JUPITER

Annual Report and Accounts 2016

JUPITER FUND MANAGEMENT PLC

Jupiter is an active fund manager, focused on delivering value to clients through investment outperformance after fees

ABOUT JUPITER

Clients access this outperformance via mutual funds, segregated mandates and investment trusts.

We have a leading position in the UK asset management market and an expanding presence in Europe and Asia.

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HIGHLIGHTS

Delivering outperformance

Against a backdrop of market volatility and significant geopolitical events, we delivered strong investment performance and robust net inflows. Our continued focus on operational efficiency helped us to further increase returns to shareholders.

1
Our aim is to deliver value through outperformance

We create value for our clients through long-term investment outperformance, after fees.

66%

In 2016, 66% of our mutual fund assets under management (AUM) performed above the median over three years (2015: 68%).

2
Outperformance and our distribution reach help to grow our asset base

Our strong track record of investment outperformance enables us to attract inflows into our funds. Our strong franchise in the UK provides a stable and profitable base from which we are growing internationally.

£1.0bn

In 2016, net inflows were £1.0bn (2015: £1.9bn), with AUM increasing 13% to £40.5bn.

3
Our scalable platform turns growth into additional profit

We continue to invest in our scalable operating platform to support growth. We maintain our focus on efficiency, turning growth into profit.

49%

We achieved an adjusted EBITDA margin of 49% (2015: 51%) (see page 30), with basic earnings per share rising 3% to 30.3p.

4
The rewards of growth are shared across all our stakeholders

Successfully implementing our growth strategy and maintaining our approach to remuneration and dividends drives returns to all stakeholders.

27.2p

Our total dividend for 2016 was 27.2p (2015: 25.5p), including a special dividend of 12.5p (2015: 10.9p).

CHAIRMAN'S INTRODUCTION

This was another successful year for Jupiter, as we made progress with delivering our organic growth strategy through further diversification.

Liz Airey
Chairman

Welcome to our 2016 Annual Report.

Jupiter's success is based on achieving investment outperformance for our clients, after all fees. Continued strong investment performance helped drive net inflows and, alongside positive markets, an increase in the assets we manage on behalf of our clients. This has been achieved amidst the uncertainties of political, regulatory and economic change.

The Board is responsible for setting and nurturing the Company's culture, which is focused on high performance, individual responsibility and putting clients first. At Jupiter, we give freedom to employees to deliver within a team framework. Our culture makes Jupiter an attractive place to work and is a key advantage for us.

Strong corporate governance is important for all businesses but particularly for companies such as ours, which are entrusted with people's savings and operate in regulated environments. We put great emphasis on effective governance at Jupiter and there have been a number of important changes to the Board and Executive Committee, adding further strength and depth to our senior team.

We were delighted to welcome Charlotte Jones as our new Chief Financial Officer in September following the departure of Philip Johnson, our former CFO. We would like to thank Philip for his contribution during his six years at Jupiter and wish him well for the future. Charlotte has extensive financial services experience; she joined the main Board as well as the Executive Committee.

We also welcomed Jasveer Singh, who joined us as General Counsel in November and became a member of the Executive Committee.

In July, Karl Sternberg was appointed as a Non-Executive Director, bringing 30 years of experience in the industry. In addition, Jon Little retired from the Board in October and, in November, John Chatfeild-Roberts stepped down from the Board to concentrate on his role as Head of Strategy for the Merlin range of funds. We would like to thank both for the service they have provided to the Board.

Market conditions were mixed for much of the year and the result of the UK referendum on EU membership means that uncertainty is set to be a feature of the political, regulatory and economic landscape for at least the next two years. Despite the uncertainties, market levels remained robust overall. Net flows, which suffered in the run up to the referendum, were positive, albeit subdued, in the second half of the year.

Regulation will continue to be a key focus in our industry, in terms of the implications of Brexit and the FCA final market study report, which is expected to be published later in 2017. We welcomed the publication of the FCA's interim report in November and strongly support the goal of fee transparency for all our clients.

