



# Full year results

2021

Jupiter Fund Management plc





# Andrew Formica

Chief Executive Officer

Full year results

2021



# Growth across key financial metrics

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Net revenue <sup>1</sup>	Up 27%	£568.6m (2020: £447.8m)
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Underlying profit before tax	Up 21%	£216.7m (2020: £179.0m)
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Underlying EPS	Up 10%	31.7p (2020: 28.7p)
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Assets under management	Up 3%	£60.5bn (2020: £58.7bn)
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58%

Investment outperformance<sup>2</sup>  
(2020: 70%)

£(3.8)bn

Net outflows  
(2020: outflows of £(4.0)bn)

17.1p

Ordinary dividend  
(2020: Ordinary dividend of 17.1p)

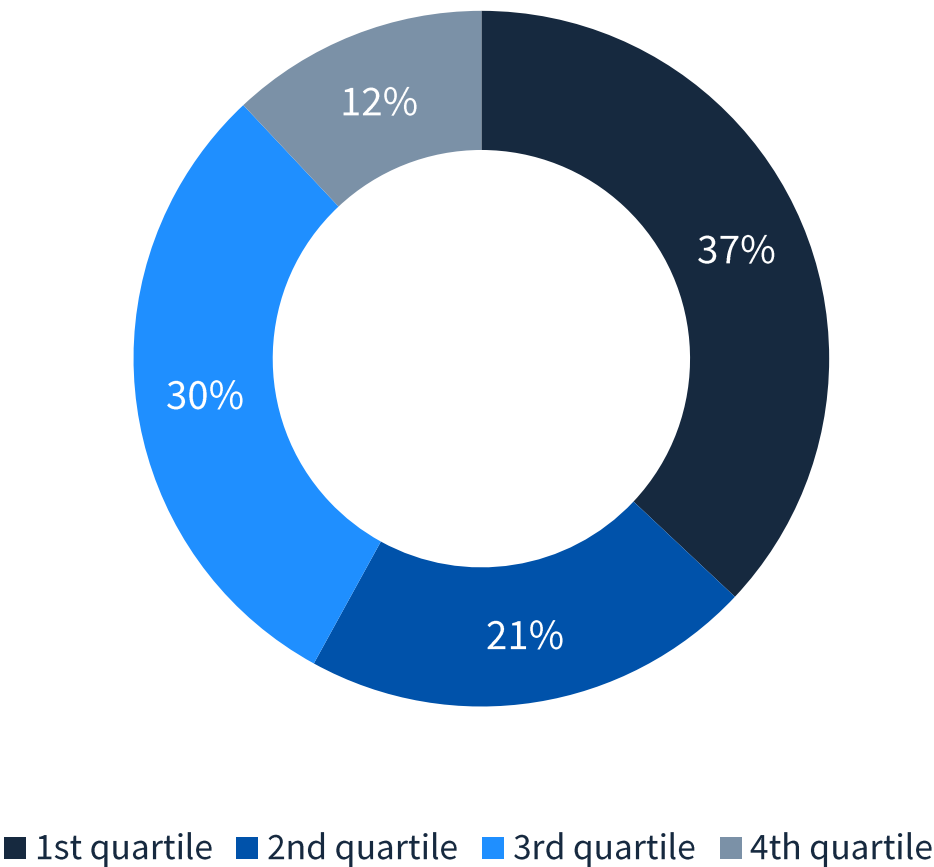
<sup>1</sup>Adjusted for exceptional items reclassification.

<sup>2</sup>"Outperformance" refers to aggregate three-year outperformance of mutual funds relative to peer group.

# Strong long-term investment performance

High-conviction active management

## Three-year mutual fund performance



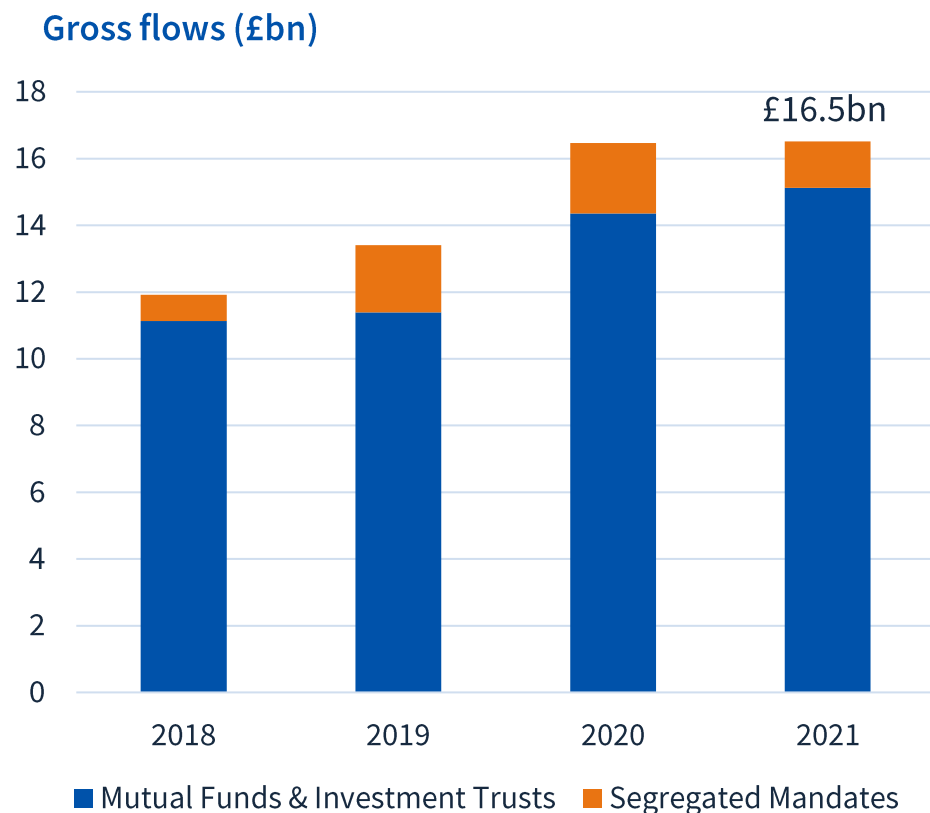
80%

over 1 year  
(2020: 63%)

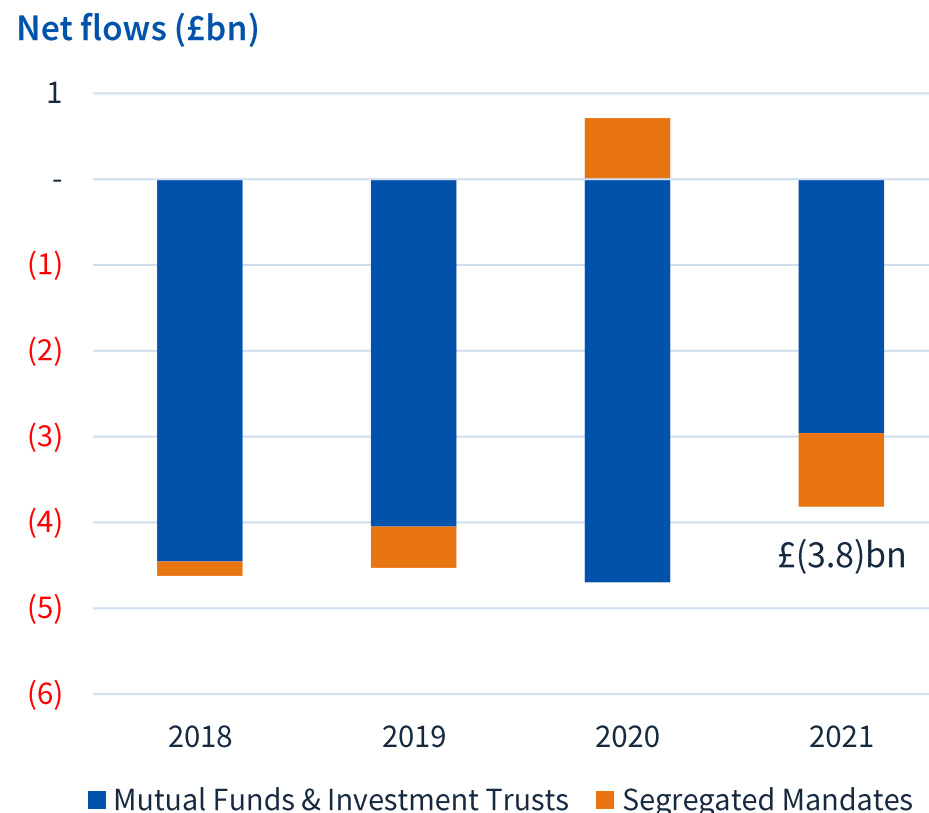
68%

over 5 years  
(2020: 69%)

