



JUPITER FUND MANAGEMENT PLC

# FULL YEAR RESULTS 2023

February 2024



**MATTHEW BEESLEY**

CHIEF EXECUTIVE OFFICER



# A year of progress in a challenging environment

Robust set of financial results

Risk-off client sentiment, but cause for optimism

Investing for future growth

Progress against strategic objectives

# Management actions leading to robust performance

Net revenue            £368.8m            ↓ 7%

Operating costs        £264.6m            ↓ 12%

Underlying profit  
before tax            £105.2m            ↑ 36%

Underlying EPS            14.8p            ↑ 31%

AUM                    £52.2bn            ↑ 4%

Net outflows            £(2.2)bn  
(FY 2022: £(3.5)bn)

Total ordinary dividends    6.9p  
(FY 2022: 8.4p per share)

Investment  
performance<sup>1</sup>            59%  
(FY 2022: 51%)

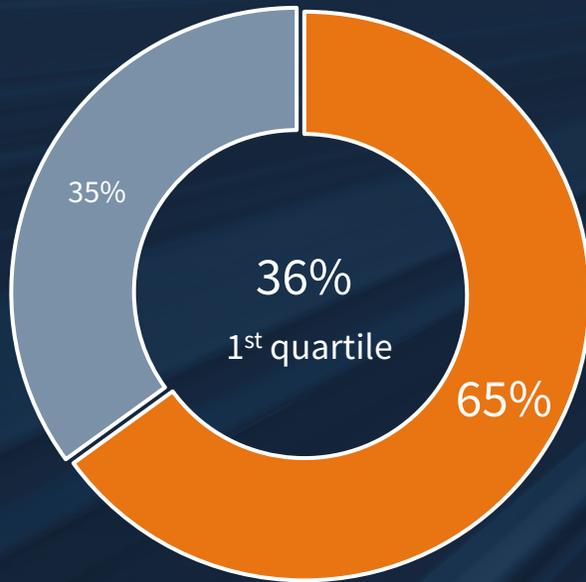
<sup>1</sup>Figures show 3-year mutual fund AUM outperformance vs peer group median.

# Improved investment performance over all periods

Potential lead indicator for flows

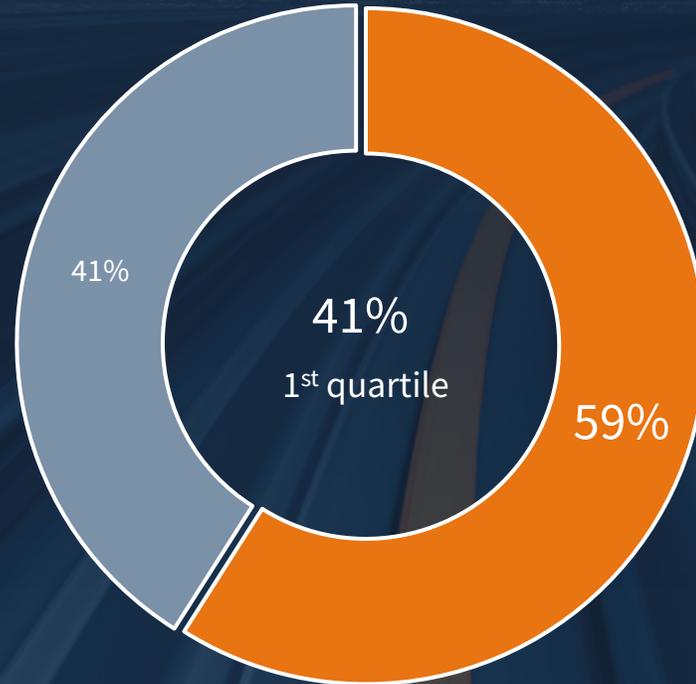
Orange: Above median  
Grey: Below median

One year



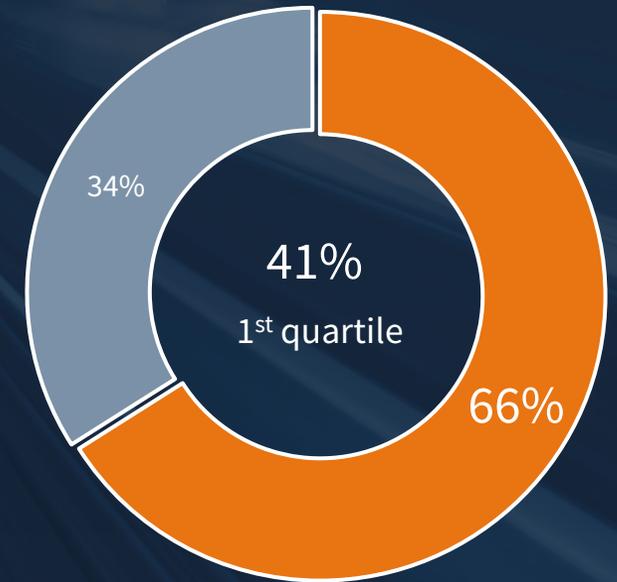
FY22 above median: 49%

Three years



FY22 above median: 51%

Five years

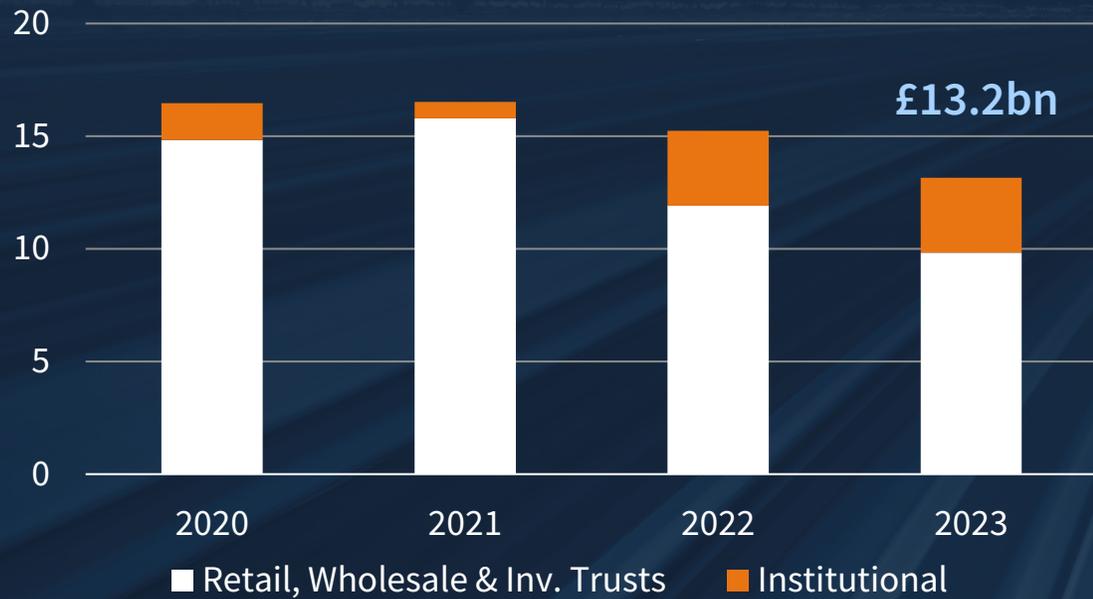


FY22 above median: 53%

All figures show mutual fund AUM outperformance vs peer group median, net of all fees.