In advance of the FCA market study, we had commenced a review of our approach to pricing for our unit trust range. Whilst we must await the final FCA report, we have taken some proactive steps to make changes aligned with the FCA's goals.

Jupiter operates a progressive dividend policy, targeting a payout of 50% of our underlying earnings per share. Following the interim dividend of 4.5p per share which we announced in July, the Board is declaring a full year dividend of 10.2p per share. The total ordinary dividend for the year is therefore 14.7p per share, an increase of 1% on 2015.

In addition, we are pleased to be able to announce a special dividend of 12.5p per share, to be paid at the same time as the full year dividend. Special dividends are distributed to shareholders when we do not need to hold cash for other purposes and enable us to deliver returns to our shareholders sooner rather than later.

2017 is likely to be a year of change and uncertainty, but we approach this from a position of balance sheet strength and with a deep pool of talented staff. We believe that we are well equipped and flexible enough to make continued progress in this evolving environment and look forward to the challenges and rewards of a busy year.

I would like to record my thanks to everyone in Jupiter for their individual contributions. Jupiter's success this year, as ever, is underpinned by their commitment and professionalism.

CHIEF EXECUTIVE'S REVIEW

I am pleased with Jupiter's performance in what was a challenging year, with investor sentiment affected by a number of macro events outside Jupiter's control.

Maarten Slendebroek
Chief Executive Officer

Positive net inflows of £1.0bn during 2016 were encouraging given the challenging market environment. Against a backdrop of variable markets and dampened investor sentiment, flows were strongest in the first and third quarters. These market conditions, which benefited our market neutral and total return strategies, alongside favourable exchange rate movements, contributed to a 13% increase in AUM.

Our headline investment metric is the percentage of AUM delivering above-median performance, after all fees, over three years. This remained steady at 66% (2015: 68%), although the investment trends of recent years reversed, most notably value style equity strategies outperforming growth.

Jupiter's net revenue increased by 6.6% to £351m, while operating costs rose by 11.2% to £182m, including total staff costs up 4.5% to £115m. While the actual increase in revenue exceeded the actual increase in total costs, our adjusted EBITDA margin declined slightly, from 51% to 49%. This was partly due to the full-year effect of the SICAV pricing change, which reduced the margin but contributed to profits.

Our net inflows of £1.0bn were a good result in a year when many active managers suffered net outflows. Our international distribution, largely built up in the last four years, accounted for half of gross inflows and 100% of net inflows, compensating for a tough year in the UK and demonstrating the success of our diversification approach.

Despite the headwinds in the UK, Jupiter has a very loyal client base. As we grow internationally and through more institutionally oriented channels, the volatility of our asset base is slowly increasing. This is because, in these relationships, we typically provide a high-alpha seeking component in a third-party client solution. This helps to illustrate that the face of Jupiter's typical client is evolving.

During the year we continued to expand our product range, launching the Jupiter Asian Income Fund in the UK and internationally, the UK's most successful fund launch of 2016. The third anniversary of our Absolute Return fund relaunch coincided with a rapid increase in flows of assets for this strategy. We launched a SICAV version of the fund in 2016, with almost immediate success. Other new products that were positive in 2016 include Global Value equities and Global Emerging Markets equities, for which we have medium-term asset gathering expectations. Our Dynamic Bond strategy continued to dominate in our international distribution channels.

As part of our targeted international expansion, our new offices in Madrid and Milan opened midway through 2016 to serve existing client bases and build out new opportunities. Given the size of these markets and the suitability of our products, these offices should contribute meaningfully by 2018. New countries typically generate meaningful revenue within three years, while new products normally take at least three years to do so.

New regulations continue to have a tangible effect on our operating platform and related costs. Jupiter has prepared well and invested in systems, software and people to meet compliance deadlines but this has limited our bandwidth for other initiatives this year as well as contributing to our costs. We continue to invest in our operations, risk and compliance, bringing in high-calibre people to help with our change programme. We have invested in expertise for MiFID II and Senior Managers Regime compliance and will further enhance our investment platform in 2017. This will result in a modest short-term uptick in costs.