# Consistently strong gross sales, but in a net outflow position



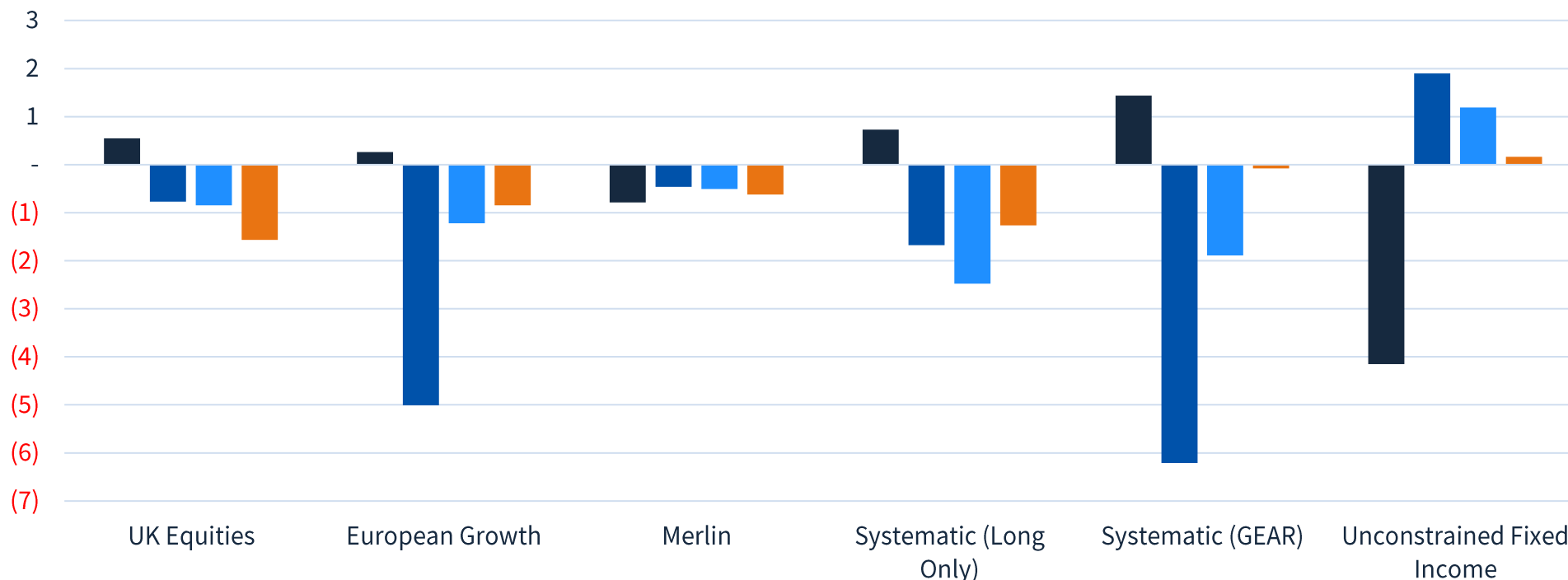
- Continued robust gross sales
- Consistent growth: 38% increase from 2018



- Outflows concentrated in a few areas
- Segregated mandate outflows due to one-off client redemptions in first half
- Net inflows from newly-launched funds

# An improving outflow picture for selected strategies

Net flows (£bn)



■ 2018 ■ 2019 ■ 2020 ■ 2021

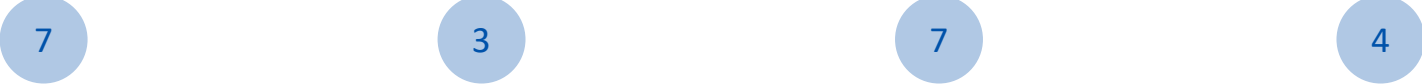
Quartile ranking <sup>1</sup> (1, 3 & 5 years)	3	3	3	2	2	1	1	2	3	3	1	4	3	2	2	2
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£12.5bn  
2021 gross sales

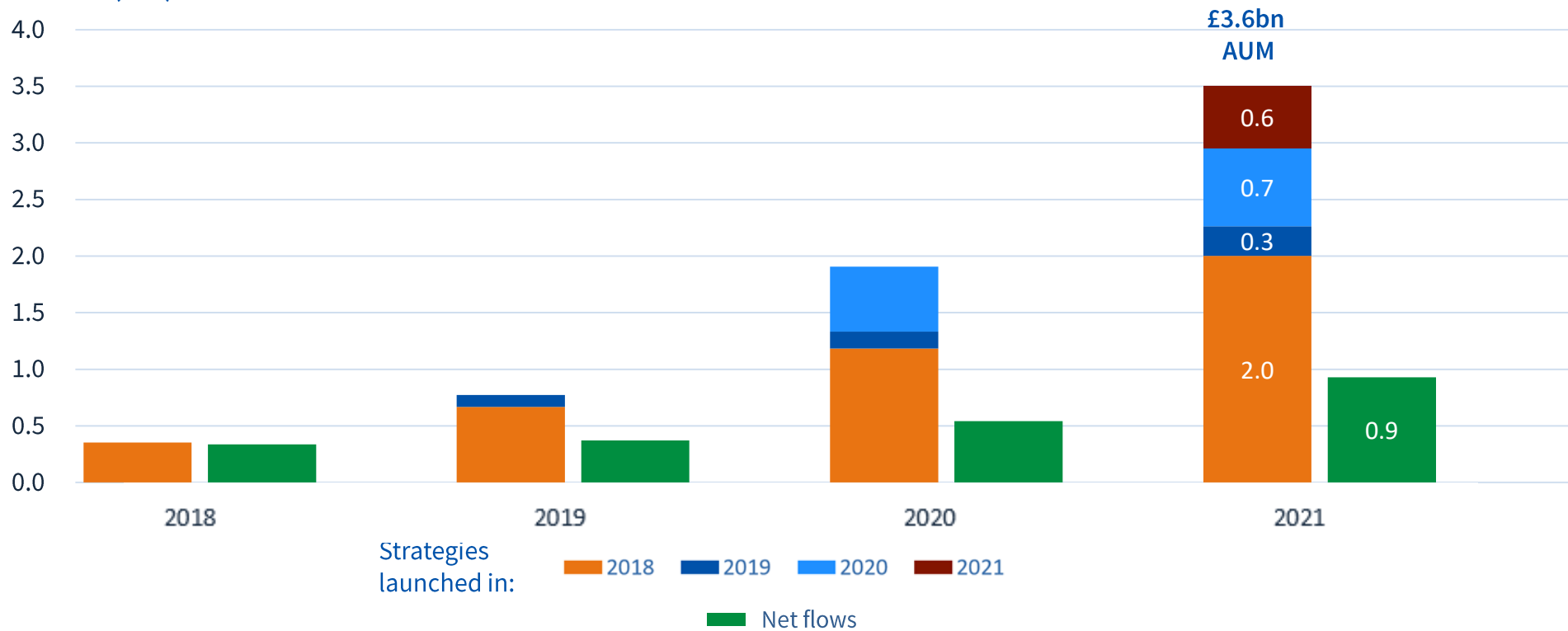
£(4.1)bn  
2021 net outflows

# Newly-launched strategies driving growth

Number of newly-launched vehicles:



AUM & net flows (£bn)



£3.6bn  
AUM

£2.2bn  
Cumulative net inflows





Wayne Mephram

Chief Financial Officer

Full year results

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# Resilient performance in a challenging environment

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**Net revenue<sup>1</sup>**

Up 27% to £568.6m  
(2020: £447.8m)

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**Underlying profit  
before tax**

Up 21% to £216.7m  
(2020: £179.0m)

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**Exceptional items**

Down to £33.0m  
(2020: £46.4m)

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**Statutory profit**

Up 39% to £183.7m  
(2020: £132.6m)

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31.7p

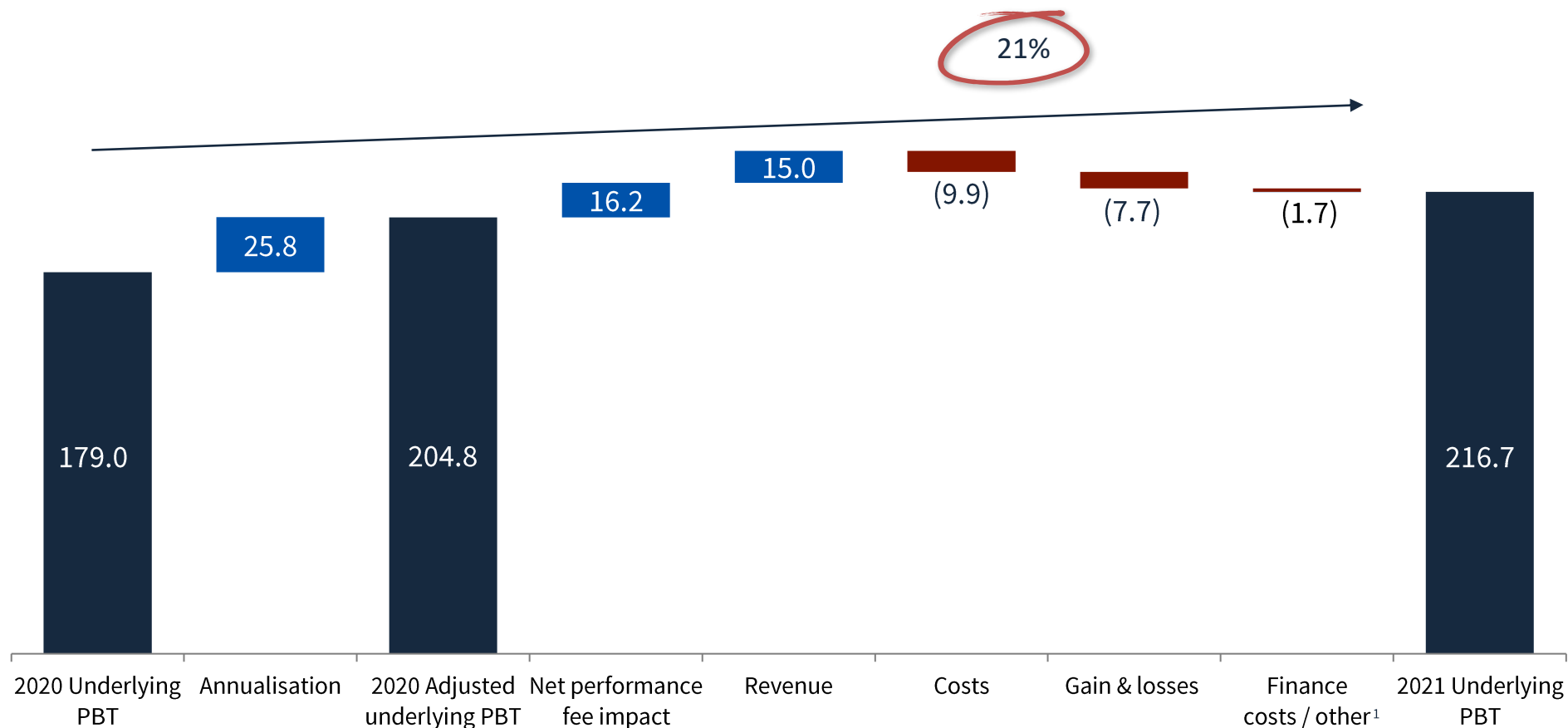
Underlying EPS  
(2020: 28.7p)

17.1p

Ordinary dividend  
(2020: 17.1p)

<sup>1</sup>Adjusted for exceptional items reclassification.

