Results for the year ended 31 December 2023

22 February 2024

A year of progress in a challenging environment

- Despite continued macroeconomic uncertainty throughout most of the year, we delivered a robust set of financial results with underlying profit before tax up 36% to £105.2m (2022: £77.6m).
- We also made significant progress against our four key strategic objectives.
- Assets under management (AUM) increased 4% to £52.2bn (31 December 2022: £50.2bn).
- Total net outflows moderated to £2.2bn (2022: net outflows of £3.5bn), with modest inflows in the first half and the timing of institutional funding resulting in net outflows in the second half of the year.
- Statutory profit before tax was £9.4m (2022: £58.0m), as a result of a £76.2m impairment on goodwill.
- In line with our capital allocation policy, final dividend of 3.4p per share, bringing total dividend for the year to 9.8p per share (2022: 8.4p per share), comprising an ordinary dividend of 6.9p per share and a special dividend of 2.9p per share.

	Year ended 31 December 2023	Year ended 31 December 2022	% change
AUM (£bn)	52.2	50.2	4%
Net flows (£bn)	(2.2)	(3.5)	
Net revenue[1] (£m)	368.8	397.3	(7)%
Statutory profit before tax[2] (£m)	9.4	58.0	(84)%
Basic earnings per share (EPS)[2] (p)	(2.5)	8.9	(128)%
Underlying profit before tax[1] (£m)	105.2	77.6	36%
Underlying EPS[1] (p)	14.8	11.3	31%
Total dividends per share (p)	9.8	8.4	17%
Cost:income ratio[1]	73%	69%	

[1] The Group's use of alternative performance measures (APMs) is explained on pages 32 to 34.
[2] IFRS measures.

Matthew Beesley, Chief Executive, commented:

"We have delivered robust performance this year, despite the challenges faced by our industry. Investment performance improved over all time periods, and our AUM increased by 4%, with positive market and other movements offsetting net outflows, which continued to moderate in the year."

"This time last year, we announced four key strategic objectives and I'm pleased to report that we have made significant progress in each of these areas. Notably, we have built scale in our institutional and international businesses, while driving efficiencies through a focus on reducing undue complexity. We have broadened our appeal to clients by launching our Client Group and are investing in technology, which is designed to modernise and enhance our client experience. We've continued to invest in our people and have recently announced new, high-quality additions to our UK equity investment expertise."

"Our strong capital position means that we are well-placed to invest for the future. The market outlook continues to be uncertain but I am confident that we have a strong underlying business and a strategy that can deliver growth over the medium term."

Analyst presentation

There will be an analyst presentation at 9:00am GMT on 22 February 2024.

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/jfm037. 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 Annual Report will be published in March 2024 and will be available at https://www.jupiteram.com/investor-relations.

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LEI Number: 5493003DJ1G01IMQ7S28

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

We are pleased to report a robust set of financial results for 2023, despite the ongoing industry challenges and macroeconomic uncertainty. Net outflows have continued to moderate, driven by institutional client funding, and we have made progress against our four key strategic objectives.

2023 was unquestionably a challenging environment for active asset managers. Clients maintained a prevailing sense of caution throughout the year and, given high inflation, rising interest rates and geopolitical uncertainty, in many cases shunned 'risk assets' in favour of the relatively high yields available on cash and cash-like instruments.

This has been a challenging backdrop for all asset managers, but inevitably more so for active, high-conviction firms such as Jupiter where our investment teams focus on identifying inefficiently valued assets for the long-term benefits of our clients. While these headwinds were present throughout the year, they were particularly acute in the retail channel in the second half.

Although macroeconomic impacts and market movements are, of course, outside of our influence, we have remained resolutely focused on the factors within our control and on delivering against our strategy of increasing scale, decreasing undue complexity, broadening our appeal to clients and deepening relationships with all stakeholders.

Despite the challenging environment, net outflows moderated to £2.2bn (2022: net outflows of £3.5bn), driven by positive net inflows from Institutional clients for the second consecutive year.

AUM increased by 4% during the year to £52.2bn (31 December 2022: £50.2bn) with positive market and other movements offsetting net outflows. Lower average AUM and a decrease in the net management fee margin, as we built scale in the Institutional channel, led to a 7% decline in net revenue to £368.8m (2022: £397.3m). However, a disciplined approach to cost control resulted in a 12% decrease in operating costs to £264.6m (2022: £301.5m), or 4% excluding performance fee costs.

Underlying profit before tax increased by 36% to £105.2m (2022: £77.6m). Underlying earnings per share increased to 14.8p (2022: 11.3p per share), broadly in line with the increase in underlying profits.

In line with our capital allocation policy, the Board has proposed a final ordinary dividend of 3.4p, taking total full year dividends to 9.8p, including a special dividend of 2.9p per share announced at the interim results.

Continued focus on our strategic objectives

Twelve months ago, we detailed four key strategic objectives that would be key in driving Jupiter's future success, which are:

- **Increase scale** in select geographies and channels;
- **Decrease undue complexity** with costs managed carefully through a relentless pursuit of efficiency;
- **Broaden our appeal to clients** with new and existing investment strategies, while also exploring additional methods of delivery; and
- **Deepen relationships with all stakeholders** with purpose and sustainability embedded in all we do.

All the decisions taken by our management team are focused on delivering progress against these aims and we are pleased to report considerable progress against each through 2023.

Of these four objectives, increasing scale remains the most important. In order to consistently and sustainably grow our business over the medium term, it is imperative that we achieve top line growth.

One of our key areas of focus has been on growing scale within our Institutional business, where we have continued to see strong momentum this year. We generated net inflows from Institutional clients of £1.8bn, which totals £3.8bn over the last two years. Institutional clients now entrust us to manage £10bn of their assets, which represents 19% of Group AUM, up from only 10% five years ago. We continue to work with larger and ever more sophisticated clients, with the average size of our mandates now five times larger than two years ago. Our late-stage pipeline remains strong, with opportunities across six investment desks from both new and existing clients based in 9 countries.

We have also continued to build scale in our international businesses outside of the UK. We saw £1.1bn of net inflows from clients based overseas and international clients now account for 34% of Group AUM, up from 25% five years ago. We will continue to incrementally invest in markets where we see the most significant, near-term opportunities and to prioritise the allocation of central resources towards these markets, whilst maintaining our longer-term focus on opportunities in other areas.

Against the backdrop of falling fee margins and rising operating and regulatory costs, it is crucial that we remove undue complexity from our day-to-day operations and identify opportunities to introduce greater efficiency. This focus on cost discipline has been evident in the 6% decrease in non-compensation costs. The fund rationalisation programme which we announced last year is now largely complete, with a 25% reduction in the number of funds on our platform and an attrition rate of only 0.7% of total Group AUM as we managed through this process.

As part of our strategic focus, we relentlessly pursue efficiency and have managed the cost base appropriately lower. This is also affording us the space to invest in areas of future growth and, as of now, 19% of our total cost base is allocated to strategic growth opportunities.

Our clients' needs are fundamentally changing and their expectations are growing and as such we need to evolve and adapt how we engage with them to meet those needs. One of the biggest changes to the business this year, and as part of broadening our appeal to clients, is the formation of our Client Group, replacing our previous Distribution function. Success will be driven not through selling individual products to our clients, but rather through engaging in deeper relationships, becoming trusted partners and engaging in an ongoing, highly technical conversation, while leveraging technology to automate and personalise much of our reporting.

The fund rationalisation programme has also provided us with the space to develop new products, including the launch of our thematic range, managed by our successful systematic equities team.

Finally, we have continued to deepen relationships with all of our stakeholders. We regularly conduct employee opinion surveys and we are delighted to report that our overall people engagement score is at 78%, a seven percentage point increase over the year and ahead of the financial services benchmark. For clients, as well as delivering improved investment performance after fees, we have introduced a tiered pricing structure on our UK-domiciled fund ranges, allowing them to share the benefits of economies of scale as funds' assets grow. For our shareholders, we have continued to return capital on a clear, sustainable basis while retaining optionality for investment in both organic and inorganic growth opportunities.

Moderating outflows, driven by continued success in the Institutional channel

After generating small net positive inflows in the first half of the year, client sentiment across the industry weakened materially towards the end of the year. As a result, and due to timing of some institutional mandates funding, this resulted in total net outflows in the year of £2.2bn, an improvement on the net outflows of £3.5bn in 2022.

Gross flows continued to be strong at £13.2bn, although were again weaker in the second half as retail demand for risk assets declined.

The Institutional channel generated £1.8bn of net inflows and now accounts for 19% of Group AUM. Both the existing book and the late stage pipeline are well diversified by client region and investment strategy. We continue to be optimistic around the ongoing growth opportunities in this channel and expect to see further mandates being funded through 2024 and beyond.