Since early 2016, we have been reviewing our approach to unit trust pricing. Following this, we have taken the proactive decision to move to single pricing for buying and selling fund units, which will remove box profits from our 2018 income. These were £12.8m in 2016. We will also take a consistent approach to the costs of research we use, by taking it all through Jupiter's accounts from 2018 with no change in the management fee, adding around £5m of costs from 2018. During 2017, we will work with our service and research providers to implement these changes. These are important steps in simplifying our unit trust pricing structure as we diversify and grow.

In November 2016, the FCA published its interim report into competition in the UK fund management industry, with the final report due later in 2017. It was a thoughtful study and we welcome the push towards transparency in fees and focus on client value. We must await the final report to determine how to respond further to the transparency objective and whether this is in the form of a combined fee, as outlined in the interim report.

2017 will be a year of operational heavy lifting but I am excited about the opportunities. Further investment in our platform will simplify and standardise the onboarding of investment talent, enhance our investment risk oversight and further improve client service. Our first objective, to beat the benchmark and competition after all fees, is unchanged. This resonates with clients and with extraordinary investment talent. Our investment in 2017 will ensure we can continue to grow in the UK and internationally for years to come.

OUR BUSINESS MODEL

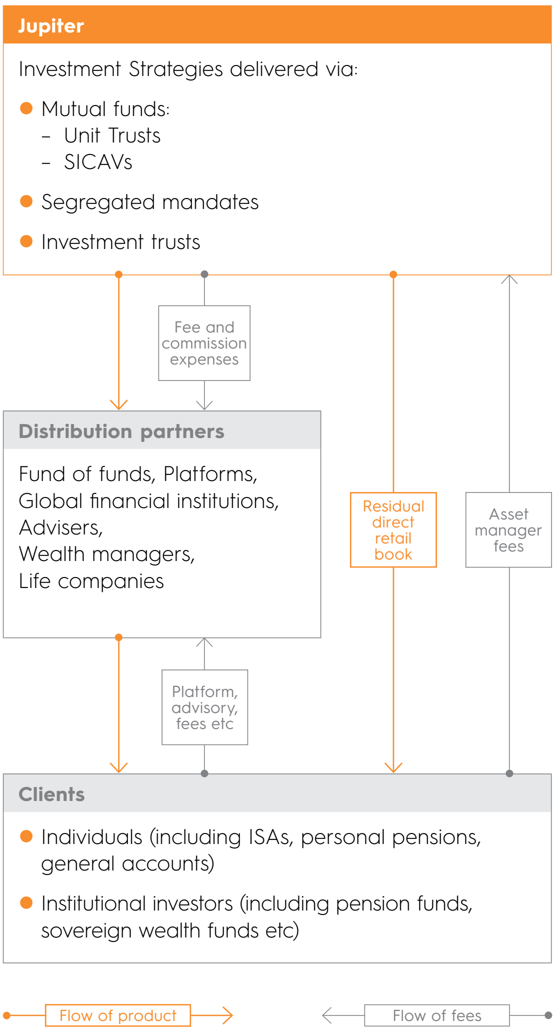
Creating value for our stakeholders

WHAT WE DO

Jupiter is an active fund manager, focused on delivering value to clients through investment outperformance after fees.

Clients access this outperformance via mutual funds, segregated mandates and investment trusts.

WHO WE SERVE



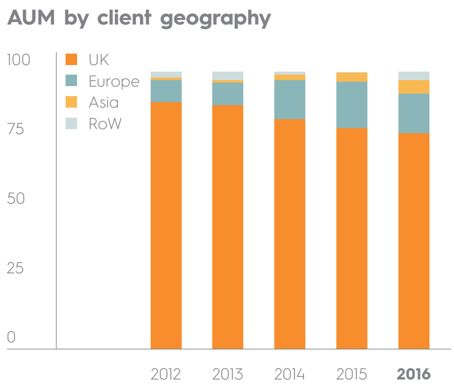
WHO WE SERVE

Our mutual fund clients are typically individual investors, who require investment products to meet their savings and retirement needs and for whom value creation is critical. We do not engage with these investors directly. Instead, we access them through our distribution partners such as financial advisers and wealth managers. This intermediated approach, which is a feature of all the markets we operate in, is significantly more efficient for us than engaging directly with customers. It allows us to target our marketing and brand building and develop strong relationships with distribution partners, while maintaining a straightforward customer service model.