# 21% increase in underlying profit before tax...



37.6%

2021 Operating margin  
excl. P fees (2020: 38.6%)

39.3%

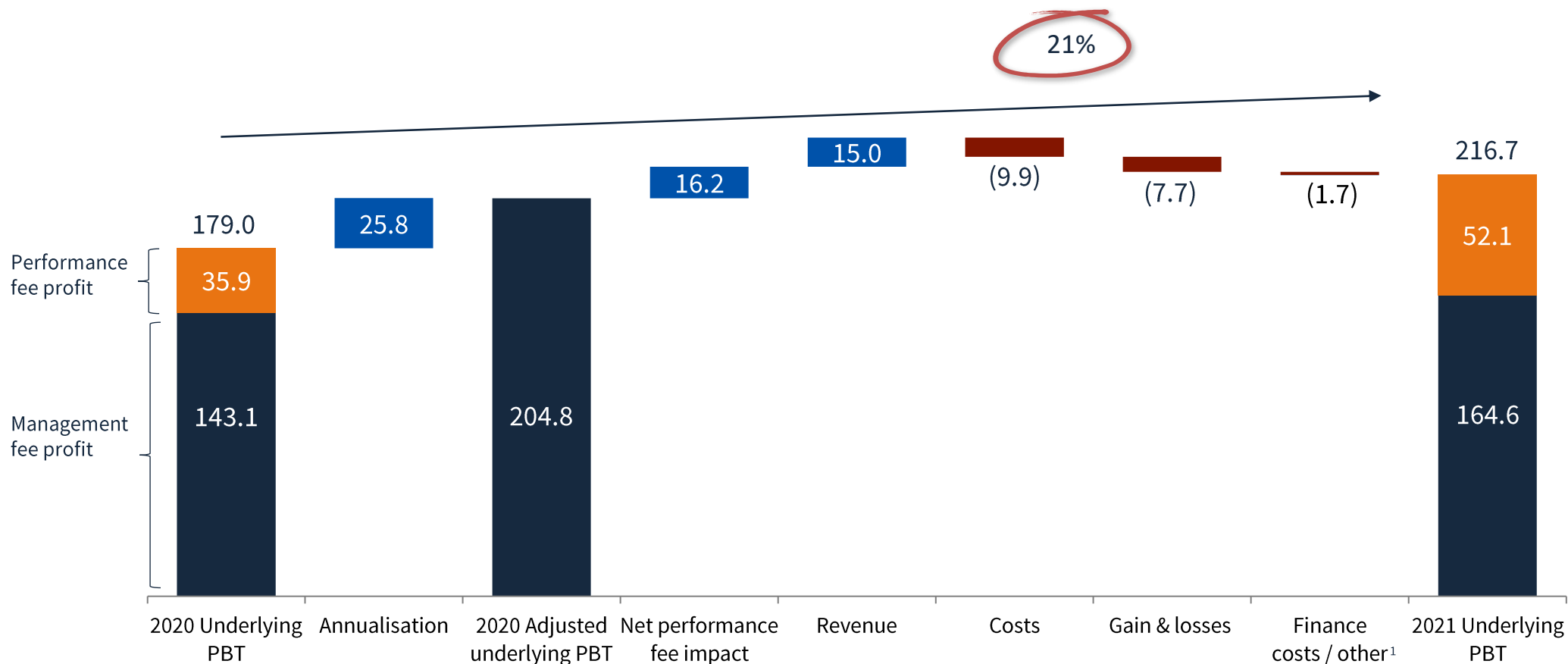
2021 Operating margin  
(2020: 41.1%)

£60.5bn

2021 AUM  
(2020: £58.7bn)

<sup>1</sup>Other includes net finance expense and amortisation expenses

# 21% increase in underlying profit before tax...



37.6%

2021 Operating margin  
excl. P fees (2020: 38.6%)

39.3%

2021 Operating margin  
(2020: 41.1%)

£60.5bn

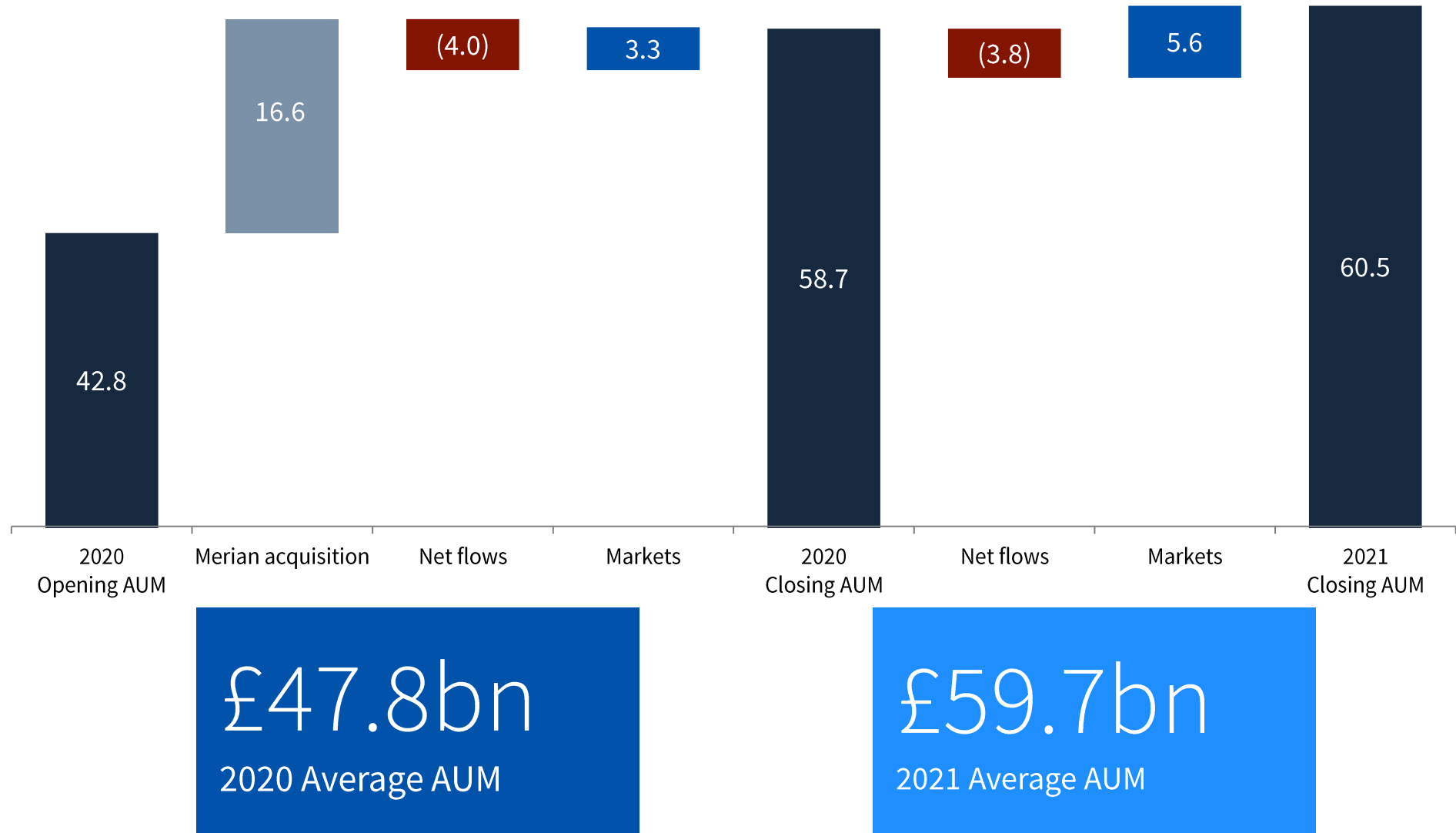
2021 AUM  
(2020: £58.7bn)

