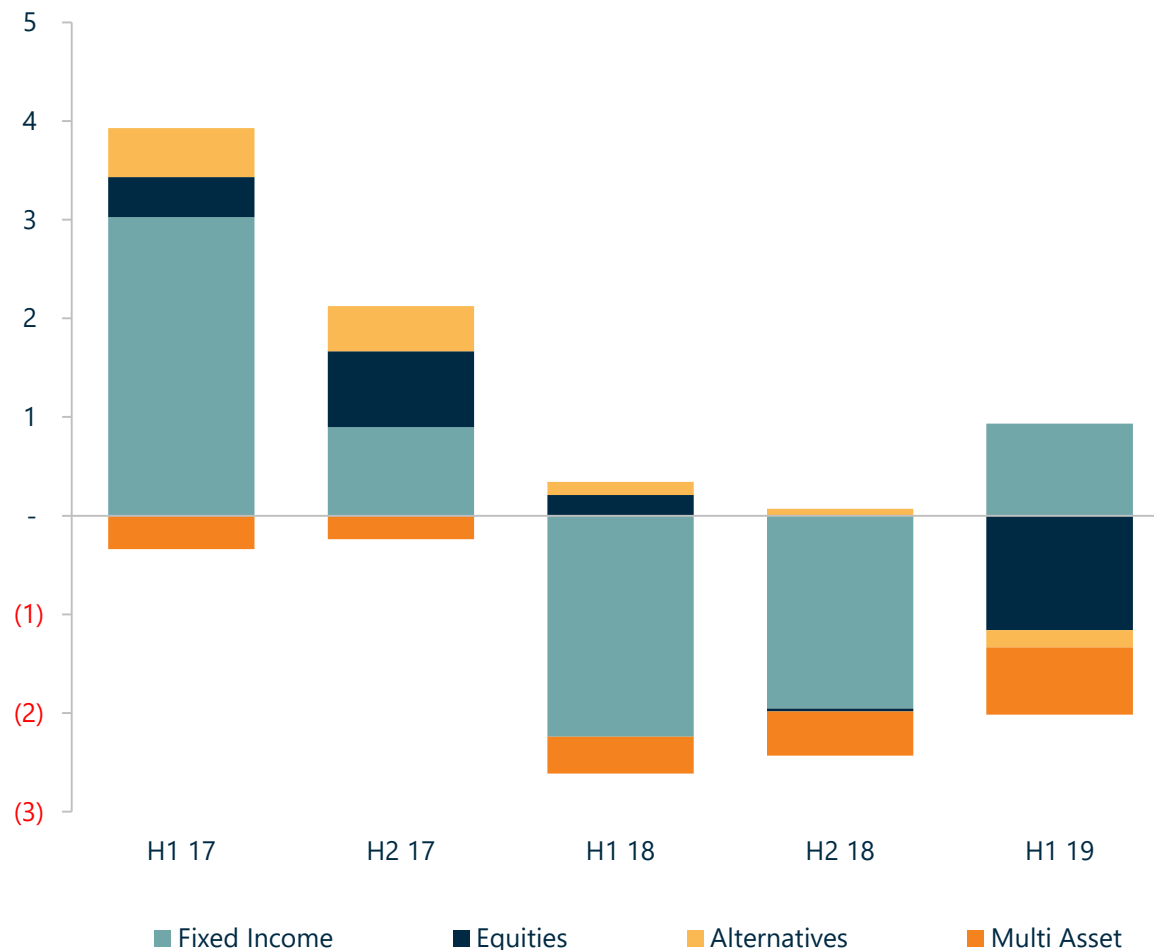


- Mutual fund net outflows of £1.6bn, this includes a one-off transfer of assets to a segregated mandate of £0.5bn
- Overall £4.3bn gains from investment outperformance, underlying market growth and foreign exchange movements on non-sterling assets

Net flows by asset class for all products

Fixed Income flows turned positive but offset by outflows in Equities

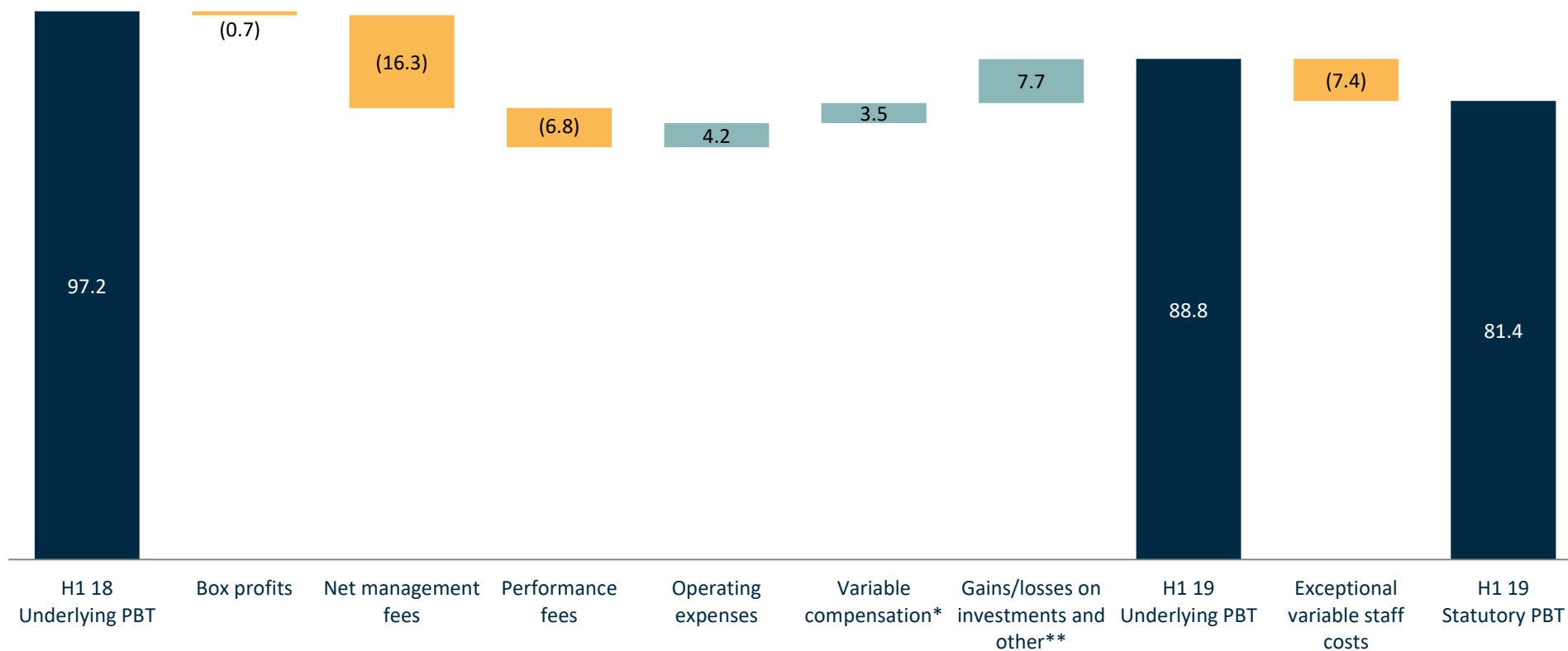
(£bn)



- Net outflows for H1 19 have reduced to £1.1bn
- Fixed Income flows have returned to a positive position in H1 19 following the prior year of outflows
- Redemption rates in Multi Asset have increased
- Equity outflows increased in the period primarily as a reaction to the change in Fund Managers in the European Growth and UK Smaller Companies strategies

Earnings

Progression in earnings (£m)



- Our continual focus on an efficient operating model allows us to use business growth to continuously invest, whilst maintaining an operating margin of 47%
- Underlying earnings exclude exceptional compensation costs