# Weaker gross retail demand...

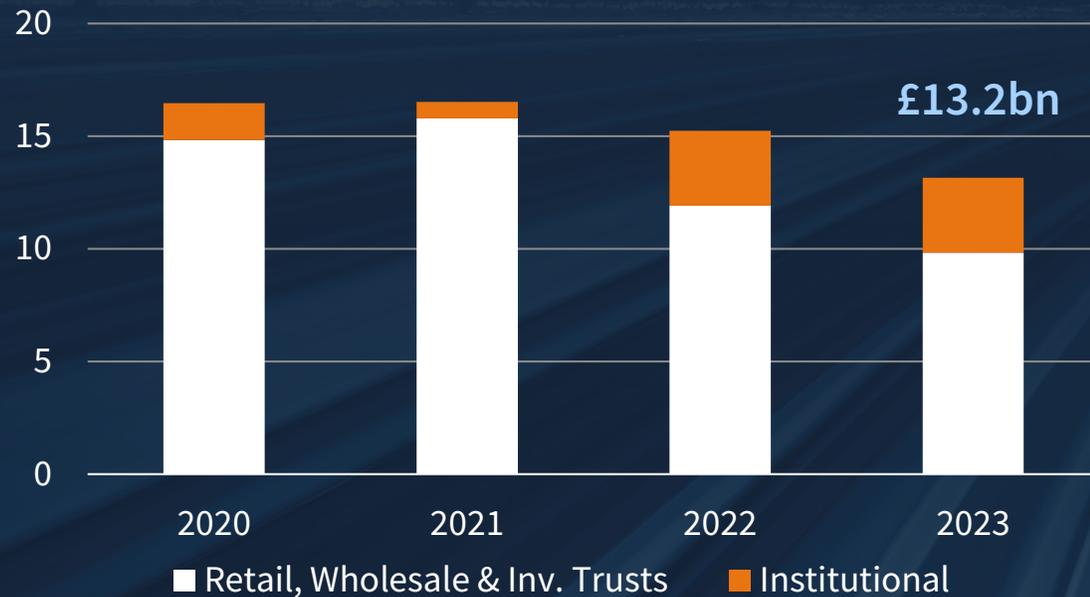
## Gross inflows (£bn)



- Consistent Institutional inflows
- Overall retail demand weaker in second half

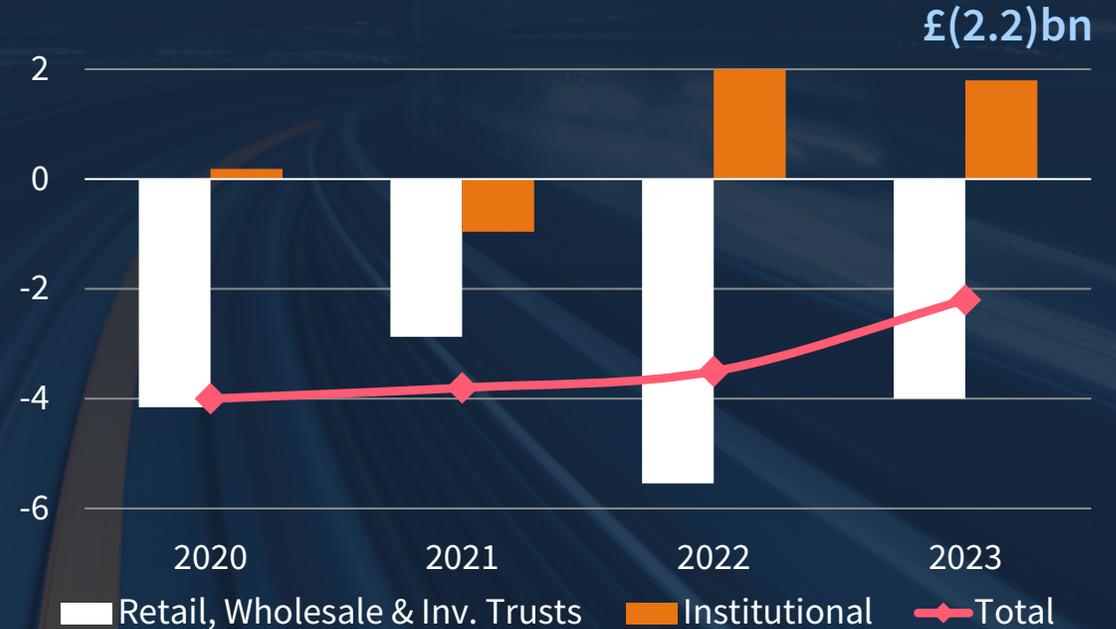
# Weaker gross retail demand... but improving overall net flows

## Gross inflows (£bn)



- Consistent Institutional inflows
- Overall retail demand weaker in second half

## Net flows (£bn)

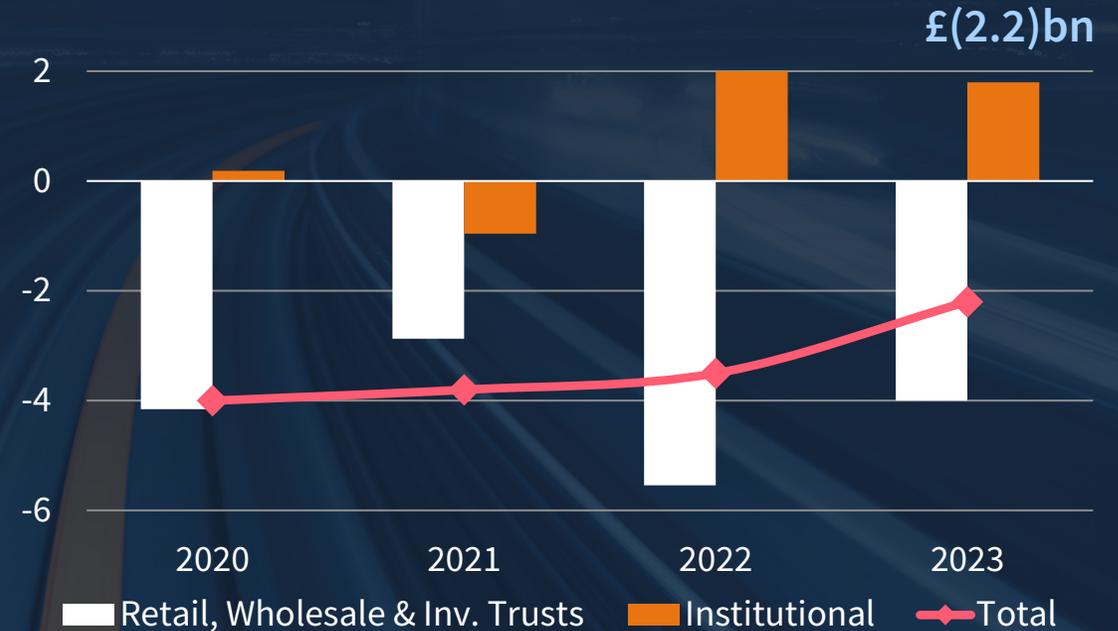


- Delay in Institutional fundings, but pipeline still strong
- Retail outflows increased towards end of the year

# Moderating outflows but weaker in fourth quarter

- Modest outflows for most of the year
- Retail outflows increased through Q4
- Budgeting for broadly flat underlying flows in 2024

Net flows (£bn)





WAYNE MEPHAM

CHIEF FINANCIAL AND OPERATING OFFICER



# Financial performance in a challenging environment

Net revenue  
£368.8m  
(2022: £397.3m)

Underlying profit  
before tax  
£105.2m  
(2022: £77.6m)

Exceptional items  
£95.8m  
(2022: £19.6m)

Statutory profit  
before tax  
£9.4m  
(2022: £58.0m)

14.8p

Underlying EPS  
(2022: 11.3p)

6.9p

Ordinary dividends  
(2022: Ordinary dividends of 8.4p)

# Increase in underlying profit before tax...



<sup>1</sup>Other includes gains/(losses) on seed investments, net finance costs and amortisation expenses.