<sup>1</sup>Other includes net finance expense and amortisation expenses



# Growth in AUM...

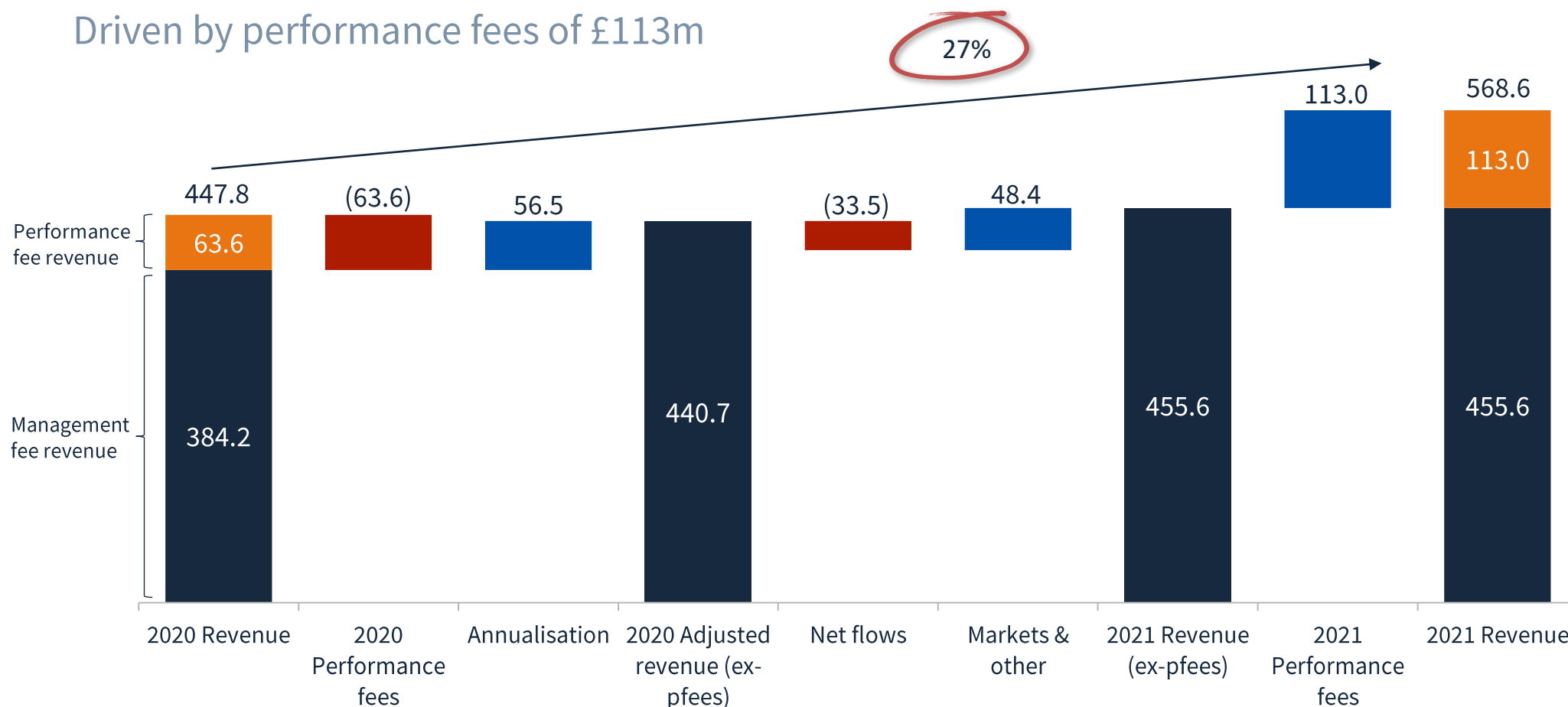
...to a year-end record of £60.5bn



Average AUM is calculated using a 13-point basis

# Record net revenues of £569m

Driven by performance fees of £113m



76bps

FY 2021 Net man. fee  
margin (H2 2020: 78bps)

£113m

Net performance fees  
(2020: £64m)

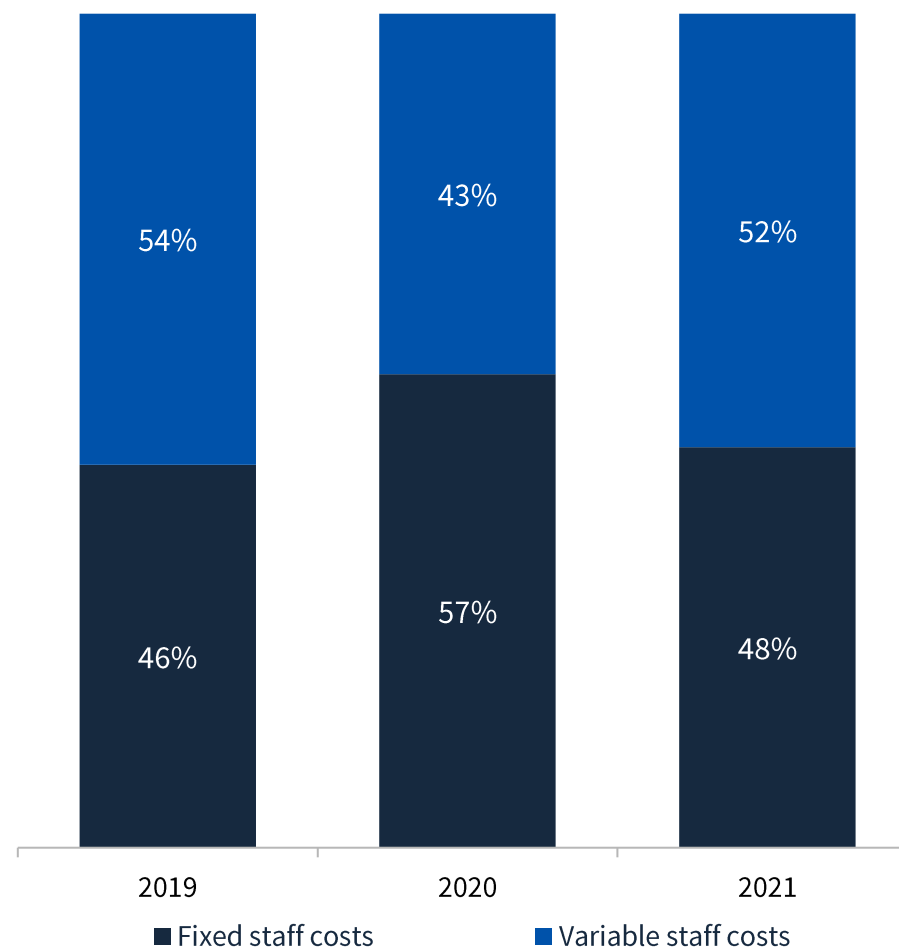
# Investing for growth while maintaining cost discipline

Cost management despite headwinds

## Expenses

£m	2021	2020	2019
Fixed staff costs	73.0	76.1	59.4
Variable staff costs	140.0	85.8	70.7
- performance fee related	60.9	27.7	0.9
Non-compensation costs	125.9	103.2	86.7
<b>Total expenses<sup>1</sup></b>	<b>338.9</b>	<b>265.1</b>	<b>216.8</b>
<b>Total compensation ratio (ex. performance fees)<sup>1</sup></b>	<b>33%</b>	<b>35%</b>	<b>35%</b>
<b>Total compensation ratio<sup>1,2</sup></b>	<b>37%</b>	<b>35%</b>	<b>34%</b>
<b>Operating margin (ex. performance fees)<sup>1</sup></b>	<b>38%</b>	<b>39%</b>	<b>42%</b>
<b>Operating margin<sup>1,3</sup></b>	<b>39%</b>	<b>41%</b>	<b>43%</b>

## Compensation mix (excluding performance fees)



<sup>1</sup>Stated before exceptional items.

<sup>2</sup>Total compensation ratio = compensation costs excluding exceptional items divided by net revenue including performance fees earned before exceptional items.

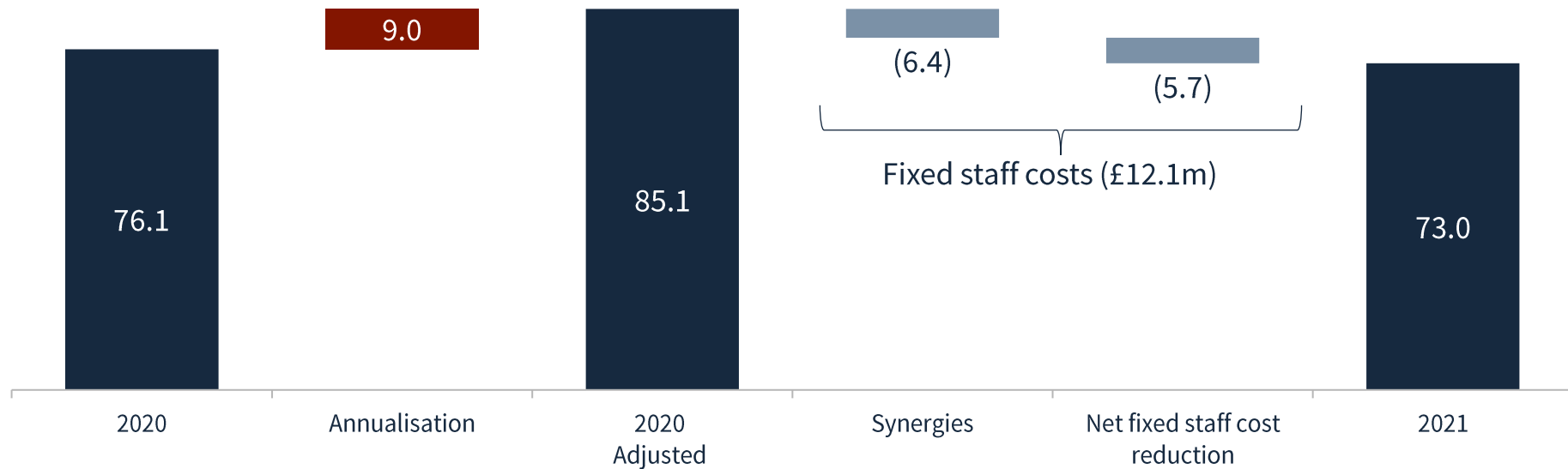
<sup>3</sup>Operating margin = operating profit divided by net revenue, excluding exceptional items.