*Excludes exceptional items

**Other includes changes in initial charges

Revenues

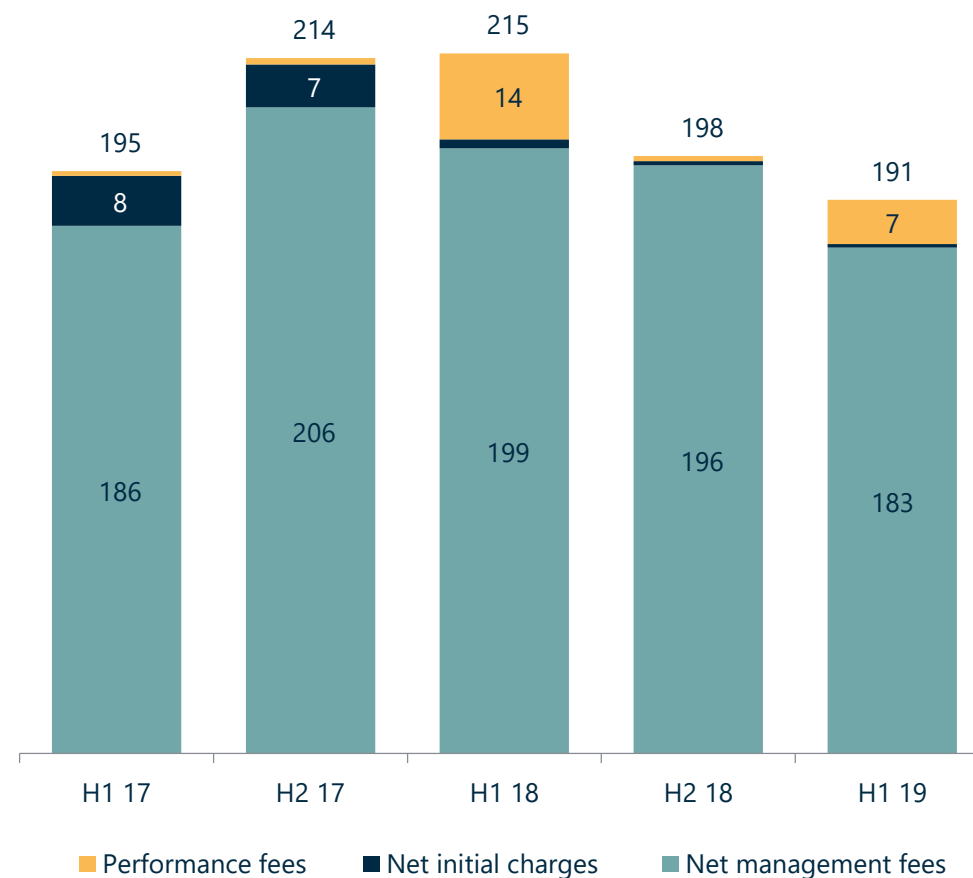
Lower average assets leading to reduced revenues; revenue margin stable

Net revenue

(£m)	H1 18	H1 19	% +/-
Net management fees	199.2	182.9	-8%
Performance fees	14.1	7.3	
	213.3	190.2	-11%
Net initial charges	1.5	0.6	
Of which box profits	0.7	-	
Net revenue	214.8	190.8	-11%
<i>Average AUM (£bn)*</i>	<i>48.6</i>	<i>44.0</i>	<i>-9%</i>

- Decrease in net management fees from H1 18 due to lower average assets under management
- Performance fees of £7.3m crystallised during the period
- Box profits ceased in January 2018

Revenue (£m)



*Average AUM is calculated using a 7 point basis, source Jupiter Internal

Net management fee margin

Key driver remains changing business mix

Bps	H1 17	H2 17	H1 18	H2 18	H1 19
Margin*	85.9	83.9	82.7	83.8	83.8

- Net management fee margin has remained stable versus prior periods due to a number of offsetting business mix effects
- Guidance that ongoing margins are expected to decline by 1-2bps per annum over the longer term remains in place

*Based on average assets in each period using a 7 point basis, adjusted for the number of days in the period

Operating expenses

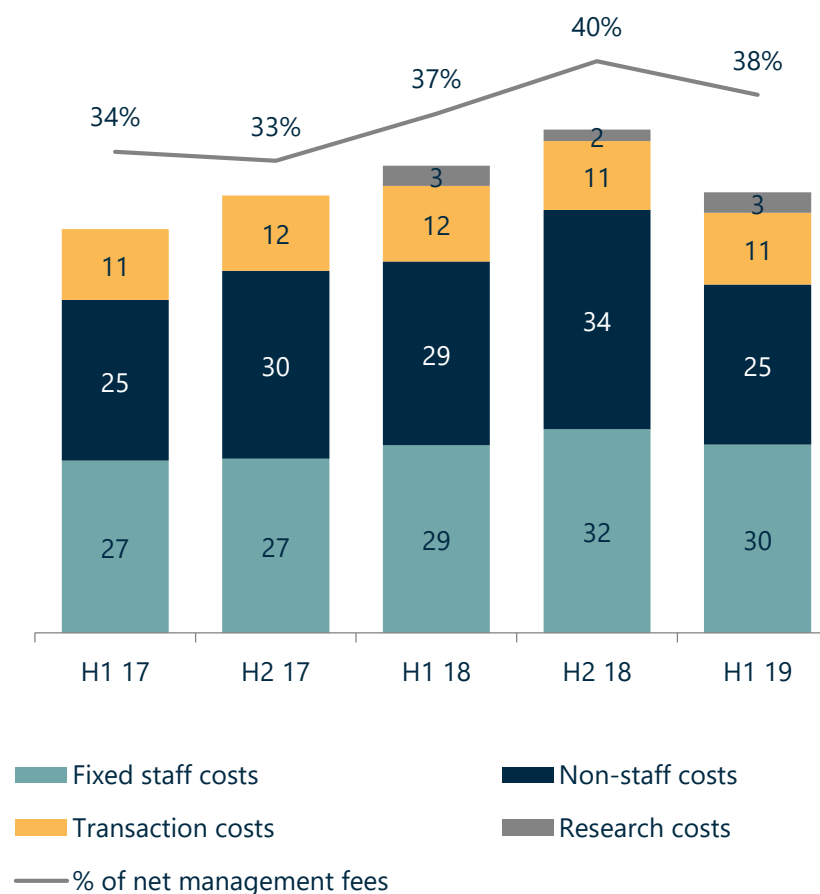
Investing to support growth ambitions

Operating expenses*

(£m)	H1 18	H1 19	% +/-
Fixed staff costs	29.5	29.6	
Other expenses	43.9	39.6	-10%
Operating expenses	73.4	69.2	-6%
Operating margin (%)**	45%	47%	

- Decrease in operating expenses versus H1 18 and H2 18 through cost-saving initiatives implemented in both 2018 and 2019
- Research costs in H1 19 are in line with prior year
- Half-year operating margin of 47%, expected to fall slightly for full year
- H2 costs expected to be higher than H1, consistent with prior years

Operating expenses (£m) and % of net management fees



*Operating expenses = administrative expenses less variable staff costs, excluding exceptional items