In common with much of the active asset management industry, retail demand for risk assets was again weak during 2023, resulting in £4.0bn of net outflows which, whilst disappointing, is an improvement on the £5.5bn of net outflows in the prior year.

We saw redemptions from Unconstrained Fixed Income strategies, despite improving investment performance. UK and European equities continued to be out of demand. Conversely, value and income strategies saw good net flows, particularly those focused on investing in Asia. Asian Income, Japan Income and our Indian Equity funds all saw net inflows. Global Equity Absolute Return also had another positive year, in terms of both performance and net inflows.

In January, it was announced that Ben Whitmore, who has been with Jupiter since 2006, would leave the Group later in the year to set up his own value investment boutique. Whilst it is too early to confidently predict how clients will react, we can reasonably expect to lose some assets as a result, most probably from the Institutional client channel. We are naturally sad to see Ben depart but we are, however, delighted to have been able to announce the hirings of Alex Savvides, Adrian

Gosden and Chris Morrison. All three are high-quality investors with excellent performance track records. These hirings demonstrate Jupiter's ability to attract market-leading investment talent and our UK equity client offering has never been stronger. We are hopeful that the strength of the investment expertise, which has been bolstered by these new hires, will give us the opportunity for growth in the medium term.

Movement in AUM by client channel

	31 December 2022 £bn	Q1 net flows £bn	Q2 net flows £bn	Q3 net flows £bn	Q4 net flows £bn	Full-year net flows £bn	Market returns £bn	31 December 2023 £bn
Retail, wholesale & investment trusts	**43.4**	(1.0)	(0.7)	(1.0)	(1.3)	(4.0)	2.8	**42.2**
Institutional	**6.8**	0.1	1.6	–	0.1	1.8	1.4	**10.0**
Total	**50.2**	**(0.9)**	**0.9**	**(1.0)**	**(1.2)**	**(2.2)**	**4.2**	**52.2**
Of which is invested in mutual funds	*39.3*	*(1.1)*	*(0.6)*	*(1.1)*	*(1.1)*	*(3.9)*	*2.7*	*38.1*

Robust financial results

Despite the challenging backdrop, we have delivered robust financial performance through 2023. We have continued to invest in areas of strategic growth, helped by the strength of our balance sheet, while actively pursuing efficiencies across the Group.

Underlying profit before tax for the year was up 36% to £105.2m (2022: £77.6m). Underlying EPS was up 3.5p, to 14.8p per share (2022: 11.3p), broadly in line with the increase in underlying profits.

Excluding the impact of performance fees, there was a small decrease in profits of £2.8m to £98.4m (2022: £101.2m), reflecting lower management fee revenues, offset by cost savings, net gains on seed and interest earned on cash invested in money market funds.

Although closing AUM ended higher at £52.2bn, average AUM fell from £52.4bn to £50.9bn. Net revenue fell by 7% to £368.8m (2022: £397.3m), as a result of this lower average AUM and lower net management fee margins due to changes in the business mix.

Our average net management fee margin reduced from 73.5bps in 2022 to 69.5bps in 2023. This was in line with expectations as the business mix shifted more towards lower margin Institutional business. Our focus remains on growing absolute revenues and we recognise that the average margin will decline as we build scale within the Institutional channel.

This year, we have also published our average net management fee margin by client channel. Within the Retail, wholesale and investment trust channel, the average margin was 78bps and for the Institutional channel it was 29bps.

We remain resolutely focused on controlling costs wherever possible and we have delivered efficiencies through this year. Overall administrative expenses were 12% lower than last year at £265.4m (2022: £302.3m). £6.4m of these costs related to performance fees (2022: £33.9m).

Non-compensation costs were 6% lower at £107.3m as a result of both direct management actions and costs linked to AUM levels. Despite inflationary pressures, fixed staff costs fell by 5% to £78.1m (2022: £82.4m), as a result of the restructuring programme we implemented in 2022. Variable staff costs fell by 24% to £79.2m (2022: £104.5m), although the prior year included £33.9m of performance-fee related costs. Excluding the impact of performance fee related costs, which we now consider to be at more normalised levels, variable staff costs grew 3% to £72.8m (2022: £70.6m). Excluding the impact of performance fees, our total compensation ratio was 42% (2022: 40%).

This rigorous focus on cost discipline has not only delivered efficiencies, but also allowed us space to invest for growth. 19% of our cost base is in strategically important areas of future growth.

Other gains of £3.2m (2022: losses of £9.7m) relate to gains on our seed capital investments, net of hedging. We also generated finance income of £5.8m (2022: £0.3m) as we delivered improved returns on the Group's cash balances. This was offset by finance costs of £6.2m (2022: £6.6m), primarily comprising the interest charge on subordinated debt.

Exceptional items of £95.8m principally comprise an impairment of goodwill of £76.2m along with the amortisation of intangible assets, both relating to previous acquisitions. We are required to perform impairment tests on goodwill acquired as part of business combinations. As a result of the challenging economic environment, including higher costs of capital and lower levels of retail demand, the Group's judgement was that the value of the goodwill asset at 31 December 2023 had fallen below that of its carrying value and, as a result, an impairment charge was recognised. This has no impact on the Group's underlying profit before tax, surplus capital position or ability to pay dividends. Total exceptional items were £95.8m (2022: £19.6m).

Principally as a result of this goodwill impairment charge, statutory profit before tax decreased to £9.4m (2022: £58.0m).

	2023			2022		
£m	Before performance fees	Performance fee profits	Total	Before performance fees	Performance fee losses	Total
Net revenue	**355.6**	**13.2**	**368.8**	**387.0**	**10.3**	**397.3**
Fixed staff costs	(78.1)	–	(78.1)	(82.4)	–	(82.4)
Variable staff costs[1,2]	(72.8)	(6.4)	(79.2)	(70.6)	(33.9)	(104.5)
Non-compensation costs	(107.3)	–	(107.3)	(114.6)	–	(114.6)
Administrative expenses[2]	**(258.2)**	**(6.4)**	**(264.6)**	**(267.6)**	**(33.9)**	**(301.5)**
Other gains/(losses)	3.2	–	3.2	(9.7)	–	(9.7)
Amortisation of intangible assets[3]	(1.8)	–	(1.8)	(2.2)	–	(2.2)
Operating profit before exceptional items	**98.8**	**6.8**	**105.6**	**107.5**	**(23.6)**	**83.9**
Net finance costs	(0.4)	–	(0.4)	(6.3)	–	(6.3)
Profit before taxation and exceptional items	**98.4**	**6.8**	**105.2**	**101.2**	**(23.6)**	**77.6**
Exceptional items	(95.8)	–	(95.8)	(19.6)	–	(19.6)
Statutory profit before tax	**2.6**	**6.8**	**9.4**	**81.6**	**(23.6)**	**58.0**

[1] Variable costs in respect of performance fee profits/losses in 2023 mainly relate to the accounting charge for deferred bonus awards made in respect of 2023 performance fee revenues (2022: mainly in respect of 2021 performance fee revenues).
[2] Variable staff costs and Administrative expenses exclude £0.8m classified as exceptional (2022: £0.8m).
[3] Amortisation of intangible assets excludes £18.8m classified as exceptional (2022: £18.8m).

Improving investment performance

As a high-conviction active asset manager, delivering investment for our clients is key to our ongoing success. We are pleased to report that, despite the challenging market backdrop, we have seen an improvement in investment outperformance across the one, three and five-year periods.

At 31 December 2023, 59% of our mutual fund AUM had delivered above-median performance against their peer group over three years (31 December 2022: 51% of mutual fund AUM), and 41% of mutual fund AUM had delivered first quartile performance.

The most significant drivers of the improvement in the aggregate performance figure were the European Growth fund and Income Trust, both of which moved above their peer group median during the period.

Measured over one year, 65% of mutual fund AUM (31 December 2022: 49% of mutual fund AUM) delivered above-median performance, and over five years this was 66% of mutual fund AUM (31 December 2022: 53% of mutual fund AUM).

The growth in the one year figure was primarily driven by three of our largest funds moving above their median, which were the European fund and the two vehicles in our flagship unconstrained fixed income strategy, Dynamic Bond and Strategic Bond. After a period of relative underperformance through 2022 having taken a non-consensus view on inflation expectations, it is encouraging to see the funds return to stronger performance.

Our larger funds also continue to deliver strong investment performance. We manage 12 funds with over £1bn of AUM. Of these, nine have outperformed their median over the key three-year time period with seven in the top quartile of their peer group. The three largest funds which have not outperformed their median over three years are now all above median over one year.

The overall aggregate outperformance figure is still not where we would want it to be, but we are pleased to observe the improving trend over all time periods, which is often seen as a lead indicator of potential flows.

A strong capital base

The Group continues to maintain a strong capital base.