# Cost discipline driving reduction in fixed staff costs

Creating scope to invest for future growth

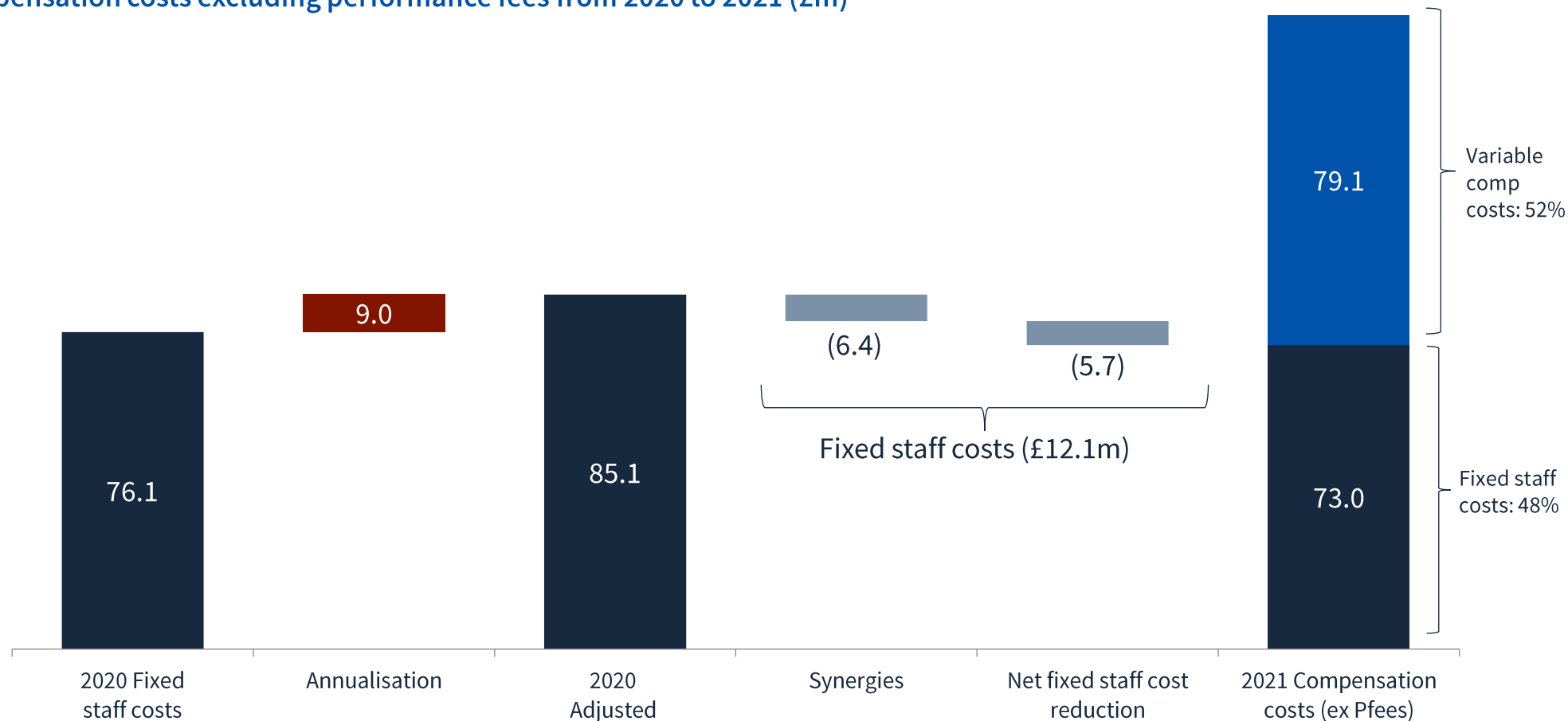
Fixed staff cost development from 2020 to 2021 (£m)



# Variable comp brought back to historic balance

Additional performance fee-related costs of £60.9m

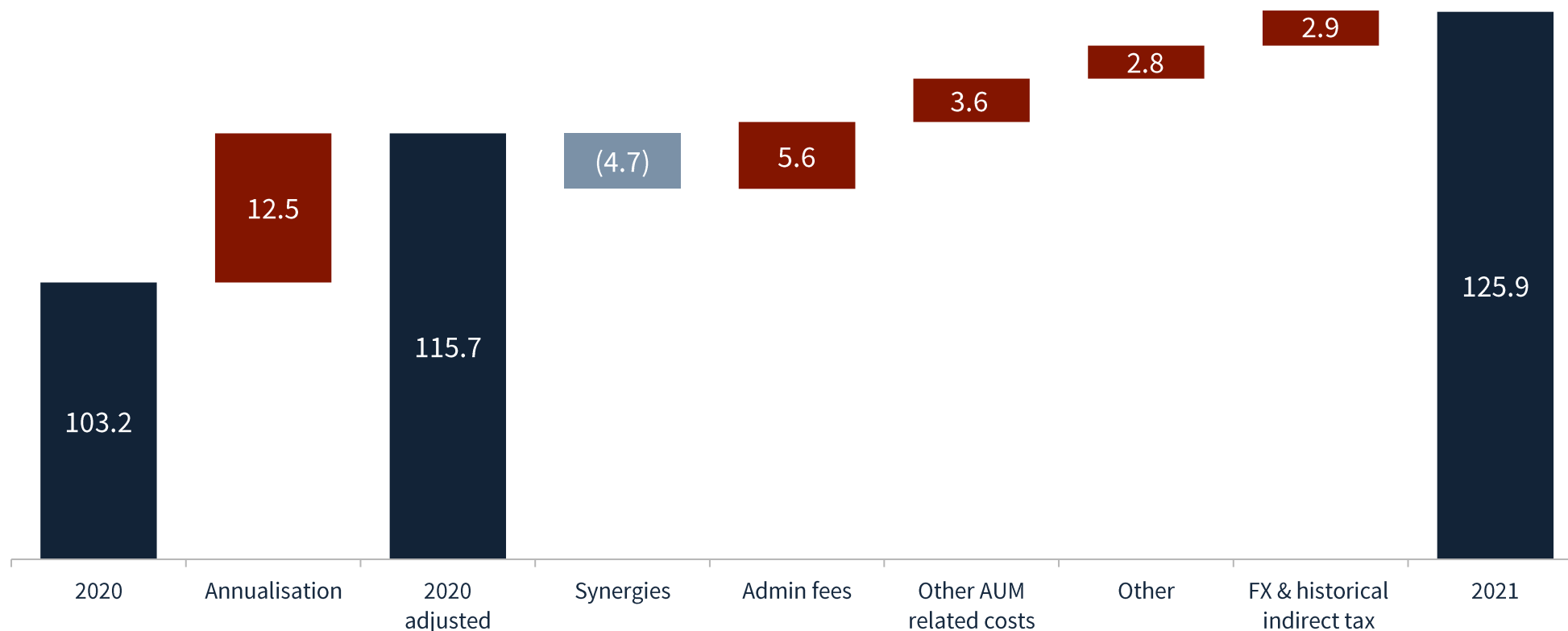
Compensation costs excluding performance fees from 2020 to 2021 (£m)



# Non-comp increases driven by admin fees and one-offs

Partially offset by post-acquisition synergies

Non-compensation costs development from 2020 to 2021 (£m)





# Maintaining a strong capital position

Enabling additional return of capital to shareholders

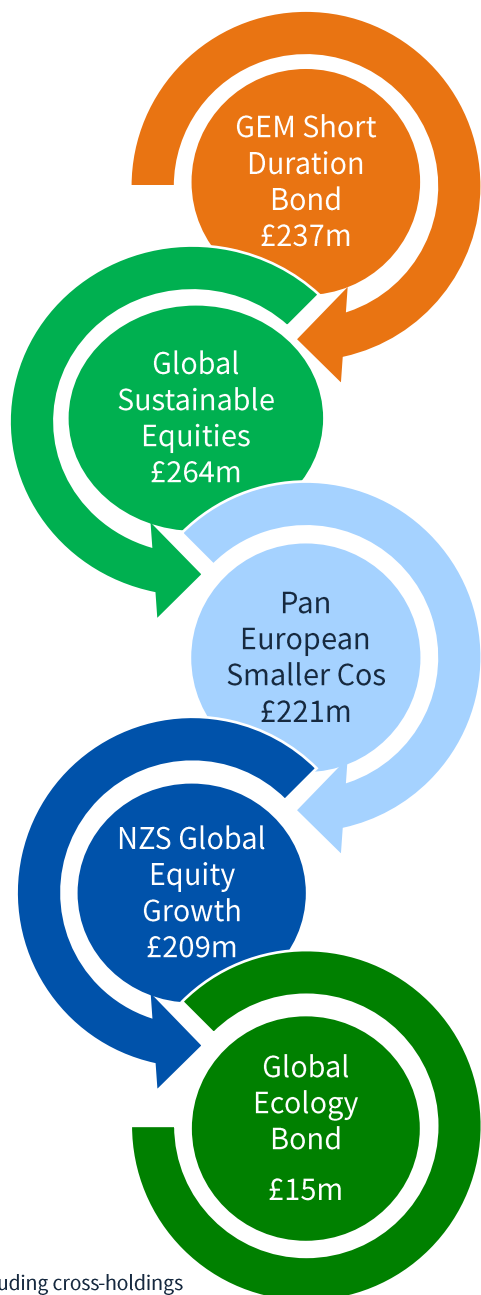
## Regulatory capital

£m	31 Dec 2021	31 Dec 2021	31 Dec 2020
	IFPR regime	BIPRU regime	BIPRU regime
Available capital resources	238.8	285.3	237.9
Regulatory requirement	(121.8)	(117.4)	(126.0)
Expected capital surplus	117.0	167.9	111.9
Seed capital (at MV)	142.3	142.3	138.3

- IFPR regime effective 1 January 2022
- Reduction of £50m in capital surplus under the new rules

# Recycling seed portfolio into strategic priorities

Seed capital market value of £142m (cost of £123m)



- Increased level of seed capital investments to £142m
- Disciplined approach to product development, focus on areas of strategic priority
- Efficient recycling of seed into new products
- Further seed investments were made in January 2022 into Global Ecology Bond and Dynamic Bond ESG funds.

