

Jupiter Group

Remuneration disclosures for the year ended 31 December 2019

This document sets out remuneration related disclosures for Jupiter Fund Management plc (“JFM plc”) and all of its subsidiary companies (together “Jupiter” or the “Group”). It captures disclosures required for Jupiter Fund Management plc (the “Company”), and its subsidiaries Jupiter Asset Management Ltd (“JAM”), Jupiter Unit Trust Managers Limited (“JUTM”) and Jupiter Asset Management International S.A. (“JAMI”).

Both JAM and JUTM are regulated by the Financial Conduct Authority (“FCA”). JAMI is regulated by the Commission de Surveillance du Secteur Financier (“CSSF”). JAM is required to comply with the requirements of the Capital Requirements Directive and is subject to the FCA’s BIRPU Remuneration Code. JUTM and JAMI are required to comply with the requirements of the Alternative Investment Fund Managers Directive (“AIFMD”) and UCITS V Directive (“UCITS V”).

Jupiter operates a Group-wide remuneration policy, which applies to all employees across the Group. This document provides details of this remuneration policy, and satisfies the Pillar 3 remuneration disclosures for the year ended 31 December 2019 as well as qualitative remuneration disclosures required under AIFMD and UCITS V.

Decision-making process to determine remuneration policies

Jupiter has a Remuneration Committee (“Committee”) comprising three independent non-executive Directors and the Company Chairman¹. The Committee meets on a regular basis to consider remuneration matters across the Group. It operates under formal terms of reference, which are reviewed annually and are available on the Jupiter website. In 2019, the Committee formally met five times.

The Committee is responsible for the determination, regular review of, and implementation of the overarching policy for remuneration that applies to the Group. The Committee is also responsible for determining and reviewing annually individuals who have a material impact on the risk profile of Jupiter and/or its funds (Material Risk Takers (“MRTs”)), and determining total remuneration packages for these individuals. In considering the remuneration policy, the Committee seeks to ensure remuneration is structured in a way that attracts, motivates and retains high calibre staff, rewards individual and corporate performance and is aligned with appropriate risk and compliance standards and the long-term interests of shareholders, investors, clients and other stakeholders.

The Committee takes full account of Jupiter’s strategic objectives and stakeholder views in considering remuneration policy decisions. This includes careful consideration of any feedback from shareholders, investors, employees, the regulator and our clients, as well as specific input from subject matter experts, where requested (for example, the Chief Risk Officer, Compliance Director, HR Director and Head of Reward). To avoid any conflicts of interest, the Committee comprises independent Non-Executive Directors and the Company Chairman, and no individual is involved in any decisions regarding their own remuneration.

The Committee has appointed Deloitte LLP as independent advisers to the Committee.

Remuneration policy

As described above, Jupiter operates a Group-wide remuneration policy. We have a pay for performance culture and flexible individual incentives are an important part of our performance culture. All employees are incentivised in a similar way and are rewarded according to personal performance and Jupiter’s success.

A description of the different remuneration elements, how they are determined and the link between pay and performance are set out on the next page.

¹ In 2019, the Committee membership was as follows: Bridget Macaskill (Committee Chairman), Liz Airey (Company Chairman), Jonathon Bond and Roger Yates.

Remuneration elements

Base salary Base salaries are generally reviewed annually. Base salary levels are set considering the individual's skills, the size and scope of their role, and the market rate for the role at comparator companies.

Benefits Benefits provided include pension contributions (or cash allowance equivalent) and certain insurance benefits such as private medical insurance and life assurance. The same range and level of benefits is available to all UK employees regardless of seniority. Regional difference in the level of benefits may exist for employees based outside of the UK where benefits are aligned with local market practice.