Our expected surplus over regulatory requirements has grown to £177.1m (31 December 2022: £114.2m), which amounts to 3.5 times coverage of our regulatory requirements of £71.8m. Seed capital invested to support the growth of our funds was £79m at cost at 31 December 2023 and has grown by a further £53m following year end as a result of catalyst funding into Global High Yield and Asian Income.

The Group's capital allocation policy is to return 50% of underlying EPS before performance fees. In line with this, the Board have proposed a final dividend of 3.4p per share, bringing the total dividend for the year to 9.8p per share, including a 3.5p per share interim dividend and a 2.9p per share special dividend announced at the interim results. The dividends will be paid on 20 May 2024 to shareholders on the register at the close of business on 19 April 2024.

We continue to actively explore the most effective ways in which to deploy our capital and we are committed to making additional returns to shareholders of capital surplus to business requirements on a periodic basis.

Progress moving forward

Despite the ongoing industry challenges, we have delivered a robust set of numbers this year. Profits have grown compared to the prior year, investment performance has improved over all time periods and net outflows have continued to moderate.

We have made progress against each of our strategic objectives, most notably in building scale in our institutional and international businesses while driving efficiencies through a focus on reducing undue complexity.

Our capital base remains very strong and we are actively looking for opportunities to further develop the business, both organically and inorganically.

There are many unknowns as we head into 2024 but we are confident that we have a strong underlying business and a strategy that can deliver growth. We are hopeful 2024 will be a better environment for active asset managers to demonstrate their value proposition and deliver the outperformance our clients rightly expect from us. Certainly, as a business, we are better placed to capture any of this upside that may come to pass because of our efforts and strategic focus over the last 12 months.

Matthew Beesley
Chief Executive Officer
21 February 2024

Consolidated income statement

for the year ended 31 December 2023

	Notes	2023 £m	2022 £m
Revenue	1, 2	405.6	443.5
Fee and commission expenses	1	(36.8)	(46.2)
Net revenue	1	**368.8**	**397.3**
Administrative expenses	3	(265.4)	(302.3)
Other gains/(losses)	4	3.2	(9.7)
Amortisation of intangible assets	9	(20.6)	(21.0)
Operating profit		**86.0**	**64.3**
Impairment of goodwill	8	(76.2)	–
Finance income[1]	5	5.8	0.3
Finance costs[1]	5	(6.2)	(6.6)
Profit before taxation		**9.4**	**58.0**
Income tax expense	6	(22.3)	(10.1)
(Loss)/profit for the year[2]		**(12.9)**	**47.9**
Earnings per share			
Basic	7	(2.5)p	8.9p
Diluted	7	(2.5)p	8.8p

[1]In the Group's 2022 Annual Report and Accounts, these lines were aggregated as 'Net finance costs'.
[2]Non-controlling interests are presented in the Consolidated statement of changes of equity.

Consolidated statement of comprehensive income

for the year ended 31 December 2023

	2023 £m	2022 £m
(Loss)/profit for the year net of tax	**(12.9)**	**47.9**
Items that may be reclassified subsequently to profit or loss		
Exchange movements on translation of subsidiary undertakings	(1.7)	3.4
Other comprehensive (loss)/income for the year net of tax	**(1.7)**	**3.4**
Total comprehensive (loss)/income for the year net of tax	**(14.6)**	**51.3**

Consolidated balance sheet

at 31 December 2023

	Notes	2023 £m	2022 £m
Non-current assets			
Goodwill	8	494.4	570.6
Intangible assets	9	17.5	35.2
Property, plant and equipment	10	37.5	40.9
Investment in associates		1.8	–
Deferred tax assets		16.1	19.4
Trade and other receivables		0.4	0.4
		567.7	**666.5**
Current assets			
Financial assets		232.8	167.8
Trade and other receivables		137.6	124.1
Cash and cash equivalents	12	268.2	280.3
Current tax asset		1.3	3.3
		639.9	**575.5**
Total assets		**1,207.6**	**1,242.0**
Equity attributable to shareholders			
Share capital	14	10.9	10.9
Own share reserve	15	(0.7)	(0.5)
Other reserves	15	250.3	250.3
Foreign currency translation reserve	15	2.0	3.7
Retained earnings	15	527.0	578.9
Equity attributable to owners of Jupiter Fund Management plc		**789.5**	**843.3**
Non-controlling interests		–	0.6
TOTAL EQUITY		**789.5**	**843.9**
Non-current liabilities			
Loans and borrowings	13	49.7	49.5
Trade and other payables		59.7	87.5
Deferred tax liabilities		2.3	6.7
		111.7	**143.7**
Current liabilities			
Financial liabilities at fair value through profit or loss (FVTPL)		80.3	49.2
Trade and other payables		221.4	202.4
Provisions		4.7	2.8
		306.4	**254.4**
Total liabilities		**418.1**	**398.1**
Total equity and liabilities		**1,207.6**	**1,242.0**

Consolidated statement of changes in equity

for the year ended 31 December 2023

	Share capital	Own share reserve	Other reserves	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m
At 1 January 2022	**11.1**	**(0.4)**	**250.1**	**0.3**	**639.7**	**900.8**	**-**	**900.8**
Profit for the year after tax	–	–	–	–	**47.3**	**47.3**	**0.6**	**47.9**
Exchange movements on translation of subsidiary undertakings	–	–	–	3.4	–	3.4	–	3.4
Other comprehensive income	–	–	–	**3.4**	–	**3.4**	–	**3.4**
Total comprehensive income	–	–	–	**3.4**	**47.3**	**50.7**	**0.6**	**51.3**
Vesting of ordinary shares and options	–	0.1	–	–	(0.1)	–	–	–
Share repurchases and cancellations	(0.2)	–	0.2	–	(10.0)	(10.0)	–	(10.0)
Dividends paid	–	–	–	–	(90.2)	(90.2)	–	(90.2)
Purchase of shares by employee benefit trust (EBT)	–	(0.2)	–	–	(21.2)	(21.4)	–	(21.4)
Share-based payments	–	–	–	–	13.6	13.6	–	13.6
Deferred tax	–	–	–	–	(0.2)	(0.2)	–	(0.2)
Total transactions with owners	**(0.2)**	**(0.1)**	**0.2**	–	**(108.1)**	**(108.2)**	–	**(108.2)**
At 31 December 2022	**10.9**	**(0.5)**	**250.3**	**3.7**	**578.9**	**843.3**	**0.6**	**843.9**
Loss for the year after tax	–	–	–	–	**(12.9)**	**(12.9)**	–	**(12.9)**
Exchange movements on translation of subsidiary undertakings	–	–	–	(1.7)	–	(1.7)	–	(1.7)
Other comprehensive loss	–	–	–	**(1.7)**	–	**(1.7)**	–	**(1.7)**
Total comprehensive loss	–	–	–	**(1.7)**	**(12.9)**	**(14.6)**	–	**(14.6)**
Vesting of ordinary shares and options	–	0.2	–	–	(0.2)	–	–	–
Dividends paid	–	–	–	–	(35.2)	(35.2)	–	(35.2)
Purchase of shares by EBT	–	(0.4)	–	–	(24.1)	(24.5)	–	(24.5)
Share-based payments	–	–	–	–	18.5	18.5	–	18.5
Other movements	–	–	–	–	2.0	2.0	–	2.0
Disposal of non-controlling interests	–	–	–	–	–	–	(0.6)	(0.6)
Total transactions with owners	–	**(0.2)**	–	–	**(39.0)**	**(39.2)**	**(0.6)**	**(39.8)**
At 31 December 2023	**10.9**	**(0.7)**	**250.3**	**2.0**	**527.0**	**789.5**	–	**789.5**
Notes	14	15	15	15	15			

Consolidated statement of cash flows

for the year ended 31 December 2023

	Notes	2023 £m	2022 £m
Cash flows from operating activities			
Cash generated from operations	17	109.1	175.1
Income tax paid		(21.1)	(12.8)
Net cash inflows from operating activities		**88.0**	**162.3**
Cash flows from investing activities			
Purchase of intangible assets	9	(2.9)	(4.1)
Purchase of property, plant and equipment	10	(0.6)	(1.2)
Purchase of financial assets at FVTPL[1]		(187.0)	(188.2)
Proceeds from disposals of financial assets at FVTPL[2]		131.1	233.3
Cash movement from funds no longer consolidated[3]		(3.1)	(6.0)
Cash movement from funds consolidated[4]		0.5	0.3
Interest and dividend income received		5.4	1.0
Net cash (outflows)/inflows from investing activities		**(56.6)**	**35.1**
Cash flow from financing activities			
Dividends paid	16	(35.2)	(90.2)
Purchase of shares by EBT	15	(24.5)	(21.4)
Purchase of shares for cancellation	14	(2.0)	(8.0)
Finance costs paid		(4.6)	(4.5)
Cash paid in respect of lease arrangements		(4.9)	(7.8)
Third-party subscriptions into consolidated funds		63.0	31.7
Third-party redemptions from consolidated funds		(34.1)	(13.0)
Distributions paid by consolidated funds		(0.1)	(3.8)
Net cash outflows from financing activities		**(42.4)**	**(117.0)**
Net (decrease)/increase in cash and cash equivalents		**(11.0)**	**80.4**
Cash and cash equivalents at beginning of year		280.3	197.3
Effects of exchange rates on cash and cash equivalents		(1.1)	2.6
Cash and cash equivalents at end of year	12	**268.2**	**280.3**

[1]Includes purchases of seed investments and fund units used as a hedge against compensation awards linked to the value of those funds and, where the Group's investment in seed is judged to give it control of a fund, purchases of financial assets by that fund.