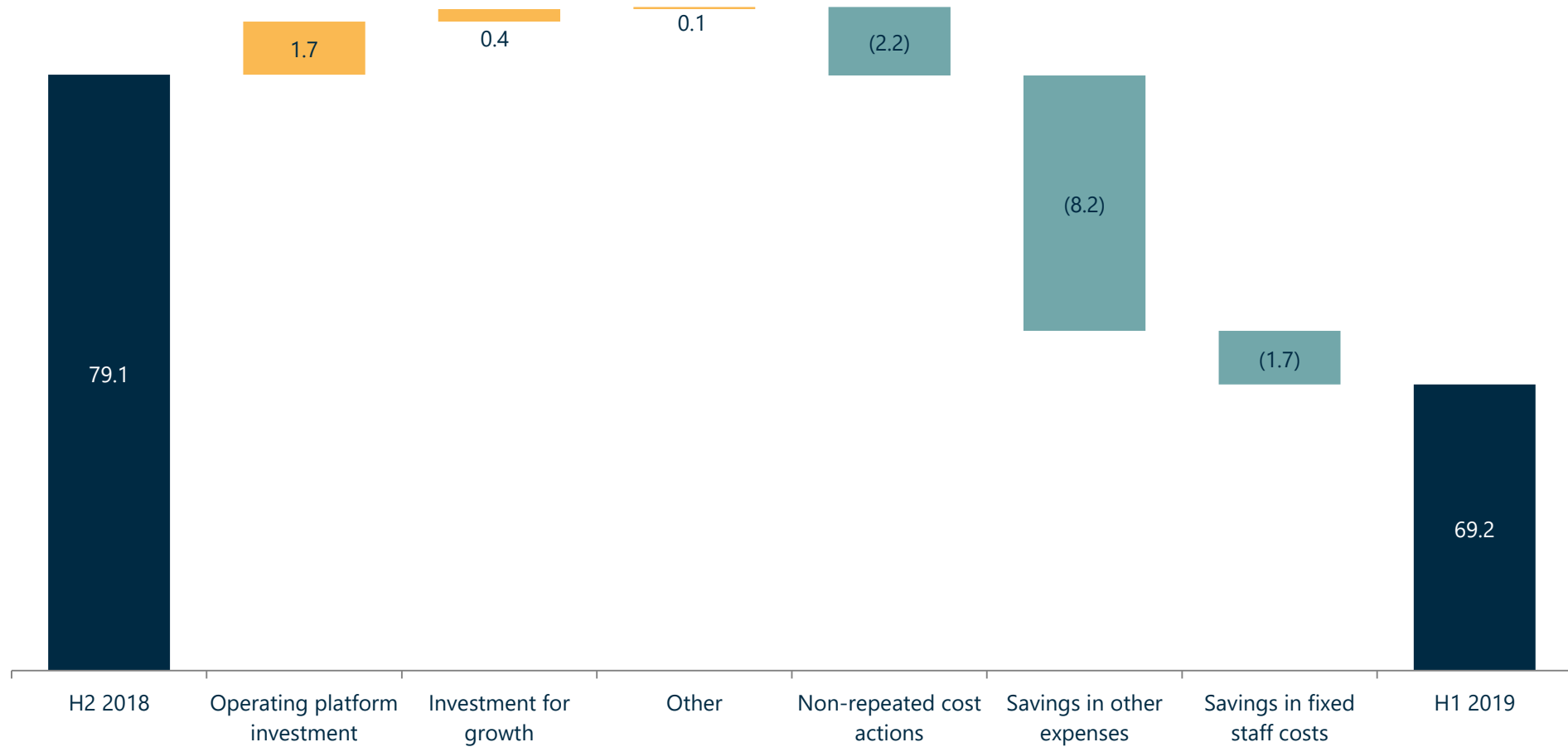
**Operating margin = operating profit excluding exceptional items divided by net revenue

Operating expenses

Progression driven by continued investment; cost discipline to reduce run rate costs

Full-year cost expectations remain in place

Operating expenses development from H2 18 to H1 19 (£m)



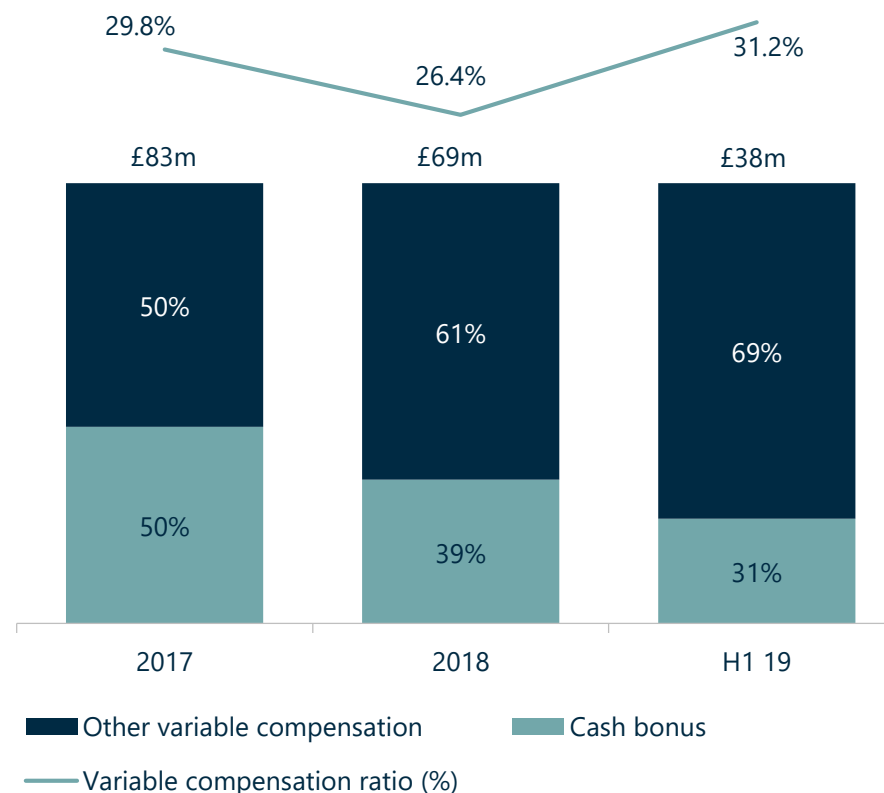
Variable staff costs

Variable staff costs

(£m)	H1 18	H1 19	% +/-
Cash bonus	22.2	11.9	
Other variable compensation*	19.2	26.0	
Variable staff costs	41.4	37.9	-8%
Exceptional items: variable compensation	0.7	7.4	
Variable compensation ratio (%)**	29.3	31.2	
Total compensation ratio (%)***	33.0	35.4	

- Variable compensation ratio increased to 31.2% for H1 19
- An exceptional variable compensation cost of £7.4m has occurred in H1 19, we expect a similar charge in H2 19
- These exceptional items relate to accounting adjustments which accelerate future year charges into 2019

Variable staff costs (£m)/variable compensation ratio



*Other variable compensation = Deferred bonus costs + LTIP costs + SIP costs + SAYE costs + Apprenticeship levy + Options under pre-listing share plan

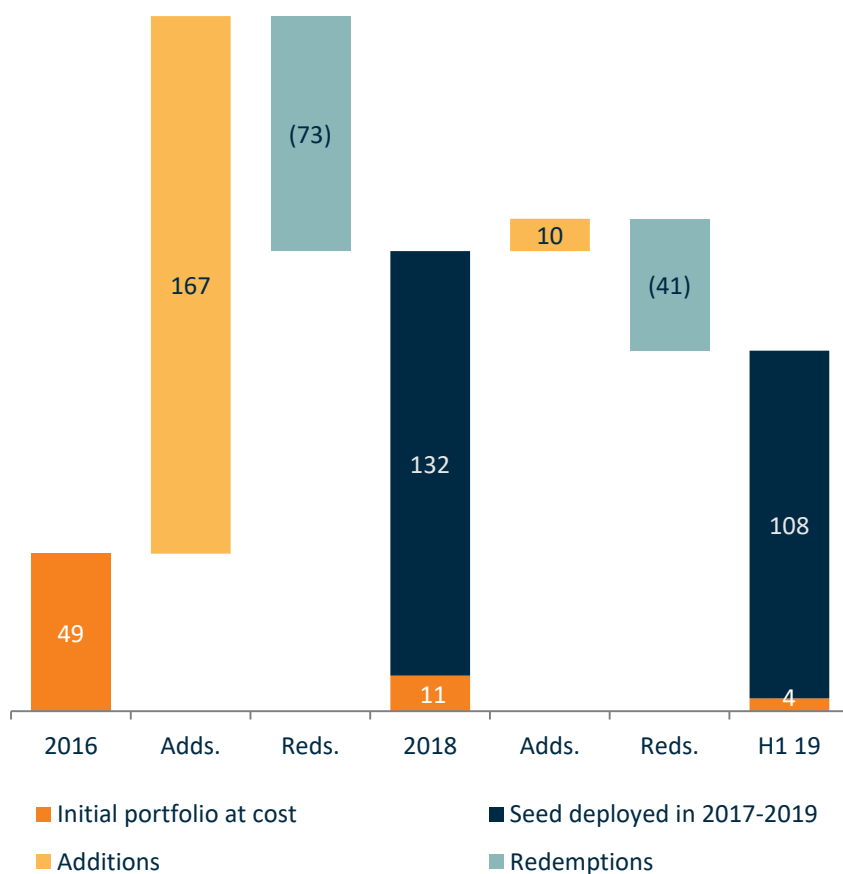
**Variable compensation ratio = Variable staff costs before exceptional items as a proportion of net revenue less operating expenses