<sup>2</sup>Exceptional costs include £76.2m of goodwill impairment.

# Movement in AUM...

...December 2023 closing AUM up 4% over one year at £52.2bn



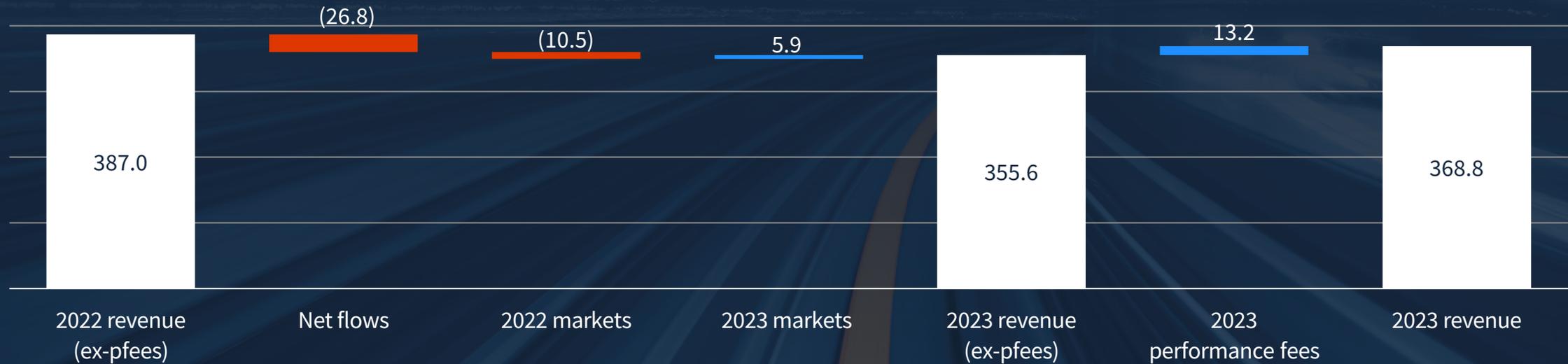
£52.4bn 2022 average AUM

£50.9bn 2023 average AUM

Average AUM is calculated using a 13-point basis.

# Net revenues excluding performance fees of £356m

Total net revenue of £369m



**70bps** FY 2023 Net man. fee margin  
(2022: 74bps)

**£13m** Performance fees  
(2022: £10m)

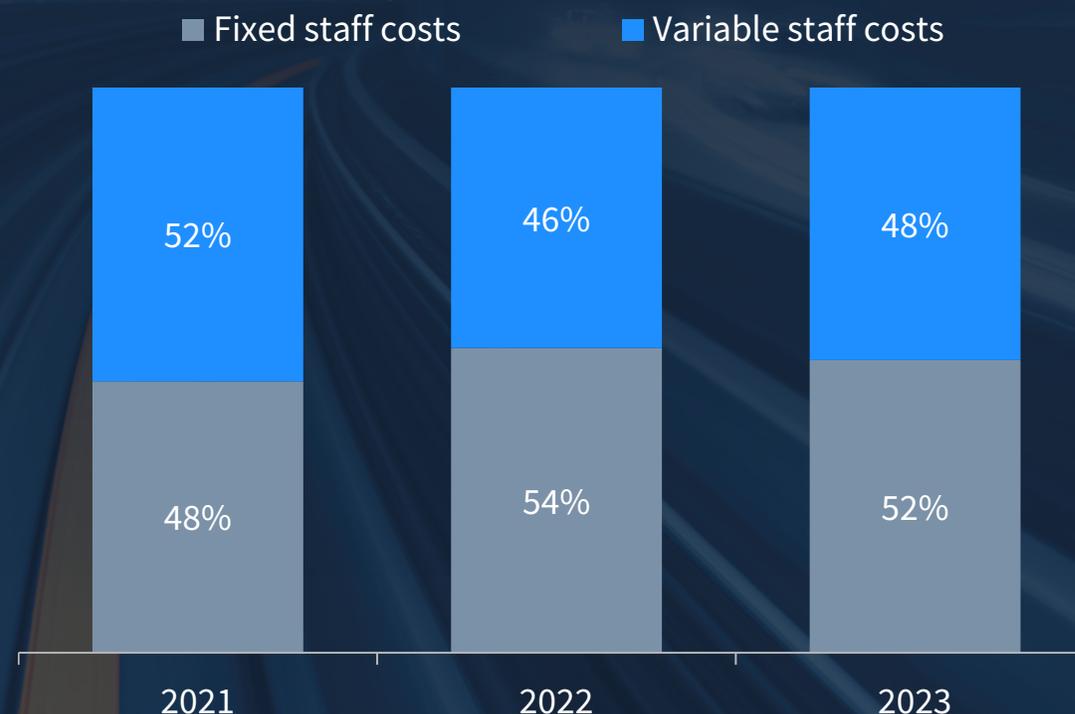
# Maintaining rigorous cost discipline.....

.....combined with targeted investment for growth

## Expenses

(£m)	2023	2022
Fixed staff costs	78.1	82.4
Variable staff costs <sup>1</sup>	79.2	104.5
– performance fee related	6.4	33.9
Non-compensation costs	107.3	114.6
Total expenses <sup>1</sup>	264.6	301.5
Total compensation ratio (ex. performance fees) <sup>1</sup>	42%	40%
Total compensation ratio <sup>1,2</sup>	43%	47%
Cost:income ratio <sup>3</sup>	73%	69%

## 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.

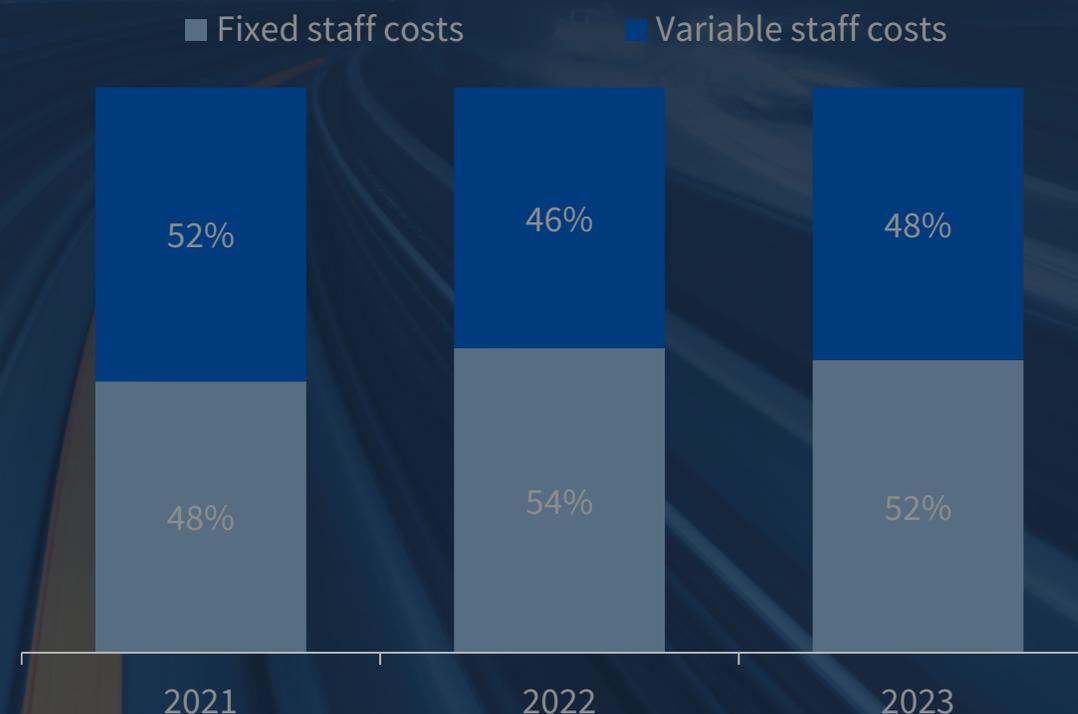
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# Maintaining rigorous cost discipline.....