[2]Includes proceeds from disposals of seed investments and, where the Group's investment in seed is judged to give it control of a fund, disposals of financial assets by that fund.

[3]Comprises cash and cash equivalents held by a fund at the point that the Group ceases to control the fund and it is no longer consolidated.

[4]Comprises cash and cash equivalents held by a fund at the point that control passes to the Group and the fund is consolidated.

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 trust companies, pension funds and other specialist funds. At 31 December 2023, the Group had offices in the United Kingdom, Ireland, Germany, Hong Kong, Italy, Luxembourg, Singapore, Spain, Sweden, Switzerland and the United States.

Basis of preparation and other accounting policies

The financial information set out does not constitute the Company's statutory accounts for the years ended 31 December 2023 or 2022, but is derived from those accounts. The Auditors have reported on the 2023 accounts; their report was unqualified, unmodified and did not contain statements under section 498(2) or 498(3) of the Companies Act 2006. Statutory accounts for 2022 have been delivered to the Registrar of Companies and those for 2023 will be delivered in due course.

The Group financial statements have been prepared in accordance with UK-adopted International Accounting Standards (IAS) and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

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.

In preparing the financial statements, we have considered the impact of climate change. There has not been a material impact on the financial reporting judgements and estimates arising from our considerations.

Changes in the composition of the Group

The Group is required to consolidate seed capital investments if it is deemed to control them. The following changes have been made to the consolidation of the Group since 31 December 2022:

Included in consolidation (as a result of investments)	Excluded from consolidation
Jupiter Global Emerging Markets Focus ex China Fund	Jupiter Global Emerging Markets Focus Fund
Jupiter Merlin Moderate Select	Jupiter Global Fund SICAV: Global Ecology Bond
Jupiter Systematic Consumer Trends Fund	Jupiter Global Sustainable Equities Fund
Jupiter Systematic Demographic Opportunities Fund	Jupiter Merlin Real Return
Jupiter Disruptive Technology Fund	
Jupiter Healthcare Innovation Fund	
Jupiter Systematic Physical World 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.

1. Revenue

The Group's primary source of recurring 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.

	2023 £m	2022 £m
Management fees	389.9	430.1
Initial charges and commissions	2.5	3.1
Performance fees	13.2	10.3
Revenue	**405.6**	**443.5**
Fee and commission expenses relating to management fees	(35.9)	(45.3)
Fee and commission expenses relating to initial charges and commissions	(0.9)	(0.9)
Net revenue	**368.8**	**397.3**

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.

	2023 £m	2022 £m
Revenue by product type		
Pooled funds	373.7	417.2
Segregated mandates	31.9	26.3
Revenue	**405.6**	**443.5**

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, collectively the Executive Directors, 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

	2023 £m	2022 £m
Revenue by location of clients		
UK	299.6	334.4
EMEA	72.3	77.7
Asia	15.0	18.2
Rest of the world	18.7	13.2
Revenue by location	**405.6**	**443.5**

The location of clients is based on management information received from distribution partners. Where management information is not available, the location of the distribution partner is used as a proxy for the location of the client.

Non-current assets for the Group (excluding financial instruments and deferred tax assets) are domiciled as set out below:

	2023 £m	2022 £m
Non-current assets for the Group		
UK	547.1	644.3
EMEA	1.1	1.1
Asia	1.1	1.0
Rest of the world	0.1	0.3
Non-current assets by location	**549.4**	**646.7**

3. Administrative expenses

Administrative expenses of £265.4m (2022: £302.3m) include staff costs of £158.1m (2022: £187.7m). Staff costs consist of:

	2023 £m	2022 £m
Wages and salaries	116.8	98.3
Share-based payments	18.5	13.6
Social security costs	15.8	11.1
Pension costs	6.3	6.2
Redundancy costs	2.2	3.4
Staff costs before (gains)/losses arising from the economic hedging of fund units	**159.6**	**132.6**
Net (gains)/losses on instruments held to provide an economic hedge for fund awards	(1.5)	55.1
Staff costs	**158.1**	**187.7**

The Management statement refers to £0.8m (2022: £0.8m) of staff costs that are described as exceptional items. These costs relate to the acquisition of Merian Global Investors Limited (Merian) in 2020 and chiefly comprise cash-based (2022: cash and share-based) deferred earn out awards which vested in July 2023.

4. Other gains/(losses)

Other gains/(losses) relate principally to net gains/(losses) 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 FVTPL (see Note 11). Gain and losses on these investments comprise both realised and unrealised amounts.

	2023 £m	2022 £m
Dividend income	0.6	1.0
Gains/(losses) on financial instruments designated at FVTPL upon initial recognition	8.2	(24.7)
(Losses)/gains on financial instruments at FVTPL	(5.6)	14.0
Other gains/(losses)	**3.2**	**(9.7)**

5. Finance income and finance costs

Finance income comprises income earned on the Group's cash and cash equivalents, being bank deposits and investments in short-term money market funds. Interest on cash and cash equivalents is recognised on an accrual basis using the effective interest method.

	2023 £m	2022 £m
Interest on bank deposits	3.5	0.3
Interest on short-term money market fund investments	2.3	–
	5.8	**0.3**

Finance costs principally relate to interest payable on Tier 2 subordinated debt notes (see Note 13) 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 accrual basis using the effective interest method.

	2023 £m	2022 £m
Interest on subordinated debt	4.5	4.7
Interest on lease liabilities	1.5	1.6
Finance cost on the revolving credit facility	0.2	0.3
	6.2	**6.6**

6. Income tax expense

Analysis of charge in the year	2023 £m	2022 £m
Current tax		
Tax on profits for the year	24.1	9.5
Adjustments in respect of prior years	(0.7)	(3.8)
Total current tax	**23.4**	**5.7**
Deferred tax		
Origination and reversal of temporary differences	0.1	3.8
Adjustments in respect of prior years	(1.2)	0.6
Total deferred tax	**(1.1)**	**4.4**
Income tax expense	**22.3**	**10.1**

The corporation tax rate for 2023 increased to 25% on 1 April 2023, giving a hybrid rate for the year of 23.5% (2022: 19%). The tax charge in the year is higher (2022: lower) than the standard rate of corporation tax in the UK and the differences are explained below:

Factors affecting tax expense for the year	2023 £m	2022 £m
Profit before taxation	9.4	58.0
Taxation at the standard corporation tax rate (23.5%; 2023: 19%)	2.2	11.0
Non-taxable expenditure[1]	17.9	0.4
Other permanent differences	4.3	1.6
Adjustments in respect of prior years	(1.9)	(3.2)
Effect of differences in overseas tax rates	(0.2)	0.3
Total tax expense	**22.3**	**10.1**

[1] Principally relating to the impairment of goodwill (see Note 8).

7. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to equity holders of Jupiter Fund Management plc (the parent company of the Group) by the weighted average number of ordinary shares outstanding and contingently issuable during the year, less the weighted average number of own shares held. Own shares are shares held in an EBT for the benefit of employees.

Diluted EPS is calculated by dividing the profit or loss for the year (as used in the calculation of basic EPS) 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 arising from the award of share options into ordinary shares. In 2023, as a result of the loss for the year, both basic and diluted EPS are calculated using the same weighted average number of ordinary shares as potential ordinary shares cannot be treated as dilutive if their inclusion in the calculation reduces the Group's loss per share.

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

Weighted average number of shares	2023 Number m	2022 Number m
Issued share capital[1]	545.0	552.4
Add contingently issuable shares[2]	6.2	1.7
Less time apportioned own shares held	(31.9)	(24.5)
Weighted average number of ordinary shares for the purpose of basic EPS	**519.3**	**529.6**
Add back weighted average number of dilutive potential shares	–[3]	9.3
Weighted average number of ordinary shares for the purpose of diluted EPS	**519.3**	**538.9**

Earnings per share	2023 p	2022 p
Basic	(2.5)	8.9
Diluted	(2.5)	8.8

[1]The Group purchased and cancelled 1.4m ordinary shares during 2023 and 6.7m ordinary shares during 2022 (see Note 14).
[2]Contingently issuable shares relate to vested but unexercised share-based payment awards at the balance sheet date.
[3]Potential shares can only be treated as dilutive if their conversion to ordinary shares increases the loss per share. As the impact of including potential shares in the calculation of 2023 EPS would be to decrease the loss per share, they have been excluded from the calculation.