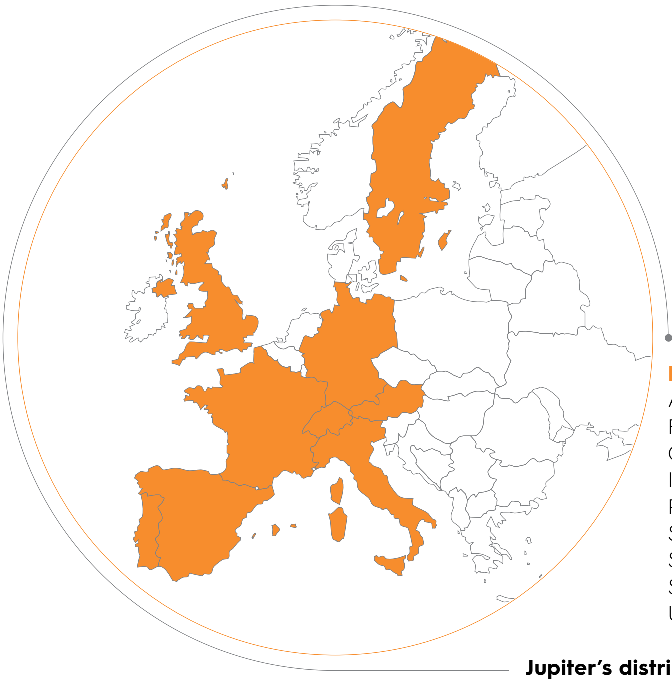
Platforms are an important form of intermediation. These online services enable advisers and individuals to invest in selected funds from different providers, and to access consolidated reporting and analytics tools. In the UK, around 47% of annual flows into mutual funds are through platforms, up from 37% in 2010. We are very focused on building our relationships with the biggest platforms and making our funds available through them.

There are also important influencers in the mutual fund market, such as research consultants and rating agencies. Their recommendations affect the demand for our products. Jupiter works with them to ensure they fully understand our offering and can make appropiate recommendations.

Institutions access our investment expertise through mutual funds, as well as through segregated mandates. The route to accessing and attracting institutions to our investment products is generally through their investment advisers, who play a major role in helping their clients to select which fund managers to choose.