Annual bonus (including Deferred Bonus Plan) The annual bonus rewards individual and corporate performance and the achievement of strategic and personal objectives. The variable compensation pool is based on Jupiter's profits, ensuring that any bonuses are affordable. The variable compensation pool may be adjusted based on the Committee's assessment of a range of financial and non-financial considerations, including risk and compliance, as described later in this document. Individual bonuses are determined based on a number of factors relating to the individual's role and performance. This includes a balanced assessment of financial and non-financial factors, including:

- Risk, compliance and conduct behaviour.
- Metrics specific to the relevant business unit (e.g. sales performance for sales staff, investment performance and other factors such as profitability, assets managed and net sales for investment staff) and other specific departmental and corporate performance objectives and strategic goals.
- Assessment of how the above performance is achieved in terms of risk and repeatability.
- Performance in accordance with Jupiter's values and wider contribution to Jupiter and its growth strategy.
- People related objectives, for example succession planning and people development.

For any bonus amount in excess of £50,000 or EUR/local currency equivalent, a portion of the award is deferred in the form of a Deferred Bonus Plan ("DBP") award, ensuring long term alignment to Jupiter's performance (subject to a de minimis £5,000 deferral amount, or EUR/local currency equivalent). Awards under the DBP take the form of options over JFM plc shares. Employees who are portfolio managers are required to receive half of their DBP award in the form of options over units in a Jupiter fund which they manage. Other employees within the Fund Management department working for a specific investment strategy may choose to elect to receive half of their DBP award as options over units in a Jupiter fund within their investment strategy. For individuals who are Code Staff under AIFMD and/or UCITS V at least 40% of variable remuneration will be deferred (increasing to at least 60% where variable remuneration exceeds £500,000 for Jupiter's UK regulated entities or €500,000 in the case of JAMI) and half of any non-deferred bonus may be delivered in the form of options over Jupiter shares, or for portfolio managers options over units in a fund that they manage, which vest immediately but are subject to a six month post-vesting holding period.

Awards normally vest in equal tranches over the three years from the date of grant. For certain individuals, including all MRTs, malus and/or clawback provisions apply.

Performance fees For certain portfolio managers, performance fee sharing arrangements are in place, which help align the interests of senior fund managers with the long-term performance of the funds they manage. Under these arrangements, fund managers are entitled to receive a pre-determined proportion of the total performance fee earned by Jupiter. In all instances, the performance fee is considered variable remuneration and is subject to the relevant deferral requirements.

Long-term incentives LTIP awards to senior individuals incentivise and reward for the long-term performance of the Company and aid retention of these employees. The grant of LTIP awards is based on an assessment of individual and corporate performance, including the consideration of risk and compliance.

LTIP awards take the form of options over shares in the Company, providing alignment to overall Jupiter performance, and vest a minimum of three years from the date of grant subject to continued employment, and the satisfaction of performance conditions and malus and/or clawback provisions. The performance conditions are set by the Committee at the start of the performance measurement period. For LTIP awards granted in 2019, the performance conditions were 50% EPS growth and 50% investment outperformance. Awards are also subject to maintenance of an appropriate risk and compliance environment throughout the performance period as well as an underlying business performance underpin. The Committee will compare the vesting outcome for LTIP awards against shareholder and client experience over the same performance period.

All-employee share plans Jupiter operates a Sharesave Plan and Share Incentive Plan, and all UK employees are eligible to participate in these. In 2017, Jupiter introduced an International Share Award for all non-UK employees, designed to replicate some of the benefits of the Sharesave Plan for employees based outside the UK.

Each year the Committee reviews and approves the Group's remuneration policy. In addition, Jupiter's internal auditors (E&Y) conduct a review of compliance with remuneration policies and procedures. No irregularities were identified and there were no material changes to the adopted remuneration policy in 2019.

Proportionality

JAM

As a Level 3 BIPRU firm, JAM relies on proportionality guidance as issued by the FCA and considers it appropriate to dis-apply certain BIPRU remuneration principles under the proportionality rules.

JAMI

Following the assessment of proportionality, JAMI has decided to apply the requirements in line with ESMA Guidelines taking into consideration the following factors:

- The percentage of assets under management;
- Total assets under management (AuM); and
- The average ratio between its fixed and variable remuneration paid to staff.

The principles will be reviewed at a minimum on an annual basis as part of the Remuneration Policy review.