8. 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 (KAML) (£341.2m) and the 2020 acquisition of Merian (£229.4m).

	2023 £m	2022 £m
Cost		
At 1 January and at 31 December	**570.6**	**570.6**
Accumulated impairment		
At 1 January	–	–
Charge for the year	(76.2)	–
At 31 December	**(76.2)**	–
Net book value		
At 31 December	**494.4**	**570.6**

The Group operates as a single asset management business segment and does not allocate costs between investment strategies or individual funds. The Group's goodwill originally arose in 2007 through KAML and was increased in 2020 through the acquisition of Merian. The Merian acquisition largely comprised revenues and incremental costs and therefore increased the scale of the existing business, improving at the time the headroom over goodwill arising on acquisitions. Both businesses are fully integrated and are not separately measured or monitored. It is not possible to assign any reduction in the Group's profitability between KAML and Merian, and therefore we adopt a single CGU and consider our impairment test based on Group-wide cash generation to calculate the recoverable amount of the goodwill, using the higher of the value in use (VIU) and fair value less costs of disposal of the CGU, and comparing this to the carrying value of the CGU.

For the impairment test, the recoverable amount for the goodwill asset was calculated using a VIU approach, 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 the following key assumptions:

- The Group's projected base case forecast cash flows over a period of five years, which included an assumption of annual revenue growth based on our expectations of AUM growth, client fee rates and performance fees. The data was taken from the five-year plan, which was approved by the Board in February 2024 and is aligned with the strategic focus set out in the Management statement;
- Long-term growth rates of 2% (2022: 2%) were used to calculate terminal value; and
- A post-tax discount rate of 13.2% (2022: 12.8%) was calculated using the capital asset pricing model. Using a pre-tax discount rate of 17.0% (2022: 15.8%) on pre-tax profitability and cash flows does not produce a materially different result.

The impairment test indicated that the VIU of the CGU of £549.4m (2022: £859.2m) was less than its carrying value of £625.6m (2022: £646.7m). As a result, our conclusion is that the Group's goodwill asset is impaired and, accordingly, an impairment charge of £76.2m has been recognised. This charge is recorded as a separate line item in the consolidated income statement.

The year-on-year movement in the headroom was as follows:

	£m
Headroom at 1 January 2023[1]	**212.5**
Decrease in VIU of CGU in 2023	(309.8)
Decrease in carrying value of CGU in 2023	21.1
Impairment at 31 December 2023	**(76.2)**

[1]Headroom (i.e. the surplus of the VIU over the carrying value of the CGU) calculated in the Group's impairment testing as at 31 December 2022.

The reduction in the value in use of the CGU year-on-year was £309.8m, arising from lower demand from retail clients in the short term, lower market valuations, and an increase in the cost of capital used by the Group in its testing. The impact of these factors is particularly significant in calculating the terminal value (i.e. the value of the Group beyond the period when future cash flows can be estimated), which contributes the majority of the reduction in VIU. The decrease in the carrying value of the CGU was largely due to the amortisation of intangible assets.

As at the end of 2023, the Group has no headroom in respect of the VIU of its goodwill. The sensitivity of any possible re-establishment of headroom, or further impairment charges, to changes in key metrics and assumptions is shown in the table below which sets out the impacts of reasonably possible changes in key assumptions used in the VIU calculation:

Key variable	Reasonably possible adverse movement	Decrease in valuation £m
Discount rate	+1%	48
Terminal growth rate movement	-1%	34
Decrease in revenue	-10%	183[1]

[1]The decrease in revenue represents a modelled percentage reduction in each year projected in the Group's base case forecast cashflows.

The sensitivities modelled above represent the estimated impact on each metric in isolation and make no allowance for actions management would take to reduce costs should the Group experience future reductions in AUM or profitability.

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.

9. Intangible assets

Intangible assets principally comprise investment management contracts acquired in the 2020 acquisition of Merian. The useful lives of these contracts were assessed as being finite and are amortised over their useful economic lives. The useful economic lives of the 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.

The other intangible assets recognised are computer software. During the year, the Group acquired computer software of £2.9m (2022: £4.1m) and disposed of £nil (2022: £nil).

The amortisation charge for intangible assets was £20.6m (2022: £21.0m).

The Directors have reviewed the intangible assets as at 31 December 2023 and have concluded there are no indicators of impairment (2022: same).

	2023 £m	2022 £m
Intangible assets	17.5	35.2
	17.5	**35.2**

10. Property, plant and equipment

The net book value of property, plant and equipment at 31 December 2023 was £37.5m (2022: £40.9m). Additions to the right-of-use assets in 2023 were £0.6m (2022: £1.4m). The Group purchased other items of property, plant and equipment of £0.6m during the year (2022: £1.2m). The depreciation charge was £5.2m (2022: £5.8m).

11. Financial instruments

Financial instruments by category

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

As at 31 December 2023	Financial assets at FVTPL £m	Financial assets at amortised cost and other[2] £m	Financial liabilities at FVTPL £m	Other financial liabilities £m	Non-financial instruments £m	Total £m
Goodwill	–	–	–	–	494.4	494.4
Intangible assets	–	–	–	–	17.5	17.5
Property, plant and equipment	–	–	–	–	37.5	37.5
Investment in associates	–	1.8	–	–	–	1.8
Deferred tax assets	–	–	–	–	16.1	16.1
Non-current trade and other receivables[1]	–	0.4	–	–	–	0.4
Financial assets	219.4	13.4	–	–	–	232.8
Current trade and other receivables[1]	–	127.1	–	–	10.5	137.6
Cash and cash equivalents	–	268.2	–	–	–	268.2
Current tax asset[1]	–	–	–	–	1.3	1.3
Non-current loans and borrowings	–	–	–	(49.7)	–	(49.7)
Non-current trade and other payables[1]	–	–	–	(55.8)	(3.9)	(59.7)
Deferred tax liabilities	–	–	–	–	(2.3)	(2.3)
Financial liabilities at FVTPL	–	–	(80.3)	–	–	(80.3)
Current trade and other payables[1]	–	–	–	(208.9)	(12.5)	(221.4)
Provisions	–	–	–	(4.7)	–	(4.7)
Total	**219.4**	**410.9**	**(80.3)**	**(319.1)**	**558.6**	**789.5**

[1] Prepayments, contract assets, contract liabilities, current income tax assets and social security and other taxes do not meet the definition of financial instruments.

[2] Includes investments in associates, which are initially recognised at cost and are adjusted subsequently to reflect any changes to the Group's share of the investee's net assets.

As at 31 December 2022	**Financial assets at FVTPL £m**	**Financial assets at amortised cost £m**	**Financial liabilities at FVTPL £m**	**Other financial liabilities £m**	**Non-financial instruments £m**	**Total £m**
Goodwill	–	–	–	–	570.6	570.6
Intangible assets	–	–	–	–	35.2	35.2
Property, plant and equipment	–	–	–	–	40.9	40.9
Deferred tax assets	–	–	–	–	19.4	19.4
Non-current trade and other receivables[1]	–	0.4	–	–	–	0.4
Financial assets at FVTPL	167.8	–	–	–	–	167.8
Current trade and other receivables[1]	–	113.9	–	–	10.2	124.1
Cash and cash equivalents	–	280.3	–	–	–	280.3
Current tax asset[1]	–	–	–	–	3.3	3.3
Non-current loans and borrowings	–	–	–	(49.5)	–	(49.5)
Non-current trade and other payables[1]	–	–	–	(77.2)	(10.3)	(87.5)
Deferred tax liabilities	–	–	–	–	(6.7)	(6.7)
Financial liabilities at FVTPL	–	–	(49.2)	–	–	(49.2)
Current trade and other payables[1]	–	–	–	(185.6)	(16.8)	(202.4)
Provisions	–	–	–	(2.8)	–	(2.8)
Total	**167.8**	**394.6**	**(49.2)**	**(315.1)**	**645.8**	**843.9**

[1] Prepayments, contract assets, contract liabilities and social security and other taxes do not meet the definition of financial instruments.

For financial instruments held at 31 December 2023, issued subordinated debt, recorded within non–current loans and borrowings above, had a fair value of £50.2m (2022: £51.0m), less unamortised expenses of £0.1m (2022: £0.2m) and financial assets at amortised cost had a fair value of £13.7m (2022: N/A).