.....combined with targeted investment for growth

## Compensation ratios

(£m)	2023	2022
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Variable staff costs <sup>1</sup>	79.2	104.5
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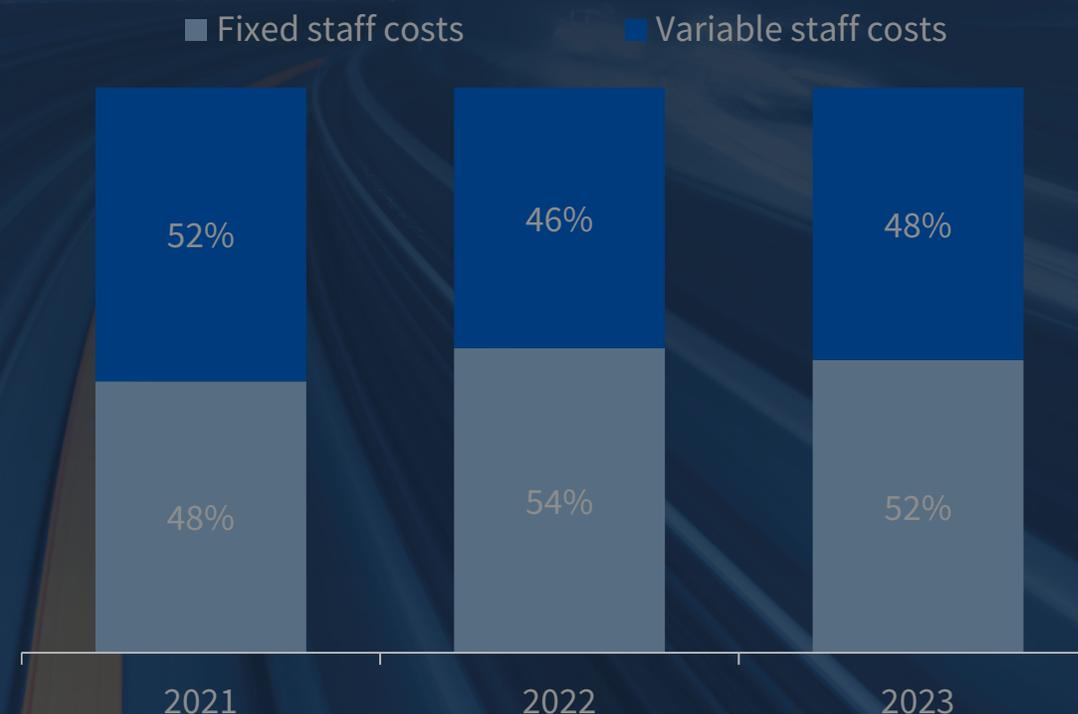
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# Maintaining rigorous cost discipline.....

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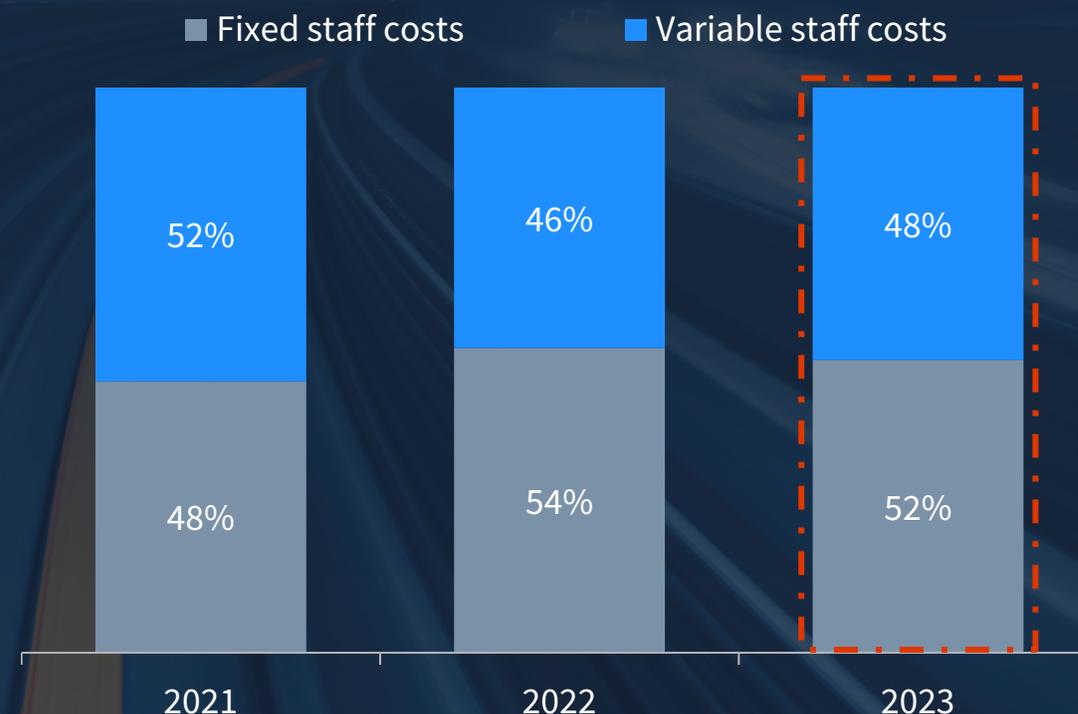
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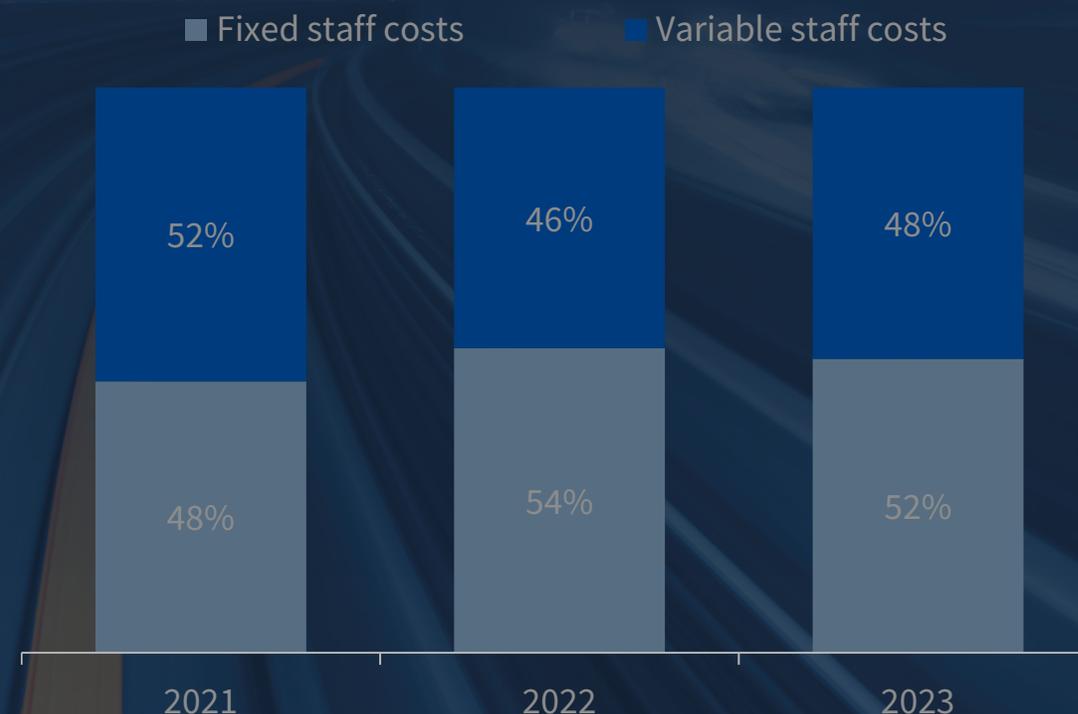
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# Maintaining rigorous cost discipline.....