It should be noted that despite use of proportionality, the Group's compensation arrangements involve high levels of deferral, payment in shares and performance adjustment provisions on commercial and risk management grounds. Details of these provisions are given throughout this document. Furthermore, JUTM does not elect to apply any level of proportionality in relation to the AIFMD and UCITS V remuneration regulations.

Risk and reward at Jupiter

The Committee gives careful consideration to the linkage between risk and reward to ensure that desired behaviours and culture are rewarded. This includes ensuring the reward structures are consistent with and promote sound and effective risk management, and ensuring that the remuneration out-turns appropriately reflect the risk profile and behaviours of the Company and individual. This is demonstrated through a variety of reward features and processes in place which ensure alignment to risk considerations throughout the organisation. For example:

- When assessing the overall variable compensation pool, the Committee considers a number of "checkpoints", as described in the diagram on the next page.

- Assessment of individual performance includes consideration of a scorecard of financial and non-financial metrics. This ensures that how performance has been achieved is taken into account, for example in terms of risk and repeatability. For all employees there is consideration of performance against risk and compliance criteria, thereby ensuring that there is risk adjustment at an individual level.
- All employees with bonuses of over £50,000 or EUR/local currency equivalent will have a portion of bonus deferred into options over Jupiter Fund Management plc shares and/or Jupiter fund units. When considered in conjunction with LTIP awards, this means that around 25% of employees are subject to some kind of deferral, ensuring their interests are aligned to Jupiter's long-term success.
- Shareholding requirements apply to executive directors of Jupiter Fund Management plc, further enhancing the link to the Company's long-term success.
- For senior management, all variable remuneration is subject to malus and clawback provisions, whereby incentive awards may be reduced, withheld or reclaimed in certain circumstances, including where there has been a material failure of risk management.
- For staff engaged in control function roles (e.g. risk and compliance), variable remuneration is principally determined by reference to performance against departmental and individual objectives which relate specifically to their functions. The Remuneration Committee signs off all remuneration for senior control staff, ensuring independent review of achievements.
- For fund management staff, various quantitative and qualitative factors are applied when assessing individual performance so that remuneration is aligned to client outcomes. Fund Managers are subject to regular performance appraisals and oversight by the CIO Office. This review process includes amongst other factors, an assessment of activities concerning the integration of sustainability risks and may focus on areas such as voting, engagement and the selection of securities. The ESG evaluation is one part of the overall performance assessment and should be viewed in that wider context.

In addition, as well as the Compliance Director and the Audit and Risk Committee feeding into the process, the Chief Risk Officer presents a report to the Committee, setting out thoughts and assurances around how the current remuneration structures and processes support sound and effective risk management.

Checkpoints – determining the variable compensation spend

Capital base and liquidity

Can Jupiter afford the proposed variable compensation pool?

Sufficient liquidity to make payments?
Consider impact on Jupiter's capital base.

Request and consider input from the Chief Financial Officer.



Underlying financial performance

Does Jupiter's underlying financial performance support the proposed variable compensation pool funding?

Consider performance against financial KPIs listed in the Annual Report.
Is there any reason to believe the financial results are not a fair reflection of underlying performance?

Request and consider input from the Audit and Risk Committee.



Risk

Does Jupiter's risk profile and risk management support the variable compensation pool? Are any adjustments required?

Consideration of the Enterprise Risk Management report.
Are all risks being suitably monitored and managed? Have there been any material failures of risk management (or any "near misses") in the year?
Consider whether profit reflects current and future risks and timing and likelihood of future revenues.

Request and consider input from the Chief Risk Officer and the Audit and Risk Committee.



Compliance

Have there been any material compliance breaches in the year? Are any adjustments required?

Are any adjustment required?
Consideration of any significant compliance breaches and/or "near misses".
Consideration of any fines received in the year and any ongoing regulatory investigations.

Request and consider input from the Compliance Director.



Commercial

Are there any commercial drivers to support adjustments to the variable compensation pool?

Consider the market for talent and whether the pool would likely result in any significant over/underpayment against the market.