***Total compensation ratio = Fixed staff costs + Variable staff costs before exceptional items as a proportion of net revenue

Proactive seeding portfolio

Dynamic use of our balance sheet to support future growth

Seed investment – at cost (£m)



- We continue to deploy our balance sheet into seed investment supporting new and existing funds
- Seed was used to assist 15 funds between 2016 and 2018
- In H1 19 seed has been used in one fund with a strong pipeline for further demands in H2 19
- We actively recycle seed capital, as at 30 June 2019 only £4m remains out of the £49m 2016 portfolio
- The largest constituents of the current portfolio, at cost and the market value as a % of gross fund AUM, are:
 - Flexible Income (£50m) 72%
 - Global Emerging Markets Short Duration Bond (£20m) 34%
 - Merlin Real Return (£12m) 60%
- Valuation gains net of hedging in H1 19 were £3.3m

Strong capital position

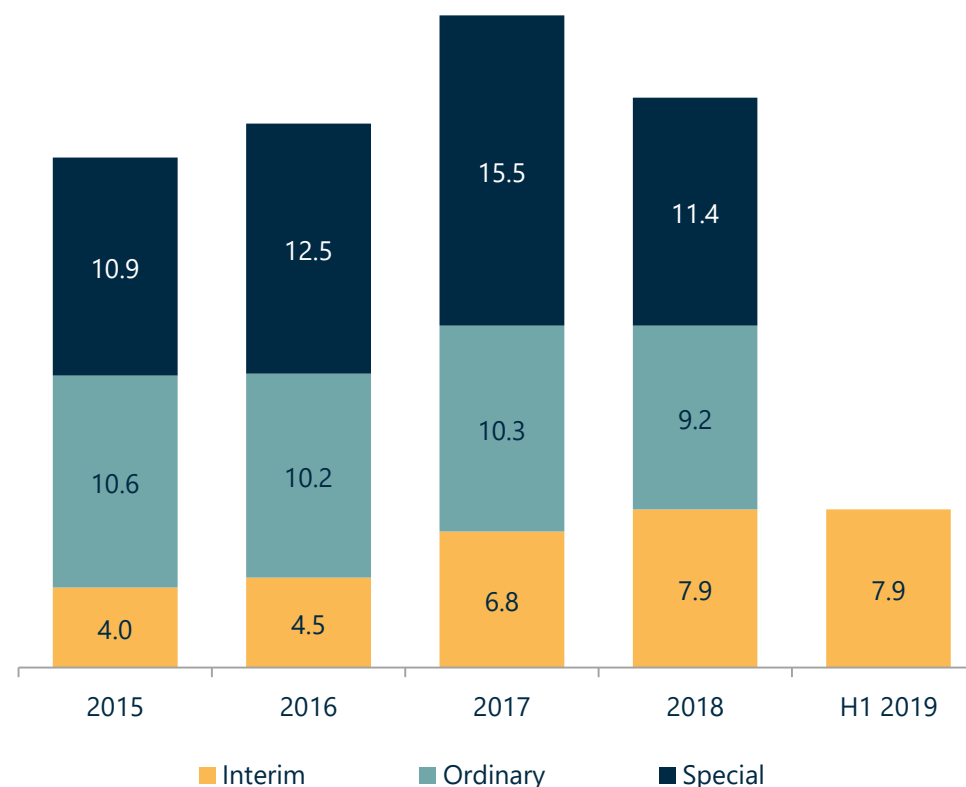
Our overall capital management policy remains unchanged

Regulatory capital

(£m)	H1 18	H2 18	H1 19*
Ordinary shareholder funds	596	624	596
Less: Goodwill and intangible assets	-347	-347	-347
Illiquid assets**	-24	n/a	n/a
Tangible capital	225	277	249
Estimated regulatory requirement	-64	-64	-76
Less: Dividends declared			
Ordinary dividend	-36	-41	-36
Special dividend	n/a	-51	n/a
	125	121	137

- Regulatory capital requirements will continue to move in line with the positioning of our business and changes in our risk profile
- Special dividend used to distribute capital earned in the year not required for other purposes

Ordinary dividend maintained (pence per share)



*Based on provisional data available at the date of the presentation

**From December 2018 we elected to deduct material holdings rather than illiquid assets from our regulatory capital

Andrew Formica

INTERIM RESULTS

2019



Jupiter – an independent, active fund manager

Core strengths

Active funds management is
in our DNA

Provide an optimum
environment for talented, high
conviction managers

Client centred approach
embedded in all we do

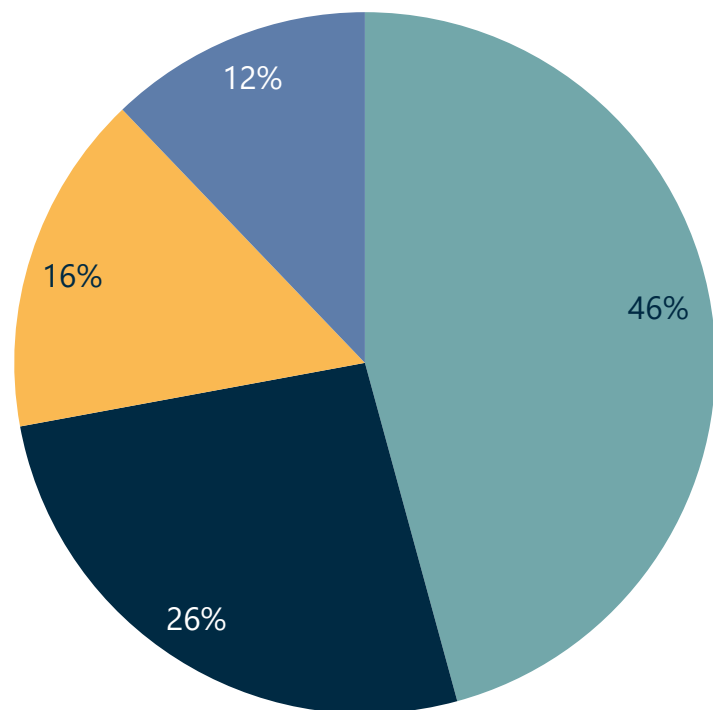
Our long standing success in UK
retail channel showcases
our abilities

Ability to export our talents to
new products, geographies and
channels offer shareholders
attractive growth opportunities