# Maintaining a strong capital position

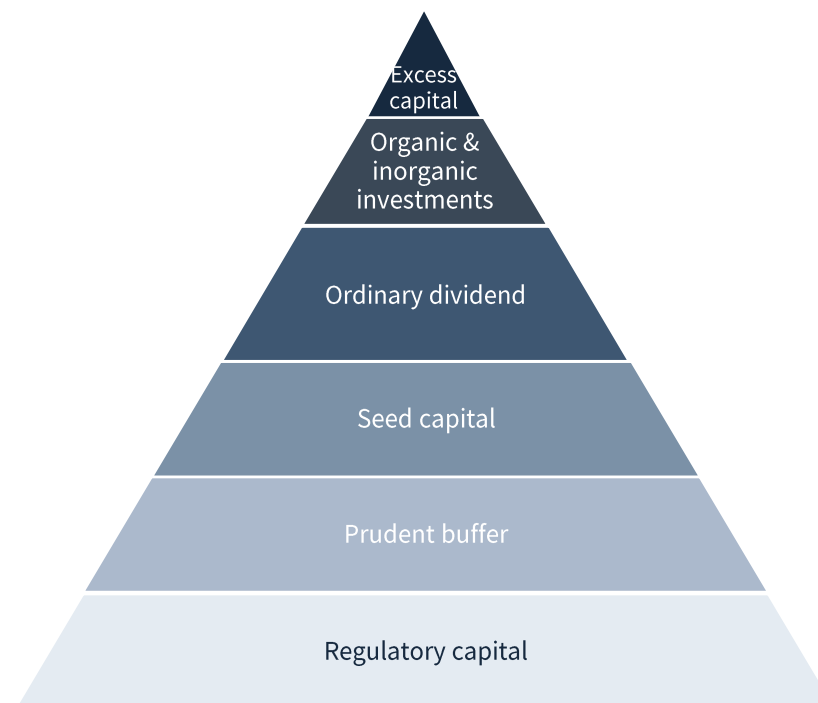
Enabling additional return of capital to shareholders

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- IFPR regime effective 1 January 2022
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## Capital allocation framework



- Strong capital base
- Additional capital return likely to be through share buy backs



# Resilient performance despite headwinds

Strong foundations for future growth

- 1 **Strong financial results**
- 2 **Robust capital base**
- 3 **Targeted investment for growth**



Andrew Formica

Chief Executive Officer

Full year results

2021



# Investing for growth across three key areas



A commitment to

**Sustainability**

across the business



Deeper expertise in the

**Institutional**

channel



Broader

**International**

footprint

# Sustainability – built upon authenticity & accountability



## Active sustainability

- Long, successful history of actively-managed sustainable investing
- 20 investment professionals dedicated to Sustainability, plus 11-strong data science team
- All fund managers required to build ESG risks into investment processes



## Broad product range

- Over £1bn of AUM in Sustainability-labelled products, £200m of net inflows
- New product & vehicle launches
  - SICAV for Global Sustainable Equities
  - Dynamic Bond ESG
  - Global Ecology Bond



## Investing for growth

- Key new hires across investment, with more to follow in 2022
  - ESG investment directors
  - Stewardship team
  - Data science

# Sustainability – Corporate commitment



## Active responsibility

- Holding ourselves to the same high standard as our investee companies
- Overseen by the Board, ExCo and CSR committee
- Focus on our people, the environment and our communities



## A year of significant progress

- Commitment to net zero across portfolio and corporate emissions, interim targets set
- ESG factors built into supplier selection process
- External recognition by Morningstar, Sustainalytics and others



## Investing for growth

- Newly-created role of Head of Sustainability
- Responsible for driving groupwide sustainability strategy





# Deeper expertise in Institutional



## Our current business

- Currently 8% of group AUM
- Desire to grow this closer to 20%



## Working with consultants

- Stronger relationships with global consultants
- 15 “Buy” ratings across 9 strategies from 9 consultants
- 7 strategies newly rated this year



## Investing for growth with key new hires

- Senior, experienced regional heads to drive growth
- Enhancing client experience

## 15 ‘Buy’ ratings from Global Consultants

- ➡ Global Sustainable Equities
- ➡ Ecology
- ➡ EMD Corporate
- ➡ Flexible Income
- ➡ Unconstrained Fixed Income
- ➡ EMD Corporate Bond
- ➡ UK Alpha
- ➡ UK Value
- ➡ Global Value

Rated  
in 2021



# Broader international footprint



## A growing business

- Almost 30% of AUM from clients based outside of home market
- Near 50% of gross flows from overseas clients
- c.£200m net inflows – positive contribution over each of last two years
- £17.5bn of AUM – 67% growth since 2018

£8.0bn

2021 gross sales

£0.2bn

2021 net inflows



## Investment for growth in key new markets

- **US**
  - Key new distribution hires
  - Opened investment office in New York
- **China**
  - Distributing Ping An's Chinese Equity strategies internationally
  - Exploring broadening relationship
- **Australia**
  - Expansion into new market
  - Key hires underway and beginning to work with new clients

# High-conviction active asset management

Helping our clients achieve their long-term investment objectives

- 1 **Active management delivering for our clients**
- 2 **Robust financial results**
- 3 **Continued strong gross flows**
- 4 **Outflows decelerating, continued inflows in newer products**
- 5 **Investing to drive future growth**



# Q&A

Full year results  
2021

# Forward looking statements

This presentation may contain certain “forward-looking statements” with respect to certain plans of Jupiter Fund Management plc (Jupiter) and its current goals and expectations relating to its future financial condition, performance, results, strategy and objectives. Statements containing the words “believes”, “intends”, “expects”, “plans”, “seeks” and “anticipates”, and words of similar meaning, are forward looking.

By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Jupiter’s control including, among other things, UK domestic and global economic and business conditions; market-related risks such as fluctuations in interest rates and exchange rates, and the performance of financial markets generally; the policies and actions of regulatory authorities; the impact of competition, inflation and deflation; the timing, impact and other uncertainties of future acquisitions or combinations within relevant industries; and the impact of changes in capital, solvency or accounting standards, and tax and other legislation and regulations in the jurisdictions in which Jupiter and its affiliates operate.

As a result, Jupiter’s actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in Jupiter’s forward-looking statements. Jupiter undertakes no obligation to update the forward-looking statements contained in this presentation or any other forward-looking statements it may make. Nothing in this presentation should be considered as a profit forecast.





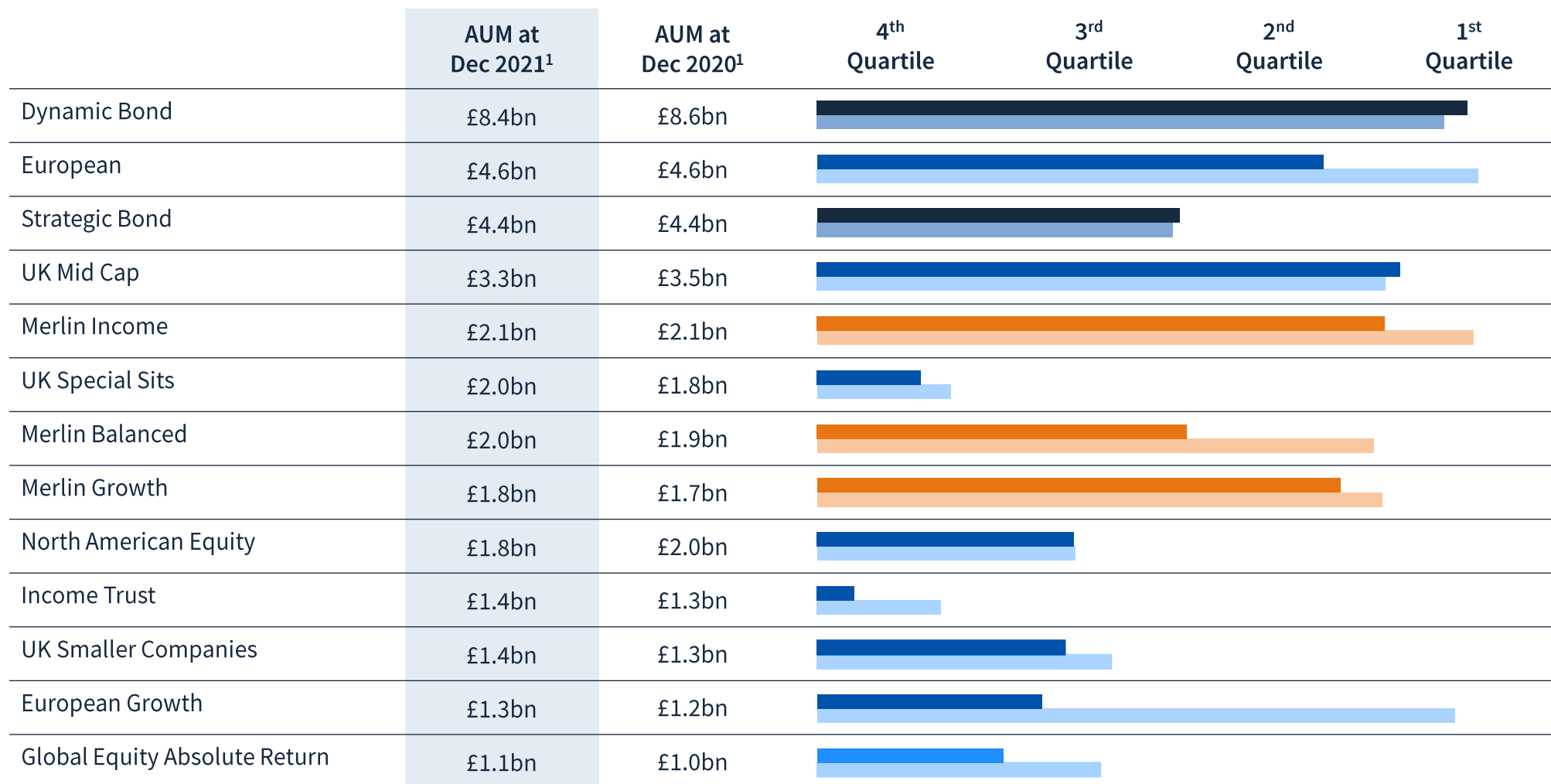
# Appendix

Full year results

2021

# Largest mutual funds performing well

A more diversified, less concentrated business



3 year performance   Equities Fixed Income Multi-Asset Alternatives   
 5 year performance   Equities Fixed Income Multi-Asset Alternatives

Source: Morningstar and Jupiter/Merian internal as at 31 December 2021. Graph shows position within the sector on a percentile basis, performance stated after all fees.