Reputational

Are there any reputational drivers to support adjustments to the variable compensation pool?

Has there been any reputational damage to the Group in the year?
Will the proposed variable compensation pool quantum have any adverse reputational impact on the Group?



Variable compensation spend, total and variable compensation ratios approval

Identification of Material Risk Taker roles - 2019

In accordance with the BIPRU Remuneration Code, Jupiter has identified individuals who may have a material impact on the risk profile of the Group ("MRTs"). For 2019, 21 individuals fell within the MRT identification criteria under the BIPRU Remuneration Code. MRTs were approved as such by the Committee and all MRTs are notified of their identification and the implications of this status.

Similarly, AIFMD and UCITS V also requires identification of individuals whose professional activities have a material impact on the risk profile of JUTM and JAMI or the AIF/UCITS funds they manage ("AIFM Code Staff" and "UCITS V Code Staff" respectively). In line with the regulations and associated guidance, all senior management, risk takers, control functions and employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers were considered when identifying AIFM and UCITS V Code Staff. For 2019, 26 AIFM Code Staff and 53 UCITS V Code Staff were identified and were approved by the Committee. All AIFM and UCITS V Code Staff are notified of their identification and the implications of this status.

The list of MRTs, AIFM and UCITS V Code Staff are subject to regular review, including input from HR, Risk and Compliance, to ensure the lists remain up to date throughout the year.

Quantitative disclosures under Pillar III (Capital Requirements Directive)

The following section sets out the relevant remuneration disclosures as stipulated under 11.5.18R (7) of BIPRU 11.

11.5.18R (7)(a) and 11.5.18R (7)(b)

As set out above, 21 individuals were identified as BIPRU MRTs for the 2019 performance year. As a single line asset manager, we consider Jupiter to be one business area. Aggregate remuneration paid to BIRPU MRTs in respect of 2019 was £14.3m, broken down as follows:

MRT	Number of Beneficiaries	Fixed Remuneration	Variable Remuneration		Total
			Cash	Shares	
Senior Management	19	£3,943,724	£1,169,338	£7,684,013	£12,797,075
Other MRTs	2	£453,937	£178,500	£910,500	£1,542,937
Total	21	£4,397,661	£1,347,383	£8,594,513	£14,340,012

11.5.18R (7)(c)

The following table illustrates the amounts of outstanding deferred remuneration, split in to vested and unvested portions, as at 31 December 2019. Deferrals are in shares and/or fund units, with the value based on the relevant closing share price of fund unit net asset value ("NAV") at the end of the performance year.

MRT	Vested Deferred Remuneration	Unvested Deferred Remuneration	Total Deferred Remuneration
Other Identified Staff	£0	£1,845,228	£1,845,228
Senior Management	£371,515	£16,210,726	£16,582,241
Total	£371,515	£18,055,953	£18,427,468

11.5.18R (7)(d)

The following table shows the amounts of deferred remuneration awarded and paid out during the 2019 financial year, Awarded values are based on the face value at date of award, paid out values are based on the market value at the date of payment (for cash) and exercise (for share or fund unit options).

MRT	Deferred Remuneration Awarded during 2019	Deferred Remuneration Paid Out during 2019
Other Identified Staff	£842,617	£629,962
Senior Management	£8,012,648	£4,097,707
Total	£8,855,265	£4,727,668

11.5.18R (7)(e)

There were no new sign-on or severance payments made during the 2019 financial year.

11.5.18R (7)(f)

The following table shows the amount of severance payments awarded during the 2019 financial year, number of beneficiaries and highest such award to a single person. It should be noted that the one payment listed in the table below was awarded (i.e. contractually agreed to) in the 2019 performance year, but not paid out until 2020. For this reason, it does not appear in the disclosure under 11.5.18R (7)(e) above.

MRT	Total Severance Payments	Number of Beneficiaries	Highest Award to a Single Person
Other Identified Staff	£0	0	£0
Senior Management	£105,000	1	£105,000
Total	£105,000	1	£105,000