Competitive advantage

Delivering performance after fees for our clients is what we do

Three-year mutual fund performance



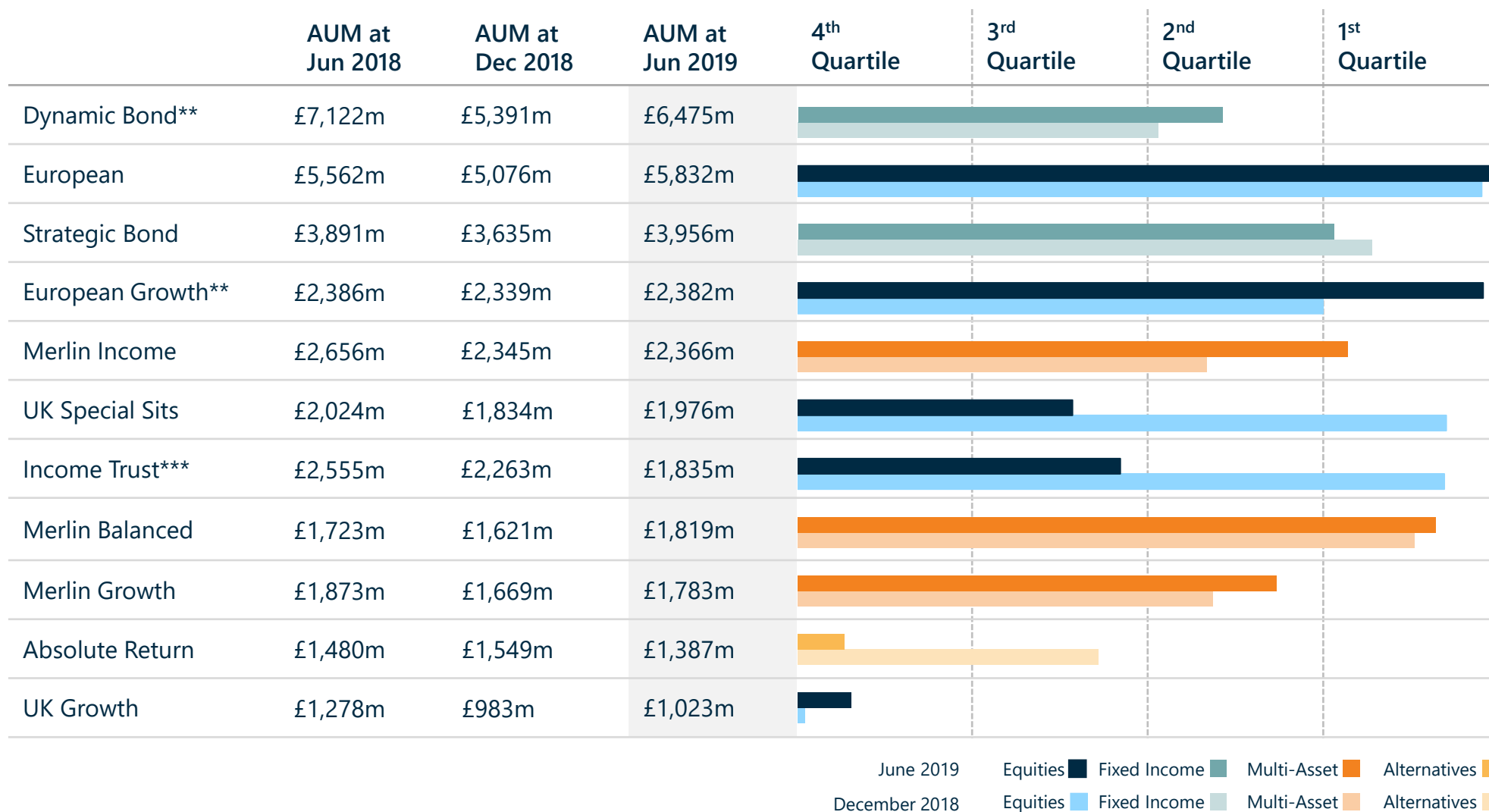
■ 1st quartile ■ 2nd quartile ■ 3rd quartile ■ 4th quartile

- Long-term performance record maintained over three years
- 72% of AUM* (Dec 18: 77%) in mutual funds above median
- 43% of AUM* (Dec 18: 46%) in segregated mandates and investment trusts above benchmark
- Good performance over one year
- 73% of AUM* (Dec 18: 83%) in mutual funds above median
- 37% of AUM* (Dec 18: 61%) in segregated mandates and investment trusts above benchmark

Source: Morningstar and Jupiter internal as at 30 June 2019 and 31 December 2018
* Applicable total net AUM

Largest funds performing well

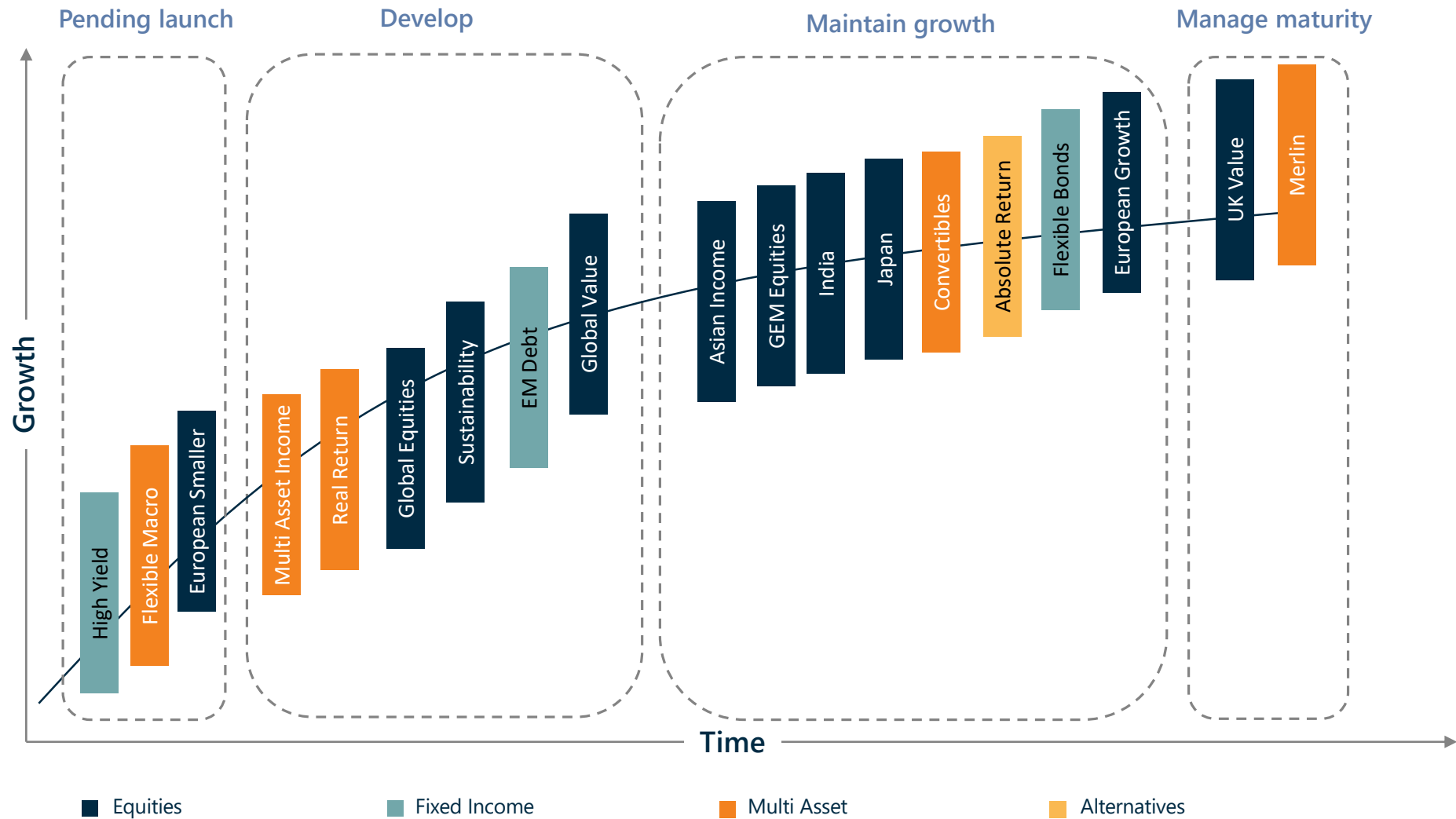
11 funds over £1bn representing over 64% of invested assets*