.....combined with targeted investment for growth

## Supplier spend

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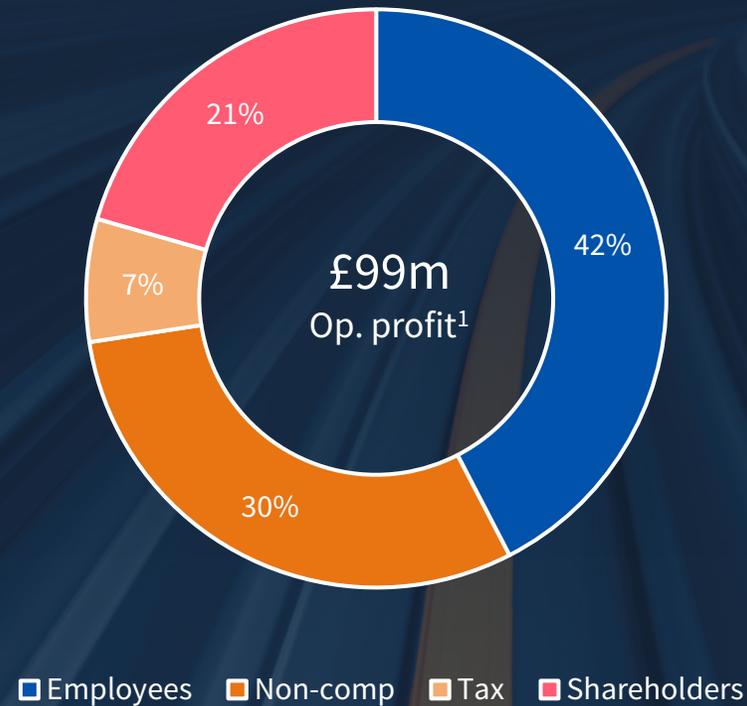
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# Delivering on growth opportunities

Clear growth potential from established opportunities

2023



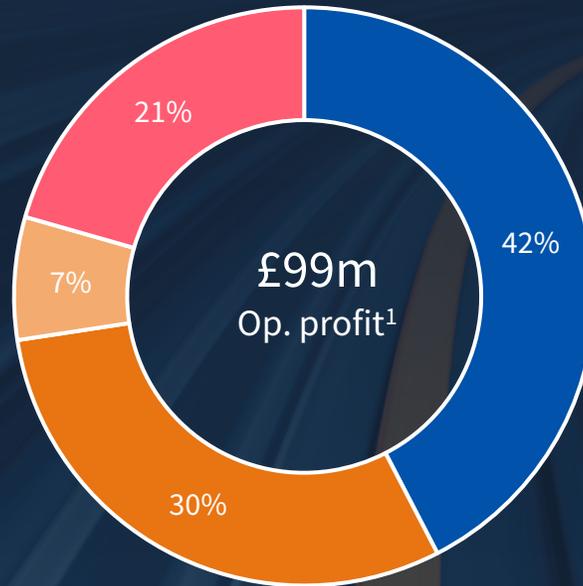
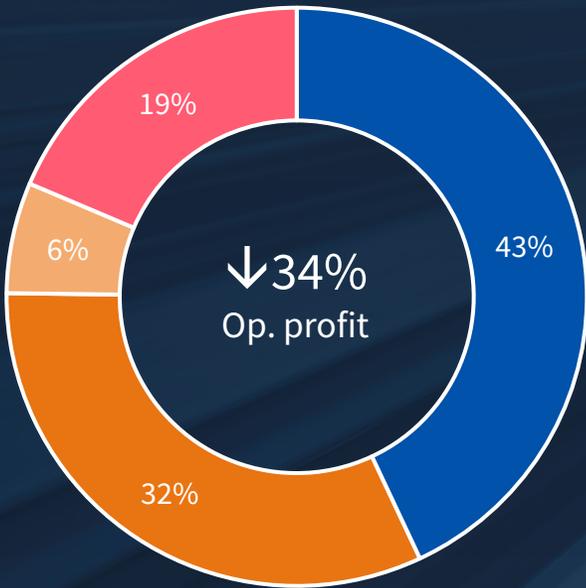
<sup>1</sup>Operating profit stated before performance fee related and exceptional items. Tax at statutory rate of 25%.

# Delivering on growth opportunities

Clear growth potential from established opportunities

Without 'investment for growth'

2023



■ Employees ■ Non-comp ■ Tax ■ Shareholders

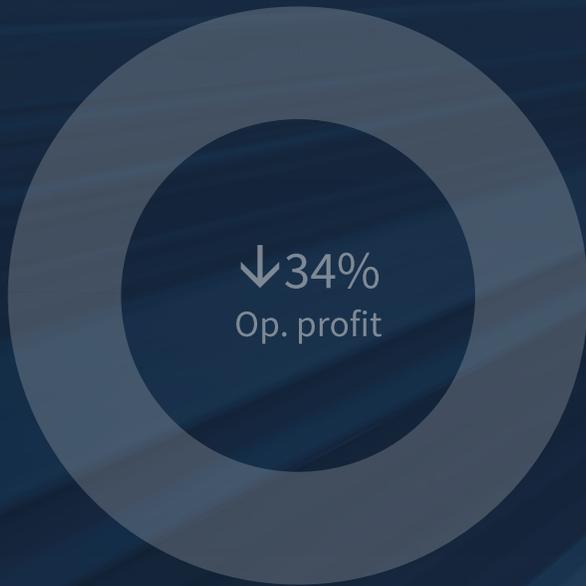
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# Delivering on growth opportunities