12. Cash and cash equivalents

	2023 £m	**2022 £m**
Cash at bank and in hand	137.5	276.8
Cash equivalents	128.4	–
Cash held by the EBT and seed investment subsidiaries	2.3	3.5
Total cash and cash equivalents	**268.2**	**280.3**

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. Cash equivalents comprises units in short-term money market funds that can readily be converted into known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash held by the EBT and seed investment subsidiaries is not available for use by the Group.

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 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.

	2023 £m	**2022 £m**
Non-current subordinated debt in issue	**49.7**	**49.5**

14. Share capital

In 2022 and early 2023, the Group carried out a £10.0m share buyback and cancellation programme, purchasing and cancelling 6.7m ordinary shares at a cost of £8.0m in 2022, with a further purchase and cancellation of 1.4m shares in 2023 at a cost of £2.0m. On cancellation of the shares, an amount equal to their nominal value was transferred to a capital redemption reserve which forms part of 'Other reserves', as detailed in Note 15. Shares cancelled represented 1.5% of the previously issued share capital.

Share capital	2023 Number of shares m	2022 Number of shares m	2023 £m	2022 £m
Ordinary shares of 2p each	545.0	546.4	10.9	10.9
	545.0	**546.4**	**10.9**	**10.9**

	Number of shares		Par value	
	2023 m	2022 m	2023 £m	2022 £m
Movement in ordinary shares				
At 1 January	546.4	553.1	10.9	11.1
Shares cancelled	(1.4)	(6.7)	–	(0.2)
At 31 December	**545.0**	**546.4**	**10.9**	**10.9**

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 in Jupiter Fund Management plc 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.

During the year, the Group purchased 18.7m (2022: 10.4m) ordinary shares with a par value of £0.4m (2022: £0.2m) for the purpose of satisfying share option obligations to employees. The full cost of the purchases was £24.5m (2022: £21.4m). The Group disposed of 7.7m (2022: 7.2m) own shares to employees in satisfaction of share-based awards with a nominal value of £0.2m (2022: £0.1m). At 31 December 2023, 33.9m (2022: 22.9m) ordinary shares, with a par value of £0.7m (2022: £0.5m), were held as own shares within the Group's EBT.

(ii) Other reserves

Other reserves comprise the merger relief reserve of £242.1m (2022: £242.1m) formed on the acquisition of Merian in 2020, £8.0m (2022: £8.0m) that relates to the conversion of Tier 2 preference shares in 2010 and £0.2m (2022: £0.2m) of capital redemption reserve that was transferred from share capital on the cancellation of shares that had been repurchased in 2022 and 2023 (see Note 14).

(iii) Foreign currency translation reserve

The foreign currency translation reserve of £2.0m (2022: £3.7m) is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

(iv) Retained earnings

Retained earnings of £527.0m (2022: £578.9m) are the amount of earnings that are retained within the Group after dividend payments and other transactions with owners.

16. Dividends

	2023 £m	2022 £m
Prior year final dividend (0.5p per ordinary share) (2022: 9.2p per ordinary share)	2.6	48.6
Interim dividend (3.5p per ordinary share) (2022: 7.9p per ordinary share)	17.8	41.6
Special dividend (2.9p per ordinary share) (2022: nil per ordinary share)	14.8	–
	35.2	**90.2**

Final and special dividends are paid out of profits recognised in the year prior to the year in which the dividends are proposed, 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 2023 were £2.4m (2022: £4.3m).

A final dividend for 2023 of 3.4p per share (2022: 0.5p) has been proposed by the Directors. This dividend amounts to £18.5m (before adjusting for any dividends waived on shares in the EBT) and will be accounted for in 2024. Including the interim and special dividends for 2023 of 6.4p per share (2022: 7.9p), this gives a total dividend per share of 9.8p (2022: 8.4p).

17. Cash flows from operating activities

	Notes	2023 £m	2022 £m
Operating profit		86.0	64.3
Adjustments for:			
Amortisation of intangible assets	9	20.6	21.0
Depreciation of property, plant and equipment	10	5.2	5.8
Other net (gains)/losses[1]		(5.0)	28.2
(Gains)/losses on fund unit hedges[2]		(1.5)	55.1
Share-based payments		18.5	13.6
(Increase)/decrease in trade and other receivables[3]		(14.4)	12.2
Decrease in trade and other payables[3]		(0.3)	(25.1)
Cash generated from operations		**109.1**	**175.1**

[1]Comprises the reversal of items included in 'Other gains/(losses)' in the income statement that relate either to unrealised gains or losses, or to cash flows relating to the disposal of financial assets other than derivative contracts. Cash flows relating to disposals are included in the Cash flow statement within 'Proceeds from disposals of financial assets at FVTPL'.

[2]Comprises the reversal of net (gains)/losses on financial instruments held to provide an economic hedge for funds awards that are recognised within Administrative expenses (Note 3). Cash flows arising from the disposals of such instruments are included in the Cash flow statement, in line with footnote 1 above.

[3]Amounts reported in these lines can differ from the movement in the balance sheet where cash flows that form part of that movement are separately reported in a different line of the Cash flow statement or its notes. In 2022 and 2023, these differences are principally in respect of cash flow movements relating to consolidated funds. For trade and other payables, additionally, cash flows arising from movements in lease liabilities are presented on the face of the Cash flow statement.

18. Changes in liabilities arising from financing activities

	2023				2022			
	Financial liabilities at FVTPL £m	Loans and borrowings[1] £m	Leases £m	Total £m	Financial liabilities at FVTPL £m	Loans and borrowings[1] £m	Leases £m	Total £m
Brought forward at 1 January	48.6	49.5	46.3	144.4	52.3	49.3	51.1	152.7
New leases	–	–	0.6	0.6	–	–	1.4	1.4
Changes from financing cash flows	28.9[2]	–	(4.9)	24.0	18.7[2]	–	(7.8)	10.9
Changes arising from obtaining or losing control of consolidated funds	(1.2)	–	–	(1.2)	(14.4)	–	–	(14.4)
Changes in fair value	3.9	–	–	3.9	(8.0)	–	–	(8.0)
Interest expense	–	0.2	1.5	1.7	–	0.2	1.6	1.8
Lease reassignment and modifications	–	–	0.6	0.6	–	–	–	–
Liabilities arising from financing activities carried forward at 31 December	**80.2**	**49.7**	**44.1**	**174.0**	**48.6**	**49.5**	**46.3**	**144.4**
Notes	19	13			19	13		

[1]Accrued interest on loans and borrowings is recorded within 'Trade and other payables' and is therefore not included in this analysis. The interest expense above comprises the charge arising from unwinding the discount applied in calculating the amortised cost of the subordinated debt.

[2]Comprises cash flows from third–party subscriptions redemptions into consolidated funds, net of redemptions (see Cash flow statement).

19. Financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices on the balance sheet date. Derivatives held at fair value are carried at a value which represents the price to exit the instruments at the balance sheet date.

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).

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.

As at 31 December 2023, the Group held the following financial instruments measured at fair value:

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets at FVTPL – funds	141.7	77.7	–	219.4
Financial liabilities at FVTPL	(80.2)	–	–	(80.2)
Other financial liabilities at FVTPL – derivatives	–	(0.1)	–	(0.1)
	61.5	**77.6**	**–**	**139.1**

As at 31 December 2022, the Group held the following financial instruments measured at fair value:

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets at FVTPL – funds	116.5	51.0	0.3	167.8
Financial liabilities at FVTPL	(48.6)	–	–	(48.6)
Other financial liabilities at FVTPL – derivatives	–	(0.6)	–	(0.6)
	67.9	**50.4**	**0.3**	**118.6**

20. Related parties

During the year, the Group consolidated Jupiter Global Emerging Markets Focus ex China Fund, Jupiter Merlin Moderate Select, Jupiter Systematic Consumer Trends Fund, Jupiter Systematic Demographic Opportunities Fund, Jupiter Disruptive Technology Fund, Jupiter Healthcare Innovation Fund and Jupiter Systematic Physical World Fund (as set out the 'Changes in the composition of the Group' section on page 13). Jupiter Global Emerging Markets Focus Fund, Jupiter Global Fund SICAV: Global Ecology Bond, Jupiter Global Sustainable Equities Fund and Jupiter Merlin Real Return have been removed as the funds were closed.

The Group manages a number of investment trusts, unit trusts, OEICs, SICAVs, ICVCs, a hedge fund (closed in 2022) and Delaware LPs and receives management and, in some instances, registration (Aggregate Operating Fee) and 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.