Source: Morningstar (except UK Special Sits which uses Financial Express/ IA sectors) and Jupiter Internal as at 30 June 2019. Graph shows position within the sector on a percentile basis, performance stated after all fees. *Invested assets represent gross AUM including cross-holdings. **SICAV Products. ***Income Trust assets reduced following a transfer from mutual fund to segregated mandate (£0.5bn)

Continued growth opportunities

Our capabilities continue to develop and evolve over time and to meet client demands



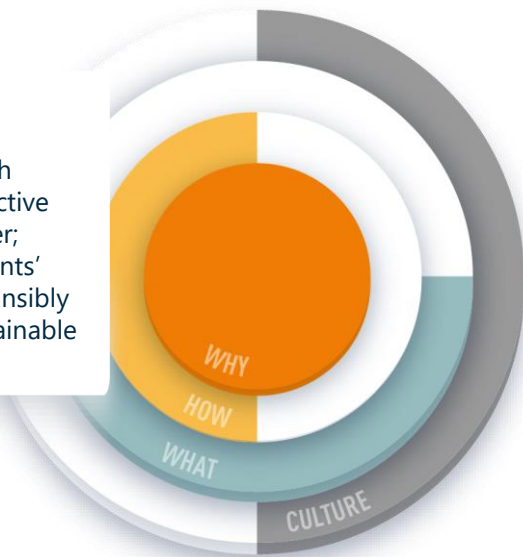
'Delivering growth through investment excellence'

WHY

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

HOW

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



WHAT

We are committed to deliver superior performance and service across our capabilities for institutions and individuals with the desire to become their trusted partner

CULTURE

Our clients come first

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

Our value is in 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, working together as one team, can we meet our individual and business goals

We strive to challenge ourselves

We encourage open debate, innovation and continuous improvement

GOALS BY 2024



We will be consistently achieving superior investment performance after fees across our strategies



We will be achieving top quartile net new money growth



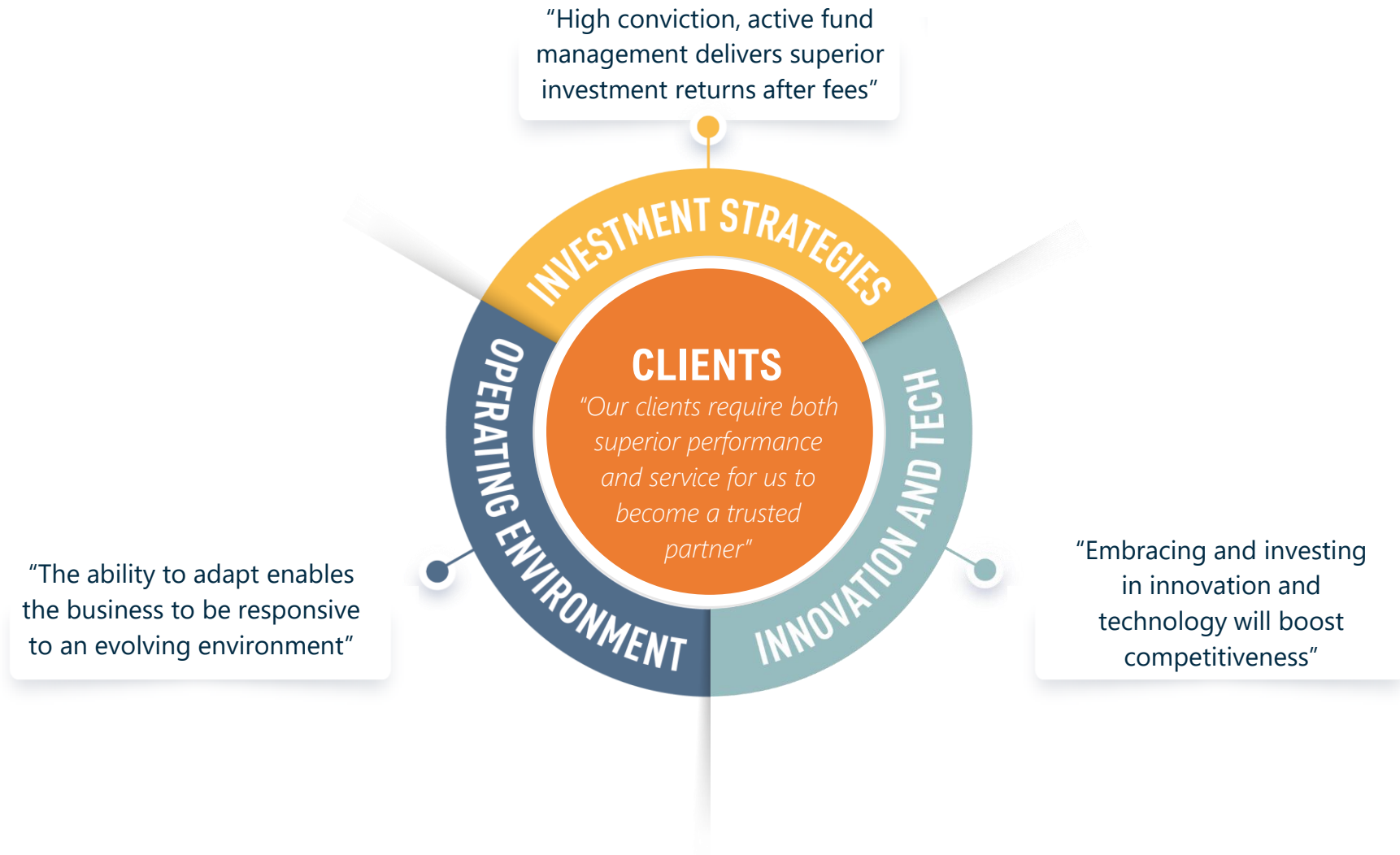
Our client reach, our investment capabilities and our client channels will be broader than they are today



Together these will lead to a significant increase in both our client assets and profitability

Our beliefs

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



Our priorities for 2019 and beyond

Delivering growth through investment excellence



Clients



Investment Strategies



Innovation & Technology



Operating Environment



Capital Management

Executive Committee



Chief Investment Officer
Stephen Pearson
Joined 2001



Global Head of Distribution
Phil Wagstaff
Joined June 2019



Chief Operating Officer
Paula Moore
Joined 1997



Chief Executive Officer
Andrew Formica
Joined March 2019



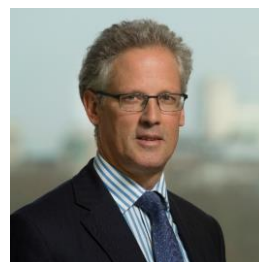
Chief Financial Officer
Wayne Mephram
Joins September 2019