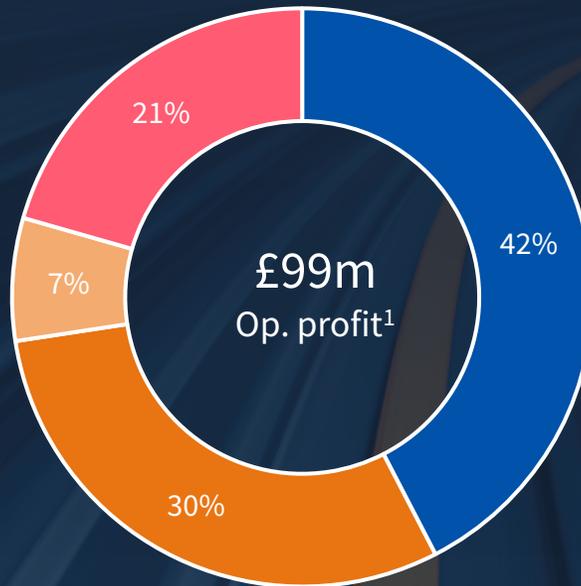
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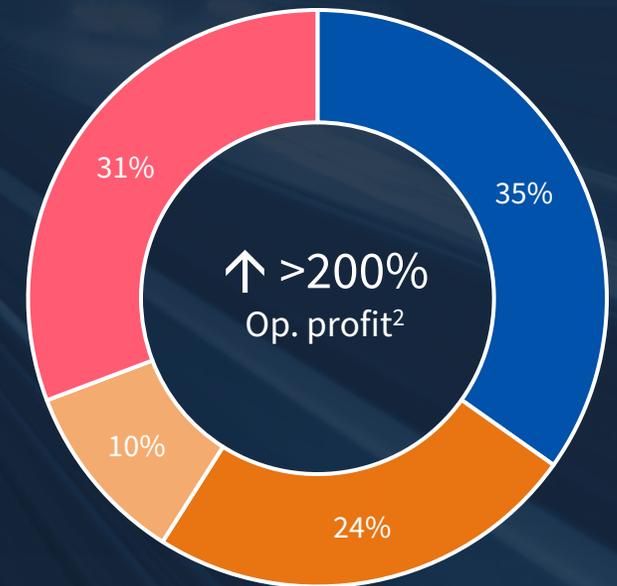
■ Employees ■ Non-comp ■ Tax ■ Shareholders

2023



□ Employees □ Non-comp □ Tax □ Shareholders

Illustrative example of 50% increase in AUM



□ Employees □ Non-comp □ Tax □ Shareholders

<sup>1</sup>Operating profit stated before performance fee related and exceptional items. Tax at statutory rate of 25%.

<sup>2</sup>Illustrative based on 50% growth in AUM based on current cost base as adjusted for incremental costs relating to growth in AUM. AUM growth assumed to be driven 81% from Retail and wholesale clients and 19% from Institutional clients at the 2023 average net revenue margin for each channel respectively.

# Maintaining a strong capital position

Provides investment opportunities and supports returns to shareholders

## Regulatory capital

(£m)	IFPR regime	
	31 Dec 2023	31 Dec 2022
Available capital resources	248.9	236.0
Regulatory requirement	(71.8) <sup>1</sup>	(121.8)
Expected capital surplus	177.1	114.2

- 3.4p final dividend, 6.9p full year ordinary dividend.
- 2.9p special dividend announced at interim for 2022.
- 2023 ordinary dividend at 50% of pre-performance fee earnings. Periodic additional returns.

<sup>1</sup>Higher of own funds held for harm from ongoing operations and wind down costs, which was set in the 2023 ICARA process approved by the Board

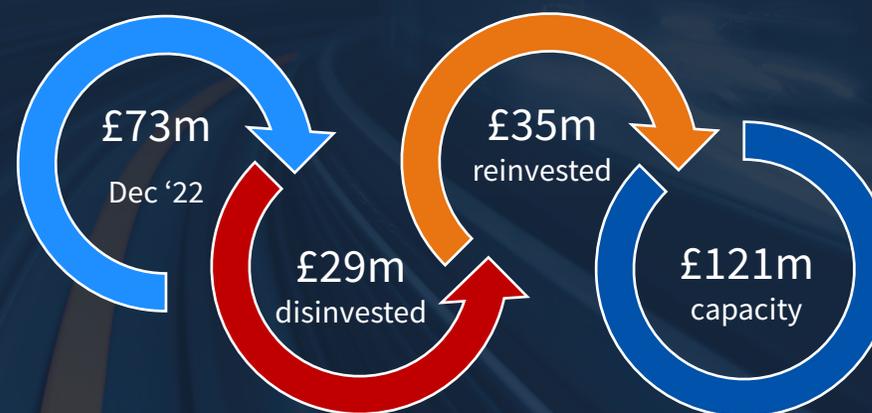
# Maintaining a strong capital position

Provides investment opportunities and supports returns to shareholders

## Regulatory capital

## Seed capital

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- 3.4p final dividend, 6.9p full year ordinary dividend.
- 2.9p special dividend announced at interim for 2022.
- 2023 ordinary dividend at 50% of pre-performance fee earnings. Periodic additional returns.

- £79m seed capital at 31 December<sup>2</sup>.
- £200m Board limit to seed capital.
- Additional seed capital deployed as catalyst funding.

<sup>1</sup>Higher of own funds held for harm from ongoing operations and wind down costs, which was set in the 2023 ICARA process approved by the Board.

<sup>2</sup>At cost

# Resilient performance despite headwinds

Opportunities to deliver growth through resilient business

Financial results impacted  
by challenging conditions

Strong cost discipline  
enables growth potential

Benefits of future scale are clear

Robust capital position provides  
stability and strategic opportunity



**MATTHEW BEESLEY**

CHIEF EXECUTIVE OFFICER





## **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 a curated product  
offering, while also  
exploring additional  
methods of delivery



## **DEEPEN** RELATIONSHIPS WITH ALL STAKEHOLDERS

...with purpose and  
sustainability embedded  
in all we do

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**We create a better future for our clients and the planet with our active investment excellence**



# Increase scale

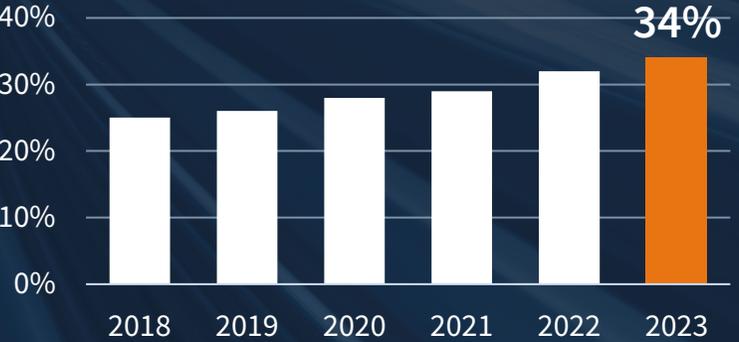
## Institutional

- 19% of group AUM, £1.8bn net inflows, £3.8bn over 2 years
- Diversified book and pipeline across strategy and region



## International

- 34% of Group AUM, £1.1bn net inflows
- Investment and prioritisation of key markets



2024 and beyond:

Diversified pipeline across multiple investment strategies



## Decrease undue complexity

Relentless focus on efficiency and value for money

Decrease in non-comp costs since 2021 ↓ 15%

Reduction in total number of funds ↓ 25%

Institutional client reports automated > 100

Total cost base investing for growth 19%

2024 and beyond:

An agile, efficient business, but with scale to invest for growth



Broaden our  
appeal to  
clients

Technology driven, holistic client experience

Creation of Client Group

New strategies  
in existing teams

New vehicles for  
existing  
strategies

Catalyst funding  
for sub-scale  
strategies

Team lift outs  
and new hires

2024 and  
beyond:

Actively exploring new strategies and methods of delivery



## Deepen relationships with all stakeholders

2024 and beyond:

Our people

78% people engagement score

Our clients

Introduction of tiered pricing

Our shareholders

£53m distributed to shareholders<sup>1</sup>

Continual, ongoing focus on all our stakeholders

<sup>1</sup> Comprises 6.9 pence of Ordinary dividends paid or proposed in respect of the year ended 31 December 2023 and 2.9 pence of Special dividend paid in September 2023. Shares held in the EBT waive their rights to dividends, however the holders of invested awards are entitled to additional shares in lieu of dividends. Effectively, therefore, dividends are paid on all shares.