The Group acts as investment manager for 30 (2022: 34) authorised unit trusts and 9 (2022: 12) OEICs. Each unit trust is jointly administered with the trustees, Northern Trust Global Services SE. The aggregate total value of transactions for the year was £2,223m (2022: £2,714m) for unit trust creations and £4,052m (2022: £3,570m) for unit trust redemptions/liquidations. The actual aggregate amount due to (2022: from) the trustees at the end of the accounting year in respect of transactions awaiting settlement was £7.5m (2022: £24.0m). The Group also acts as the management company for the Jupiter Global Fund and Jupiter Investment Fund SICAVs, made up of 17 sub-funds (2022: 20) and 3 sub-funds (2022: 4) respectively as well as the Jupiter Investment Management Series II and the Jupiter Asset Management Series plc, made up of 9 (2022: 12) and 23 (2022: 18) sub-funds respectively. The administrator is Citibank Europe plc, Luxembourg Branch.

The amounts received in respect of gross management, registration and performance fee charges were £237.1m (2022: £254.8m) for unit trusts, £43.2m (2022: £60.9m) for OEICs, £89.7m (2022: £100.8m) for SICAVs, £46.5m (2022: £49.9m) for ICVCs, £4.3m (2022: £6.4m) for investment trusts and £31.9m (2022: £27.0m) for segregated mandates. At the end of the year, there was £23.4m (2022: £28.9m) accrued for annual management fees, £1.2m (2022: £1.4m) in respect of registration fees and £12.7m (2022: £9.7m) in respect of performance fees.

Included within financial instruments (see Note 11) are seed investments, hedges of awards in fund units in mutual funds and investment trusts, and proprietary investments in an investment trust, all managed, but not controlled, by the Group. At 31 December 2023, the Group had a total net investment in such funds of £56.5m (2022: £53.1m) and received distributions of £0.5m (2022: £1.0m). During 2023, it invested £36.4m (2022: £24.1m) in these funds and made disposals of £0.3m (2022: £86.6m).

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, and the Strategy and Management Committee. The aggregate compensation paid or payable to key management for employee services is shown below:

	2023 £m	2022 £m
Short-term employee benefits	3.7	3.8
Share-based payments	1.3	1.6
Other long-term benefits	1.2	1.7
	6.2	**7.1**

Statement of Directors' responsibilities

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 UK-adopted International Accounting Standards (IAS) and 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 UK-adopted IAS and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The Directors' review of the Financial Statements

The Directors undertook a detailed review of the Financial Statements in February 2024. Following this examination, the Board was satisfied that the Financial Statements for 2023 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 in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and consistently applied;
- the judgements and accounting estimates that have been made were reasonable and prudent; and
- where applicable UK-adopted IAS in conformity with the requirements of the Companies Act 2006 have been adopted and, for the Group, UK-adopted IAS 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 and emerging risks in the business, making use of the Enterprise Risk Management 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 Risk management section of the Strategic report. The Enterprise Risk Management Framework was reviewed by the Board 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 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
21 February 2024

Principal risks and mitigations

The Board and executive management are responsible for establishing and maintaining a strong risk management culture that embeds and supports a high level of risk awareness and a sound control environment across the firm.

This is achieved through leadership behaviours setting the 'tone from the top', governance structures, a clear definition of roles and responsibilities, and regular communication reinforcing appropriate behaviours.

The Group has a robust enterprise risk management framework (ERMF) to provide a comprehensive approach to identifying, assessing, monitoring, mitigating and reporting risk.

Risk governance and responsibilities

The Group operates a three-tier risk governance framework, known as the 'three lines of defence' model, which distinguishes between risk management and risk oversight. This approach provides a clear and concise separation of duties, roles and responsibilities.

The Board has ultimate responsibility for oversight of the risks of the Group and for determining the risk appetite limits within which the Group must operate. It delegates day-to-day responsibility for risk management and control activities to the Chief Executive Officer, supported by the Risk and Compliance Committee, with oversight from the Audit and Risk Committee.

The ERMF 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.

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 plan, taking into account the interests of its clients, shareholders and other stakeholders, as well as capital and other regulatory requirements. An important part of the Board's remit is to determine the Group's risk appetite, taking into account the business environment, and the current and likely future condition of our business and operations.

Top-down risk assessment (TDRA)

The top-down risk assessment (TDRA) identifies the Group's material risks and monitors their profile. The TDRA is used to provide a firm-wide view to help identify cross-functional and strategic risks. The risks identified through the TDRA are continuously monitored and reported to the appropriate committees and boards.

Risk and control self-assessment (RCSA)

The bottom-up identification and assessment of risks is performed by teams across the business through a risk and control self-assessment (RCSA). The assessment identifies and monitors risks and associated key controls by considering the operating environment, processes, roles and responsibilities, as well as incidents. Risks are assessed on both an inherent and a residual basis, with ratings determined for potential impact and likelihood. Where processes or controls are identified as insufficient, management is required to take appropriate action to ensure they are improved to meet an acceptable level of risk to the Group.

Key risk indicators (KRIs)

Key risk indicators (KRIs) are used by the Group to provide an early sign of changing key risk exposures, enabling management to identify potentially crystallising risks which are used to inform and support management decision making.

Incidents

An incident is an event due to a lack of or failure of the control environment. These events likely lead to negative impacts for clients and/or the firm. An incident can be incurred due to inadequate or failed internal processes, people and systems, or from external events. Incidents are reported, recorded and investigated to determine the root cause, impact and trends and to ensure that appropriate remediation work is completed as required. Incidents are monitored and captured across

the business and independently reviewed to ensure completeness and accuracy. Analysis of incidents is used to support our TDRA, RCSA and operational risk scenario analysis (ORSA) processes.

Operational risk scenario analysis (ORSA)

The ORSA 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 subject matter experts. A variety of scenarios are used to estimate the impact 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.

Emerging risks

Emerging risks are risks that could significantly affect the Group's risk profile outside of the risk assessment period. They are raised by the business through the TDRA and RCSA process. Each one is challenged to consider when the risk could impact the Group and any action required to ensure we are fully prepared should they begin to crystallise.

Operational resilience

Operational resilience addresses how the continuity of the services that the Group provides is maintained regardless of the cause of disruption and helps to ensure that it is prepared for the inevitability of disruption, rather than only trying to minimise the probability of disruption occurring.

Risk profile

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 imperative to the business to reduce potential harms to clients, the firm and the market. Some risks are pursued to support the business plan, such as the risks relating to investment performance. Other risks are inherent in routine business activities, such as the risk of financial crime. The differing risks faced by the Group are documented within the risk taxonomy and managed through the Group's ERMF in line with risk appetite. The type and severity of the risks the Group faces 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.

The Group conducts an annual internal capital adequacy and risk assessment (ICARA) to understand its exposure to risks including operational, capital adequacy, liquidity and credit/counterparties. These risks are also monitored to ensure they are managed on a prudent basis and remain within regulatory requirements and the Group's risk appetite.

Risk taxonomy

The risk taxonomy defines and describes the different risk types the Group is exposed to, providing a consistent methodology for assessment and reporting. The Group has exposure to strategic, investment, financial and operational risks. These are, where applicable, further broken down into subcategories within the Group's enterprise risk taxonomy to provide consistency of reporting across the different components of the framework.

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 plan, taking into account the interests of its clients and shareholders, as well as capital and other regulatory requirements.

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

Operational resilience

The Group defines operational resilience as the Group's ability to prevent, adapt, respond to, recover and learn from operational disruption. This forward-looking approach allows the Group to assess and understand its vulnerabilities with the intention of undertaking mitigating actions to prevent harm to clients, the firm and the market.

Operational resilience addresses how the continuity of the services that the Group provides is maintained regardless of the cause of disruption and helps to ensure that it is prepared for the inevitability of disruption, rather than only trying to minimise the probability of disruption occurring. It includes preventative measures and the capabilities in terms of people, processes and organisational culture to adapt and recover when things go wrong.

The effective oversight and management of the Group's operational resilience requires it to identify the services which, if disrupted, could cause intolerable harm to clients, the firm or the market. These are described as important business services (IBS). Each IBS is required to have been mapped (i.e. underlying people, systems, suppliers and processes) to identify the key dependencies and have an appropriate impact tolerance set at the first point at which a disruption would pose an intolerable level of harm. End-to-end testing of severe yet plausible scenarios are used to gauge the extent to which the Group is able to stay within the set impact tolerances and agree remedial action where those tolerances are exceeded.

Reputational risk

The Group defines reputational risk as the risk of loss or other adverse impact arising from unfavourable perception of the firm on the part of consumers, counterparties, employees, regulators, shareholders, other stakeholders, the media or the general public. Managing reputational risk is fundamental to the strategic objectives of the firm and is managed across the various risk categories to which the firm is exposed. For example, reputational risk can arise as a result of operational incidents, strategic decisions, or generally as a result of inappropriate behaviour within the Group, as perceived by various stakeholder groups. The impact on the Group's reputation is considered when assessing risks within the ERMF.

Emerging risks

The Group defines emerging risks as risks that will not or are deemed implausible to crystallise within the current risk assessment period. Emerging risks have many unknowns in terms of cause, impact and likelihood and the Group looks to understand these risks on the horizon to plan mitigation where possible.