HR Director
Andrew Robinson
Joined 2017



General Counsel
Jasveer Singh
Joined 2016



Chief Risk Officer
Rupert Corfield
Joined 1996



Head of Strategy and Corporate Development
Minesh Patel
Joins August 2019

Q&A



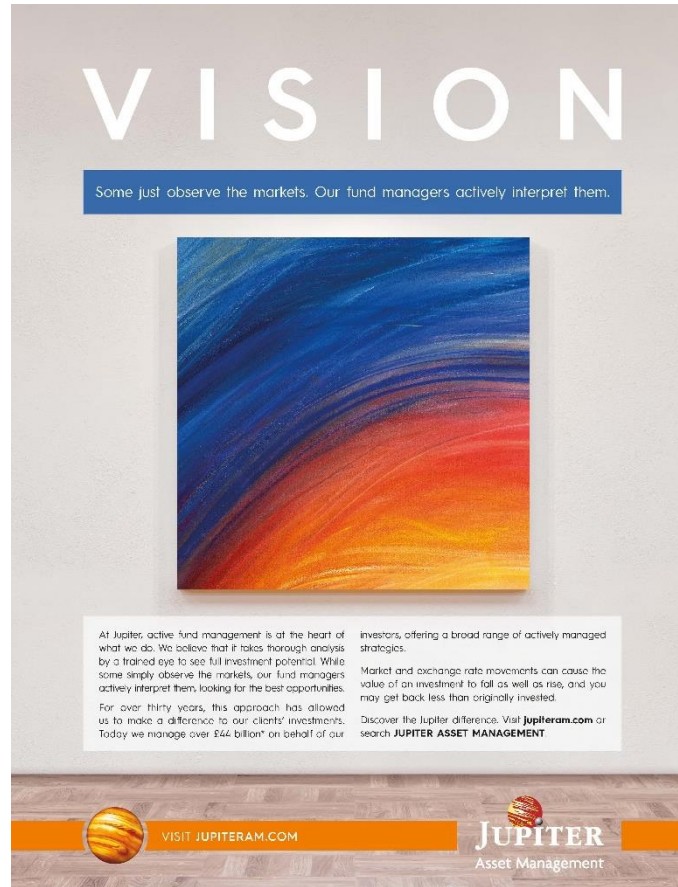
DIRECTION

Some follow. We take our own investment path.

At Jupiter, we encourage our fund managers to follow their convictions and actively look for new investment opportunities. For over thirty years, this culture of freethinking and individuality has allowed us to search for the best investments, as we look to grow our clients' money. We believe it's this confidence to go our own way that sets us apart. Today we manage over \$14 billion on behalf of our clients, offering a broad range of actively managed investment strategies. Market and exchange rate movements can cause the value of an investment to fall as well as rise, and you may get back less than originally invested. Discover the Jupiter difference. Visit jupiteram.com or search **JUPITER ASSET MANAGEMENT**.

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JUPITER
Asset Management



VISION

Some just observe the markets. Our fund managers actively interpret them.

At Jupiter, active fund management is at the heart of what we do. We believe that it takes thorough analysis by a trained eye to see full investment potential. While some simply observe the markets, our fund managers actively interpret them, looking for the best opportunities. For over thirty years, this approach has allowed us to make a difference to our clients' investments. Today we manage over \$44 billion on behalf of our investors, offering a broad range of actively managed strategies. Market and exchange rate movements can cause the value of an investment to fall as well as rise, and you may get back less than originally invested. Discover the Jupiter difference. Visit jupiteram.com or search **JUPITER ASSET MANAGEMENT**.

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JUPITER
Asset Management



INDIVIDUALITY

Some are constrained. We have the freedom to invest as we see fit.

At Jupiter, our fund managers have the freedom to define their own investment strategies. Unlike some other asset managers, whose investment decisions are driven by a committee, our fund managers have the freedom to invest as they see fit. This freedom allows our team to pursue potentially untapped opportunities and forge new investment paths. For over thirty years, this approach has allowed us to make a difference to our clients' investments. Today we manage over \$47 billion on behalf of our investors, offering a broad range of actively managed strategies. Market and exchange rate movements can cause the value of an investment to fall as well as rise, and you may get back less than originally invested. Discover the Jupiter difference. Visit jupiteram.com or search **JUPITER ASSET MANAGEMENT**.

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JUPITER
Asset Management

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By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Jupiter’s control including, among other things, UK domestic and global economic and business conditions; market-related risks such as fluctuations in interest rates and exchange rates, and the performance of financial markets generally; the policies and actions of regulatory authorities; the impact of competition, inflation and deflation; the

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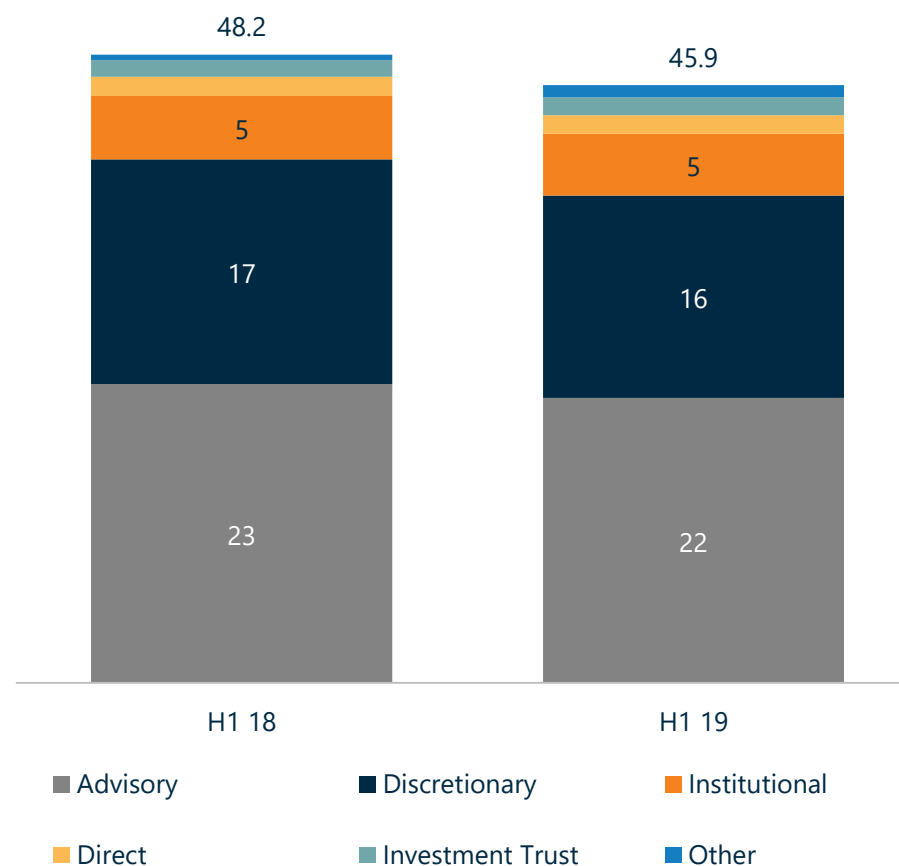
Appendix

AUM by distribution partner

Our assets reach us through a number of different channels

- The majority of our assets come through our distribution partners and their associated intermediary channels rather than directly from our clients
- Discretionary AUM has fallen due to 2018 outflows from Dynamic Bond in international markets
- The line between advisory and discretionary continues to blur as technology and regulatory changes continue to impact the market

AUM (£bn)