<sup>1</sup>Gross AUM including cross-holdings.



# Funds with performance fees

Driven by strong investment performance

Funds with performance fee potential	AUM of all share classes with performance fee potential (£m)	Illustrative example				Benchmark/Hurdle	Performance fee rate
		Share class	Share class NAV	High Water Mark	Performance vs Benchmark/Hurdle		
Global Equity Absolute Return <sup>1</sup>	1,082	I (EUR) Hedged Acc	1.57	1.7	-5.99%	BoE Base rate, Fed base rate, ECB base rate, MAS base rate, Riksbank Repo rate, RMB Chinese Central bank rate, 3 month CHF LIBOR interest rate	20%
UK Smaller Companies Focus <sup>2</sup>	342	I (GBP) Inc	3.83	N/A	-12.50%	Numis Smaller Companies Index	10%
UK Dynamic Equity Fund <sup>3</sup>	397	L (GBP) Inc	5.96	N/A	-11.69%	FTSE 250 Custom Index	20%
Strategic Absolute Return Bond <sup>4</sup>	147	I (USD) Acc	11.64	11.6	+0.44%	FEDL01 HP USD	10%
UK Specialist Equity <sup>5</sup>	412	F (GBP) Acc	14.05	14.5	-3.46%	SONIO/N HP GBP, FEDL01 H USD, EONIA HP EUR	20%
North American Equity <sup>6, 10</sup>	28	P2 (GBP) Inc	16.78	N/A	-10.48%	MSCI North American index	20%
Gold & Silver <sup>7</sup>	82	U3 (GBP) Acc	16.89	N/A	-7.55%	Average: FTSE Gold mines gross GBP & XAU BGN - GBP	20%
ARBEA <sup>8</sup>	19	A (USD) Acc	150.4	120.4	24.95%	Euro LIBID, "SONIA", US\$ LIBID	20% A & I shares, 15% E Shares
Other <sup>9</sup>	1,332					Variable	Variable

The calculation of the Chrysalis performance fee is set out on page 94 of their annual accounts, which can be found at [www.chrysalisinvestments.co.uk/investor-relations](http://www.chrysalisinvestments.co.uk/investor-relations). As per their Chairman statement on page 5 of the annual report, to ensure continued alignment with stakeholders, the Chrysalis Board will review fee arrangements, include the performance fee payment structure, in 2022 after consultation with relevant parties.

Share classes included <sup>1</sup>U1 (GBP) Hedged Acc, I (GBP) Hedged Acc, I (SEK) Hedged Acc, I (EUR) Hedged Acc, U2 (GBP) Hedged Acc, I (CHF) Hedged Acc, I (USD) Acc, L (EUR) Hedged Acc, C (USD) Acc, L (USD) Acc, L (SGD) Hedged Acc, L (GBP) Hedged Acc, LZ (CHF) Hedged Acc, <sup>2,3</sup>All classes, <sup>4</sup>U3 (USD) Acc, U3 (GBP) Hedged Acc, U3 (EUR) Hedged Acc, U1 (GBP) Hedged Acc, I (GBP) Hedged Acc, I (EUR) Hedged Acc, I (USD) Acc, L (EUR) Hedged Acc, C (USD) Acc, L (USD) Acc, L (GBP) Hedged Acc, <sup>5</sup>I (GBP) Acc, I (EUR) Hedged Acc, I (USD) Hedged Acc, F (USD) Hedged Acc, F (GBP) Acc, F (EUR) Hedged Acc, L (USD) Hedged Acc, L (GBP) Acc, <sup>6</sup>P2 (GBP) Inc, P2 (USD) Acc, <sup>7</sup>U3 (GBP) Acc, <sup>8</sup>A (USD) Acc, I (USD) Acc, I (EUR) Acc.

<sup>9</sup>Primarily consists of Segregated mandates.

<sup>10</sup>No performance fees crystallised for this fund last year as the NAV rose above HWM but not against benchmark therefore the HWM has not been reset.

For professional and institutional investors only. Not for retail investors.

# Long-term incentive compensation

Estimated future long-term incentive compensation amortisation

£m	Amount remaining to expense	2022	2023	2024	2025
2018 annual grant	0.8	0.8	-	-	-
2019 annual grant	5.8	4.8	1.0	-	-
2020 annual grant	14.9	8.8	5.1	1.0	-
2021 annual grant	32.9	15.4	10.5	5.8	1.2
In relation to 2020 performance fees	9.9	6.3	3.0	0.6	-
In relation to 2021 performance fees	31.8	16.2	9.9	4.8	0.9
<b>Total long-term incentive compensation</b>	<b>96.1</b>	<b>52.3</b>	<b>29.5</b>	<b>12.2</b>	<b>2.1</b>

# Non-compensation costs

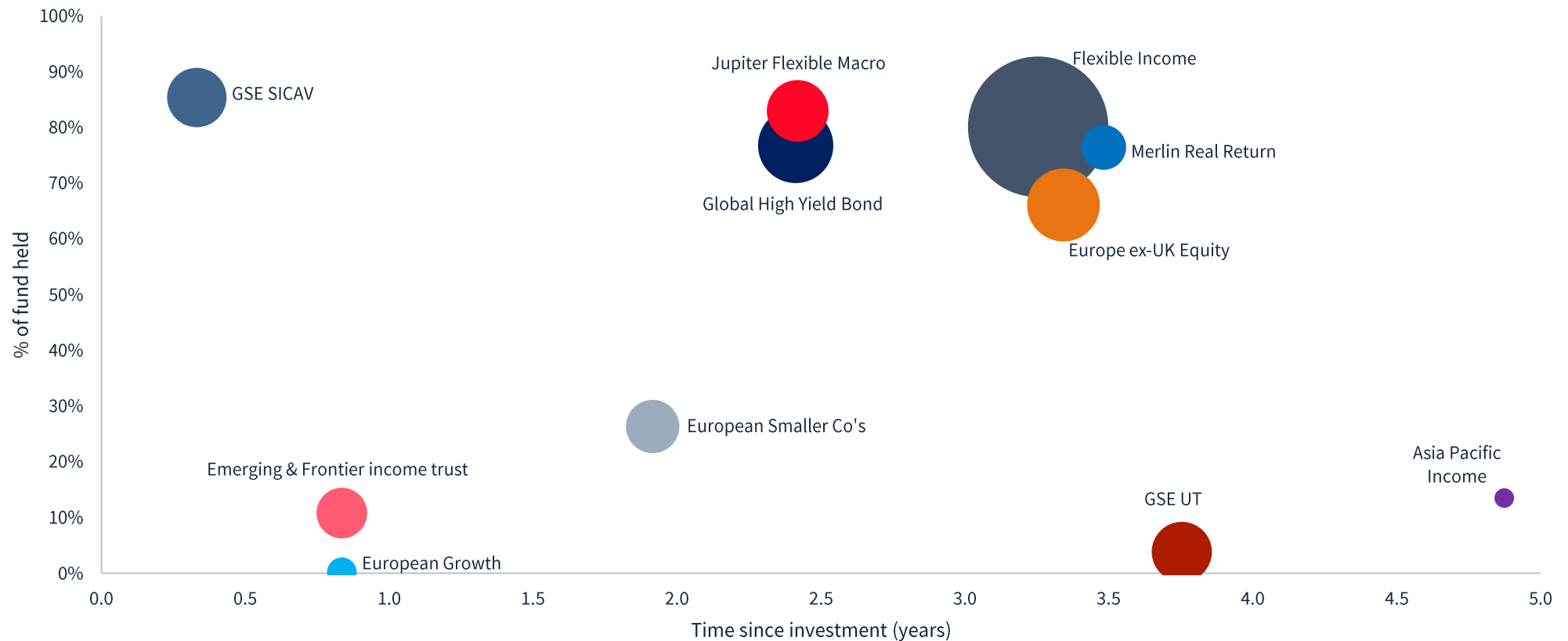
Disciplined cost management

£m	2021	2020 annualised	2020
AUM-related costs	70	63	55
Infrastructure	33	37	33
Other	23	16	15
<b>Total non-compensation costs</b>	<b>126</b>	<b>116</b>	<b>103</b>

# Proactive seeding portfolio

Focused use of our balance sheet to support organic growth

## Seed size and length of investment



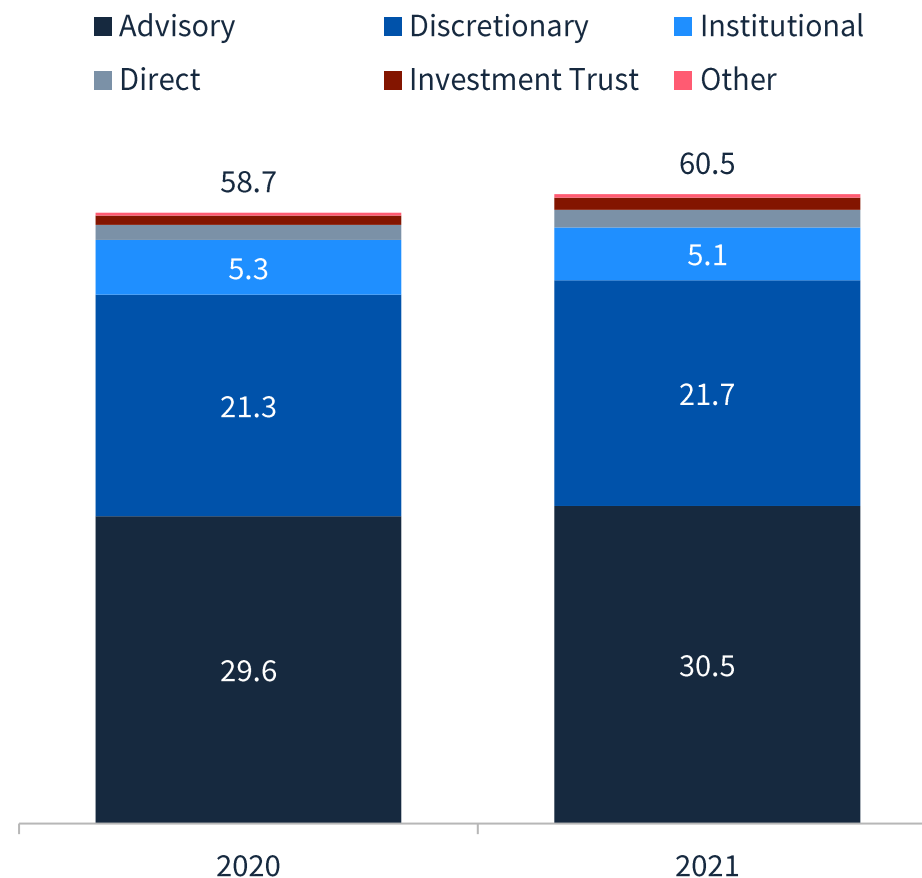
- Total seed portfolio at market value as of 31 December 2021 is £142m