Emerging risks are captured through the RCSA, the TDRA and utilising the 'PESTLE' methodology for horizon scanning which focuses on political, economic, socio-cultural, technological, legal and environmental risks.

Emerging risks are assessed, monitored and reported via the ERMF.

Key risks

The table below lists the key risks to the firm on a residual basis, which is considered to be the risk exposure after the application of existing mitigating controls, assessing the risks on the potential impact and likelihood of them crystallising.

Key risk	Description
Geopolitical risk	The risk we fail to adequately respond to changes and/or disruption within the geopolitical environment.
Investment performance risk	The risk that portfolios do not meet their investment objectives including against our peers and benchmarks.
Outsourcing and supplier risk	The risks arising from incidents or failure of providers of services to deliver on their obligations, or inadequate selection or oversight of providers.
People risk	The risk of failures or poor practices relating to people management.
Regulatory risk	The risk of failing to comply with our regulatory obligations including failures to implement changes required to meet new regulatory requirements.
Sustainability risk	Sustainability risk is the failure to identify, assess, manage and report on ESG issues that could cause actual or potential material negative impacts on our core business activities.
Technology and information security risk	The risk of deliberate attacks or accidental events that have a disruptive effect on interconnected technologies.

Overall, the evolution of the Group's risk profile during 2023 has been driven by external challenges such as regulatory and investor demands on sustainability. Geopolitical events across the globe have also prompted increased market volatility and operational risks.

Further details on the assessment of our most material risks are included below.

Description	Management actions
Geopolitical risk Geopolitical events such as the invasion of Ukraine and conflicts across the globe disrupt markets, which increases volatility and operational risk. The corresponding changing global sanctions regimes increase our financial crime risk.	■ We continue efforts to diversify across both regions and asset classes. Our strategy is to defend our existing UK positions where prudent to do so, while also increasing the scale of our international and Institutional businesses. ■ The Board and the Strategy and Management Committee regularly review the strategic plan, opportunities and threats, budgets and targets. ■ Our financial crime framework continuously evolves to ensure the ever-changing landscape of financial crime is mitigated through robust monitoring and testing.
Investment performance risk Delivering positive outcomes to our clients through active management is at the core of the organisation and failure to deliver against our commitments leads to poor client outcomes and loss of AUM.	■ All performance is monitored closely and challenged on a regular basis through senior management engagement. ■ The investment risk team provides detailed analysis of market-related risks facing Jupiter's funds and corporate balance sheet, ensuring that these are communicated accurately and used to challenge and inform various stakeholders, enhancing the investment management process. ■ Performance is overseen and assessed through active value assessments to ensure that clients are receiving the best possible product outcome.
Outsourcing and supplier risk The firm is reliant on suppliers to which we have outsourced certain services and any failure from our third parties can lead to a negative impact on our clients, our staff and the firm.	■ We continue to review and assess our appetite for outsourcing to ensure that it remains effective in relation to the size and scale of our business. ■ We continue to work closely with our critical third-party suppliers to ensure that the services they provide remain resilient. ■ Our framework for the oversight of activities delegated to third parties is continually reviewed in line with our risk appetite and regulatory requirements to ensure effectiveness.

Description	Management actions
People risk People are at the core of the business, however, ensuring management of performance, conflicts of interest and conduct is imperative to minimise poor culture, loss of key staff, poor outcomes for our clients and harm to markets. The Group recognises that conduct risk can crystallise across various parts of the business and can be strategic, financial, infrastructural or behavioural in nature. Conduct risks can arise on both an individual and Group basis.	■ Focused recruitment, talent and learning programmes are in place, supported by robust HR policies and procedures which comply with all relevant rules, regulations and guidelines. ■ We respect and celebrate different perspectives and experiences. ■ We actively manage succession and succession plans are in place for critical staff. ■ Conduct risk is monitored through the conduct risk dashboard which is designed to provide a lens into conduct risk from which the Culture and Conduct Committee and boards can review and investigate both potential and actual conduct risk issues within the Group. ■ We have also continued to focus on educating employees on the importance of good conduct, with a specific training programme rolled out to all employees.
Regulatory risk The risk of not complying with regulatory changes remains significant as we continue to see a high volume of regulatory activity, for example, related to sustainability, Consumer Duty and operational resilience. Our strategic focus of growing the scale in our international business further increases our regulatory footprint.	■ To ensure we remain well placed to meet all regulatory challenges, we continue to proactively engage with our regulators in an open and transparent manner while investing in education, training and a robust second line function. ■ We have a cohesive and holistic approach to managing the evolving landscape of regulatory risk across jurisdictions and utilise industry insight and specialist expertise as required to respond to regulatory change, for example, the EU Digital Operational Resilience Act.
Sustainability risk Sustainability risks can impact and manifest in many ways including financial under-performance, reputational damage and operational risks, such as greenwashing, linked to climate change.	■ Sustainability risks are captured and managed within Jupiter's ERMF and control environment. ■ In 2023 we further enhanced automated monitoring of ESG risks within our portfolios and increased resourcing in our control teams.
Technology and information security risk Our dependency on technology and data is significant and therefore it is imperative that we protect our clients, staff and the firms against technology failure, loss of data and system corruption.	■ Jupiter is certified in accordance with the UK government-backed 'Cyber Essentials Plus' scheme, demonstrating our ongoing commitment to reducing the likelihood of a successful cyber event, despite the rising number of external attacks seen across the industry. ■ We continue to make investments in our security systems to identify and reduce vulnerabilities as quickly as possible. ■ We have invested in ongoing training and awareness on the risks of phishing and similar attacks, and we continue to work with our third-party suppliers to ensure that they are able to demonstrate compliance with Group standards and internationally recognised good practice.

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	2023	2022	Definition	Reconciliation
1	Cost:income ratio	73%	69%	Administrative expenses before exceptional items and performance fees divided by Net revenue before exceptional items and performance fees	See table 1 below
2	Net management fee margin	69.5 bps	73.5 bps	Net management fees divided by average AUM	
3	Total compensation ratio before performance fees	42%	40%	Fixed staff costs before exceptional items plus Variable staff costs before exceptional items and performance fees as a proportion of Net revenue before performance fees	
4	Underlying EPS	14.8p	11.3p	Underlying profit after tax attributable to equity holders of the parent divided by average issued share capital	

Reconciliations and calculations: table 1

	APM	2023 £m	2022 £m
Administrative expenses (page 8)		265.4	302.3
Less: Performance fee variable staff costs (page 6)		(6.4)	(33.9)
Less: Exceptional items included in administrative expenses (page 15)		(0.8)	(0.8)
Administrative expenses before exceptional items and performance fee-related costs		**258.2**	**267.6**
Net revenue (page 8)		368.8	397.3
Less: Performance fees (page 14)		(13.2)	(10.3)
Net revenue before performance fees		**355.6**	**387.0**
Cost:income ratio	*1*	*73%*	*69%*
Management fees (page 14)		389.9	430.1
Less: Fees and commissions relating to management fees (page 14)		(35.9)	(45.3)
Net management fees		**354.0**	**384.8**
Average AUM (£bn) (page 5)		**50.9**	**52.4**
Net management fee margin	*2*	*69.5 bps*	*73.5 bps*
Fixed staff costs before exceptional items (page 6)		78.1	82.4
Variable staff costs before exceptional items and performance fees (page 6)		72.8	70.6
Total		**150.9**	**153.0**
Net revenue before performance fees (see above)		**355.6**	**387.0**
Total compensation ratio before net performance fees	*3*	*42%*	*40%*
Statutory profit before tax (page 8)		9.4	58.0
Exceptional items (page 6)		95.8	19.6
Underlying profit before tax (page 6)		**105.2**	**77.6**
Tax at average statutory rate of 23.5% (2022: 19%)[1]		(24.7)	(14.7)
Underlying profit after tax		**80.5**	**62.9**
Profit attributable to non-controlling interests (page 11)		–	(0.6)
Underlying profit after tax attributable to equity shareholders of the parent		**80.5**	**62.3**
Average issued share capital (m) (page 17)		**545.0**	**552.4**
Underlying EPS	*4*	*14.8p*	*11.3p*

[1]Actual effective tax rates applicable to underlying profit before tax were 25.6% in 2023 and 17.0% in 2022.

Revenue, expense and profit-related measures

1. 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.
2. 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.
3. 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.
4. 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 management fees	1
Exceptional items[1]	2
Net revenue	1
Performance fee costs	2
Fixed staff costs before exceptional items	2
Variable staff costs before exceptional items	2
Underlying profit before tax	3
Underlying profit after tax	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.

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 6.

Changes in use of APMs since 2022

There have been no changes in the Group's APMs compared to those used in 2022.