# Progress moving forwards

Industry challenges remain but  
strong underlying business

Improvement in investment performance and  
short-term client risk appetite

Progress against each strategic objective

A stronger position from which  
to drive future growth



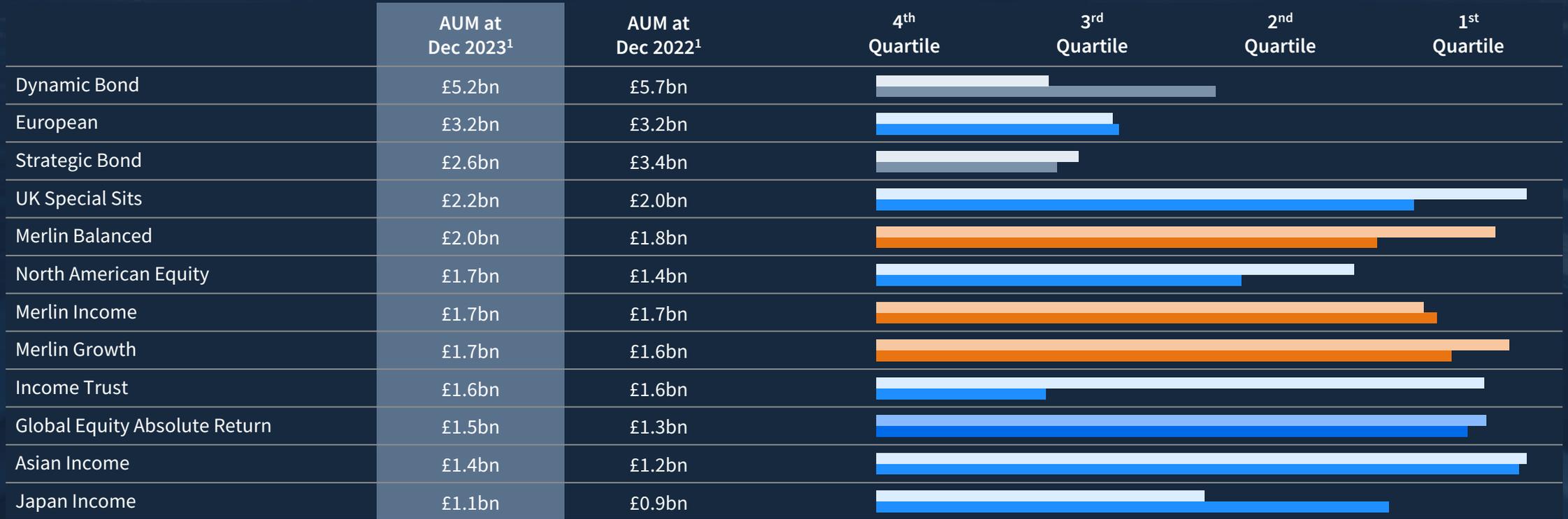
QUESTIONS

# APPENDIX

# 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 internal, as at 31 December 2023. 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>	1,529	I (EUR) Hedged Acc	1.83	1.70	+4.79%	BoE base rate, Fed base rate, ECB base rate, MAS base rate, Riksbank policy rate, RMB Chinese Central bank rate, 3 month CHF LIBOR interest rate	20%
UK Smaller Companies Focus <sup>2</sup>	42	I (GBP) Inc	13.18	20.28	-45.21%	Numis Smaller Companies Index	10%
UK Dynamic Equity Fund <sup>3</sup>	105	L (GBP) Inc	4.26	5.77	-30.69%	FTSE 250 Custom Index	20%
Strategic Absolute Return Bond <sup>4</sup>	367	I (USD) Acc	12.75	12.37	-1.94%	FEDL01 HP USD	10%
UK Specialist Equity <sup>5</sup>	27	F (GBP) Acc	13.56	14.54	-11.32%	SONIA/N HP GBP, FEDL01 H USD, EONIA HP EUR	20%
North American Equity <sup>6</sup>	0.1	P2 (USD) Acc	18.32	14.69	+0.25%	MSCI North American index	20%
Gold & Silver <sup>7</sup>	26	P2 (GBP) Acc	15.57	19.83	-26.55%	Average: FTSE Gold Mines gross GBP & XAU BGN - GBP	20%
Other <sup>8</sup>	3,317					Variable	Variable

Share classes included <sup>1</sup>L (GBP) Hedged Acc, I (GBP) Hedged Acc, Z1 (GBP) Hedged Acc, Z2 (GBP) Hedged Acc, I (SEK) Hedged Acc, I (EUR) Hedged Acc, L (EUR) Hedged Acc, Z1 (EUR) Hedged Acc, I (USD) Acc, C (USD) Acc, L (USD) Acc, L (SGD) Hedged Acc, I (CHF) 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>P2 (GBP) Acc. <sup>8</sup>Consists of segregated mandates and excludes the Chrysalis Investment Trust which a structure for departure to a self-managed construct has been agreed with effect from 1 April 2024.

# Long-term incentive compensation

Estimated future long-term incentive compensation amortisation

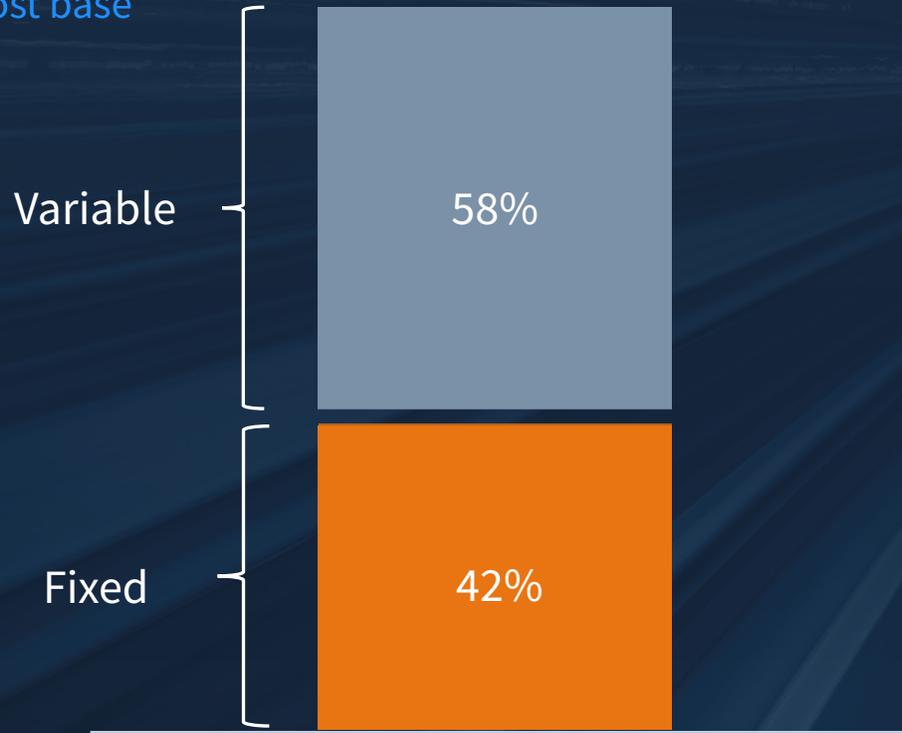
£m	Amount remaining to expense	2024	2025	2026	2027
In relation to 2020 performance fees	0.2	0.2	-	-	-
In relation to 2021 performance fees	0.3	0.3	-	-	-
In relation to 2022 performance fees	1.1	0.7	0.3	0.1	-
In relation to 2023 performance fees	2.4	1.1	0.8	0.4	0.1
<b>Total</b>	<b>4.0</b>	<b>2.3</b>	<b>1.1</b>	<b>0.5</b>	<b>0.1</b>