# AUM by distribution channel

Our assets reach us through a number of different channels

- The majority of our assets come through our distribution partners and their associated intermediary channels rather than directly from our clients
- The line between advisory and discretionary continues to blur as technology and regulatory changes continue to impact the market

AUM (£bn)



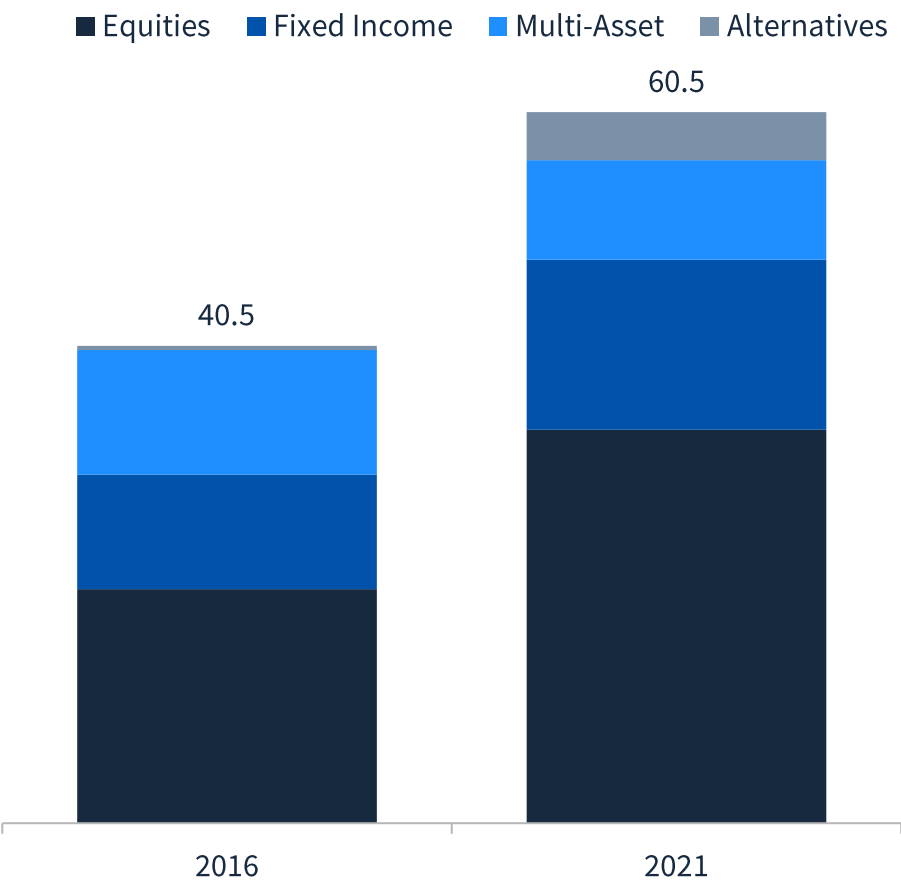
Source: Jupiter Internal MI.

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

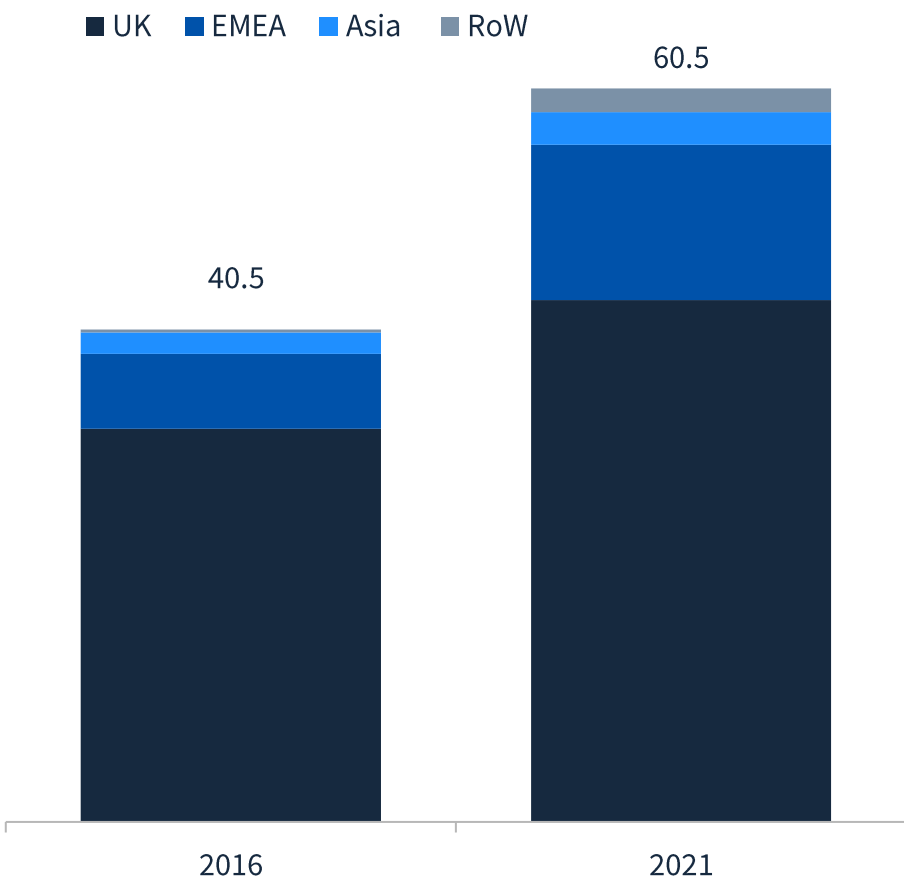
# Successful diversification

Changing asset base over the last five years

Split of AUM by asset class (£bn)



Split of AUM by client geography (£bn)

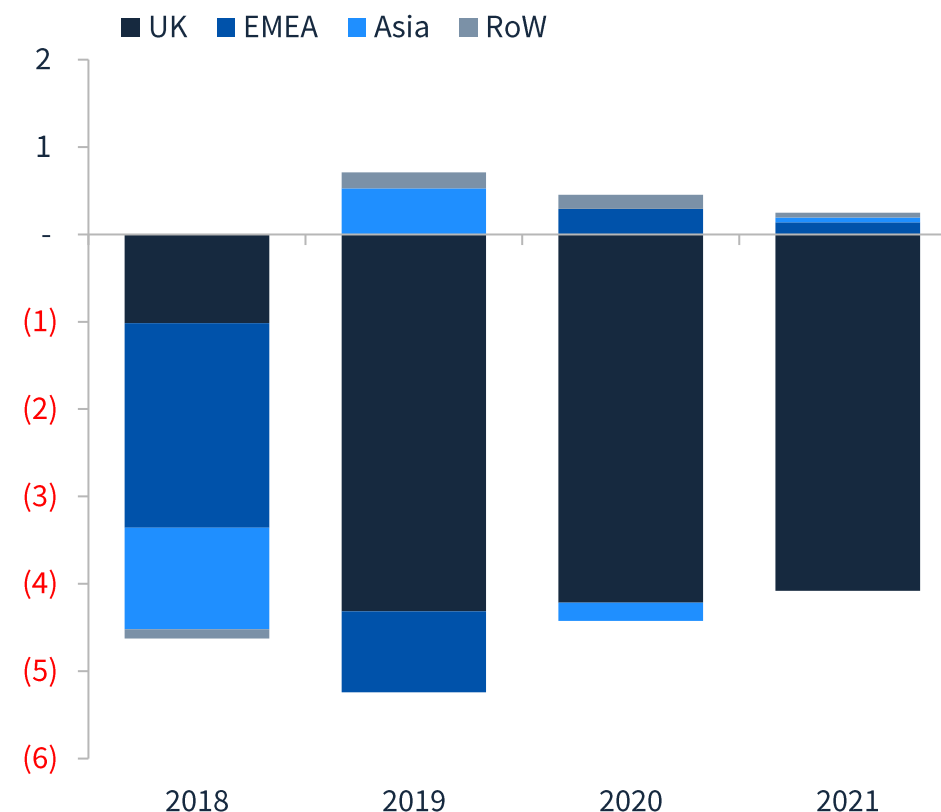




# Net flows by region

- EMEA generated positive net inflows of around £140m, led by demand for NZS Capital's global equity strategies, Strategic Absolute Return Bond and Gold and Silver.
- There were small positive net inflows in Asia. Net outflows in the first six months reversed in the second half, as client demand for European Growth and Gold and Silver offset minor redemptions from a number of funds.
- There were net outflows of £4.1bn from clients based in the UK. These were driven by UK equities, European Growth, Systematic strategies and the Merlin fund-of-funds range.

Net flows (£bn)



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