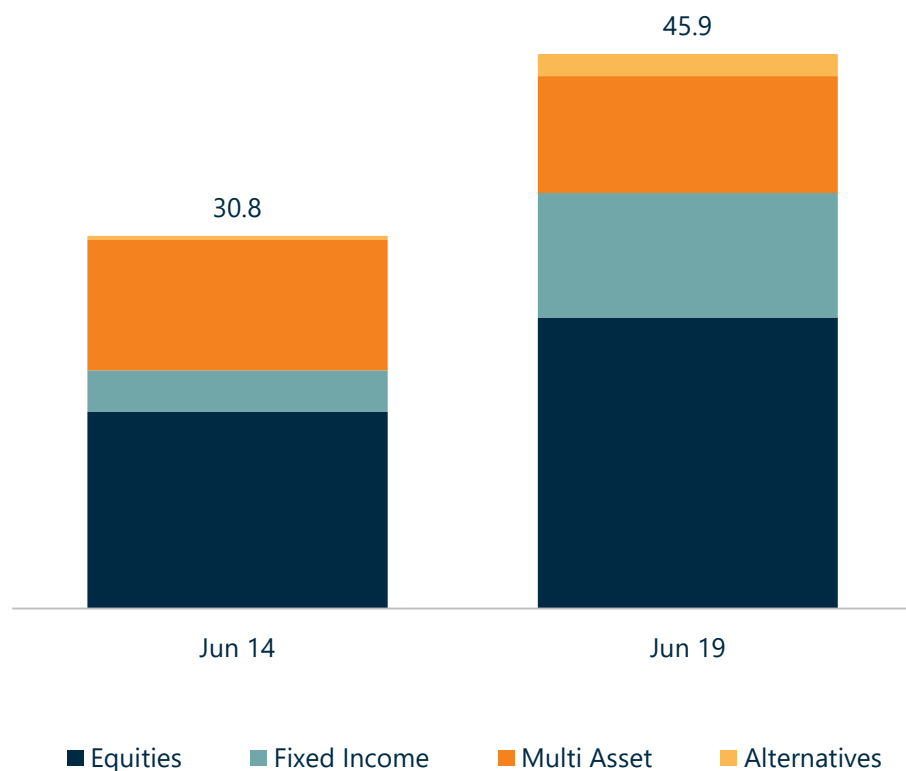
Source: Jupiter Internal MI

Discretionary refers to fund buyers, this includes: Fund of Funds, Discretionary Fund Managers, Asset Allocators, Family Offices and Fund Selectors. Advisory refers to fund sellers including: IFAs, Platforms, Private Banking, Retail Banking, LifeCo Wrappers, Stock Broker. Institutional business includes: Consultant-led family offices, local authorities, DC Corporate, DB Corporate, DB Public, Foundations, Charities and Sovereign Wealth Funds

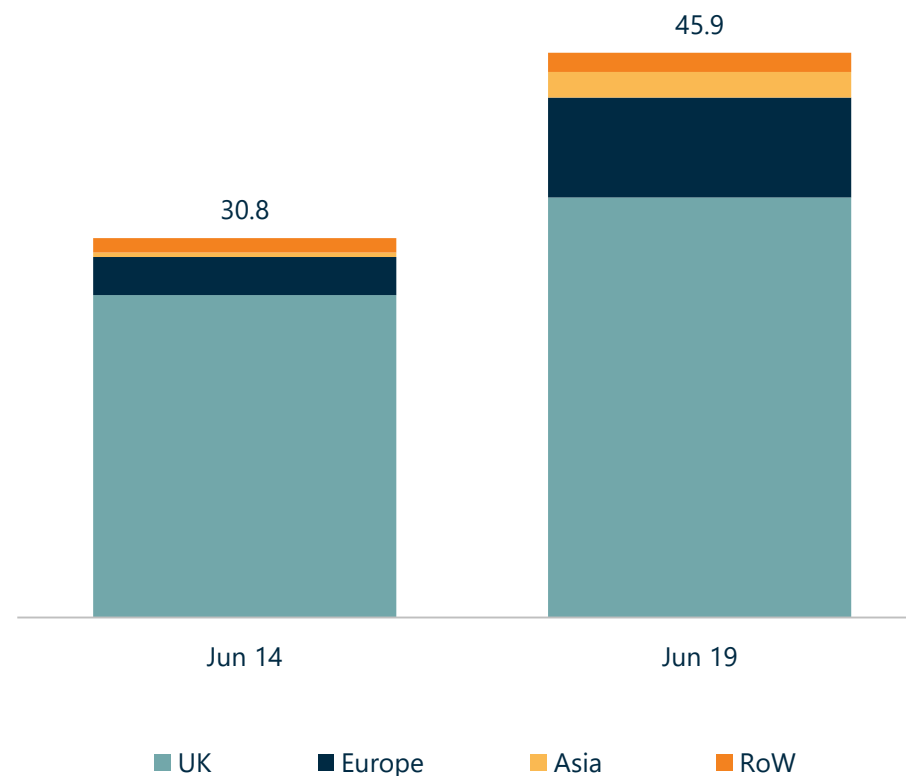
Successful diversification

Changing asset base over the last five years

Split of AUM by asset class (£bn)



Split of AUM by client geography (£bn)

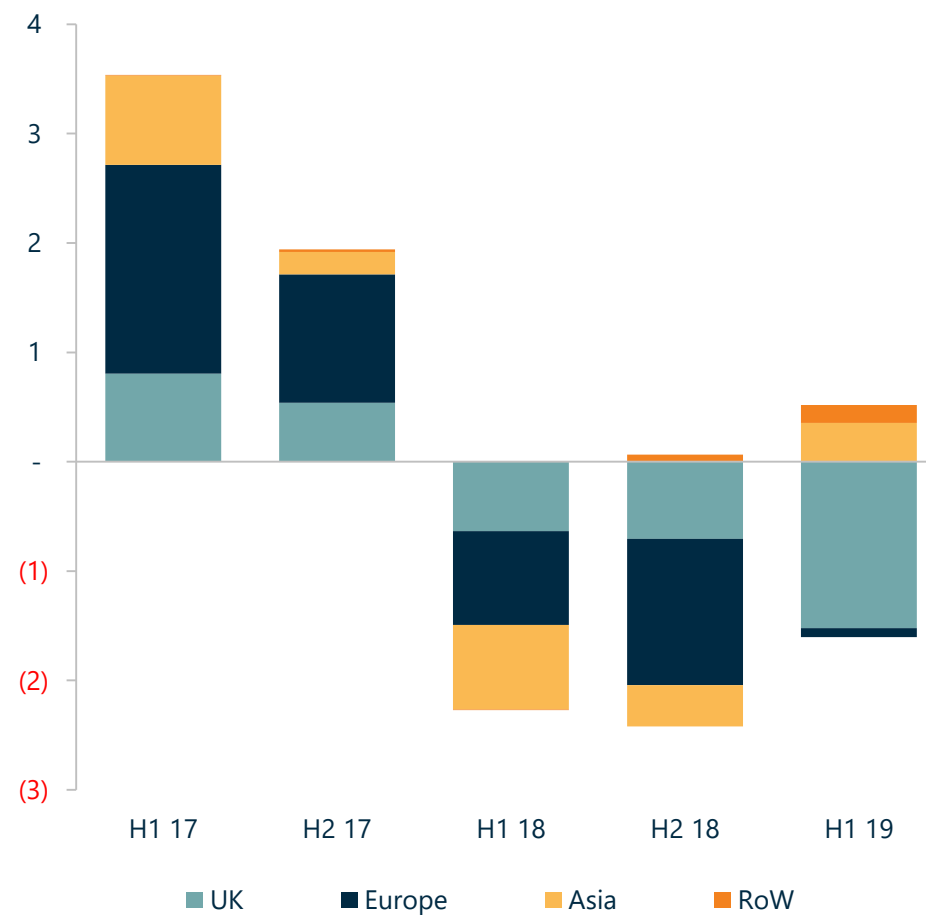


Net flows by region

Outflows centred around a single product




- 2019 has seen Dynamic Bond return to positive flows in Asia and RoW following outflows in 2018
- Gross sales continue to be strong with inflows of £6.5bn across all products
- In the UK, outflows for H1 19 are concentrated across the Merlin, European Growth and Developed Market Equities strategies

Net flows (£bn)



Jupiter's active management offering

We remain committed to alpha generation

	Capabilities	Key Characteristics	AUM
 Outcome Orientated	<ul style="list-style-type: none">• Multi-Asset• Equity• Absolute Return• Fund of Funds• Fixed Income	<ul style="list-style-type: none">• Targeted returns• Unconstrained	32%
 Active/ Alpha	<ul style="list-style-type: none">• Equity• Fixed Income• Unconstrained/Flexible	<ul style="list-style-type: none">• Unconstrained• Concentrated• Stock-specific risks	68%
 Beta/Passive	<ul style="list-style-type: none">• Smart beta• Index Tracking• Closet Tracker	<ul style="list-style-type: none">• Provides beta exposure• Focus on cost	0%

Source: Jupiter internal