# Non-compensation costs

(£m)	2023	2022	2021
AUM-related costs	48	58	70
Infrastructure	40	36	33
Other	19	21	23
<b>Total non-compensation costs</b>	<b>107</b>	<b>115</b>	<b>126</b>

# Balancing strong cost discipline whilst investing for scale

Cost base



2023 cost base  
(ex pfees)

19% Investing for growth

30% Fixed staff

18% AUM-related

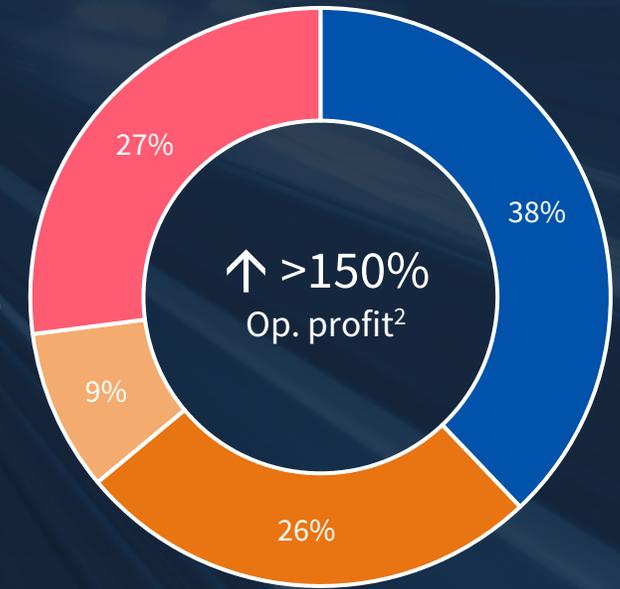
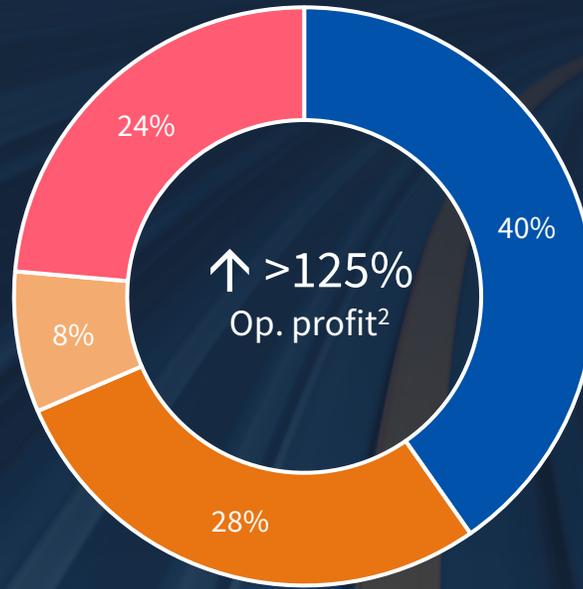
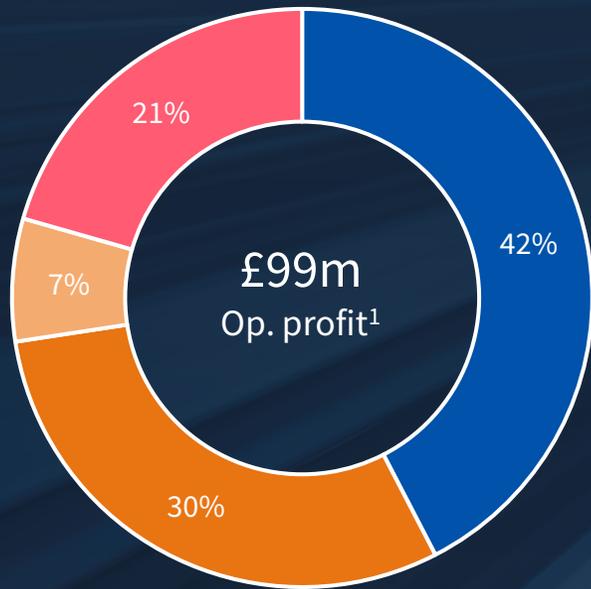
# Illustrative examples of benefits of scale

Growth potential operational leverage from established opportunities

2023

with 10% increase in AUM

with 25% increase in AUM



■ Employees ■ Non-comp ■ Tax ■ Shareholders

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# Management expectations for 2024

	2024
Net management fee margin	66bps
Performance fees	c.£5m – £10m
Fixed staff costs	£79m
Total compensation ratio (excluding performance fees)	47%
Non compensation costs	£111m
Exceptional items	£9m
Ordinary dividend pay-out ratio	50% <sup>1</sup>

<sup>1</sup>Excluding the impact of all performance fees

<sup>2</sup>Please note that all of the above are the current expectations of management as at 22 February 2024. Jupiter's actual future performance and results may differ materially from these expectations and we undertake no obligation to update these. Nothing in this slide should be considered as a profit forecast.

# 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 2023 is £88m**

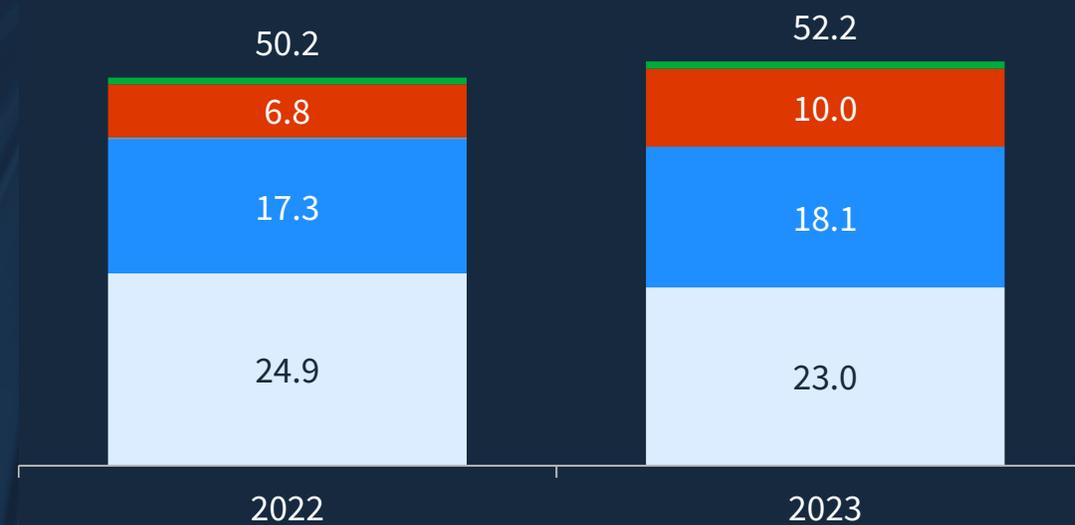
# AUM by distribution channel

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)

■ Advisory ■ Discretionary ■ Institutional ■ Investment Trust



Source: Jupiter Internal MI.

Discretionary refers to fund buyers, including: 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 Stockbrokers. Institutional business includes: Consultant-led family offices, local authorities, DC Corporate, DB Corporate, DB Public, Foundations, Charities and Sovereign Wealth Funds.

# 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.

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