Source: Jupiter Performance Analytics



EUROPE
Austria
France*
Germany
Italy
Portugal*
Spain
Sweden
Switzerland
UK

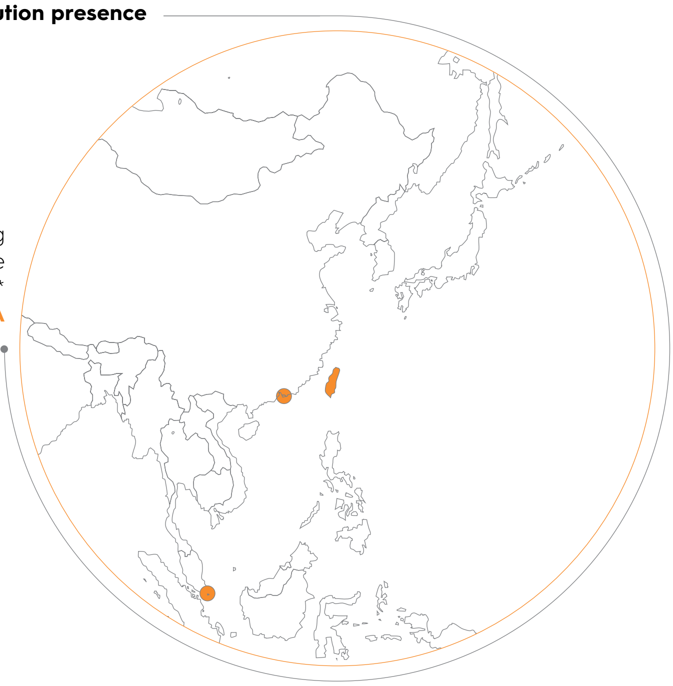
Jupiter's distribution presence

Where we operate

The UK is our largest market, although we have been expanding our distribution internationally in financial centres in Europe and Asia, either through our own teams or through agency relationships. Our investment strategy teams and core infrastructure are based in London.

While the popularity of passive management is increasing, the market for active management is substantial and also continues to grow. To continue to be successful, we develop our products, distribution channels and geographical reach and provide products which are clearly distinguishable from the passive alternatives. This approach enables us to retain and attract clients and access substantial pools of potential client assets.

Hong Kong
Singapore
Taiwan*
ASIA



* Agency relationship

The inputs to our business model

Our business model depends on the following resources and relationships:

OUR PEOPLE
71 members of the investment team, working in a culture of individual responsibility aligned with investment freedom, driving investment outperformance and product innovation and supported by our 426 other employees

OUR RELATIONSHIPS
Strong relationships with our distribution partners, consultants and other advisers, who provide clear channels to our clients; constructive engagement with regulators; clarity of communication to shareholders

OUR BRAND
A highly recognised brand which reflects our position and reputation for active asset management

OUR PLATFORM
Our single, scalable platform, in which we continually invest, supports our investment management team and our operations and gives us operational leverage

OUR FINANCIALS
Attractive cash flows generated from our business provide the means to reinvest for growth and drive shareholder value and returns

1 INVESTMENT OUTPERFORMANCE

Our primary responsibility is to the clients who entrust their savings to us. This is enshrined in our corporate values, which are set out in the Our Strategic Performance section.

An essential part of meeting our responsibility to our clients is delivering value through long-term investment outperformance, after all fees. Our people and positive culture are central to this. We believe that talented investment professionals who are free to pursue their own investment styles within a collegiate environment can make a positive difference for clients. For a firm of our size, this allows us to combine the best aspects of boutique fund managers with the supporting systems, processes and risk management framework that our scale provides.

With no 'house view' to constrain them, our fund managers actively seek the best investment opportunities through fundamental analysis with a focus on good stewardship. We organise our investment professionals into strategy teams, so they can share ideas and information, while remaining individually accountable for the performance of their funds. We invest in our people to continue to develop their capabilities and ensure we have succession plans in place to advance talented managers. We balance this with bringing in new people with specialist skills, giving us strength in depth and enabling us to expand the breadth of investment strategies we offer.

Jupiter has a strong investment track record, which helps us to attract and retain client assets. The need for a track record acts as a barrier to entry in the active fund management market, since it takes several years to build a track record that is attractive to clients.

Clients also benefit from our clear focus on active asset management. We are a single business with no distractions from our core purpose.

In January 2017, Ignites Europe analysed Morningstar ratings, which measure risk-adjusted performance relative to peers. Jupiter ranked fifth out of the top 50 largest active fund houses in Europe.

2 EFFECTIVE DISTRIBUTION

We continue to expand our distribution channels in the UK, focusing on financial advisers and wealth managers. The Jupiter brand is highly recognised, giving us a competitive advantage in the UK market.

Our strong position in the UK provides a stable and profitable base from which we can continue to grow. In overseas markets, we adopt a 'follow the client' approach. We use our pre-existing strong relationships with large fund distribution partners, such as international banks, to gain a foothold in new countries. Our relationships with these distribution partners also enhance our credibility with other intermediaries, helping us to grow in each market over time.

Successful distribution requires the right products. We create products that appeal to clients in multiple countries and that can deliver superior returns over the medium to long term, avoiding 'me too' products where we have no competitive advantage. The breadth of our product range means that clients can choose products which meet their needs and suit current market conditions.

By providing value and strong service to our clients over the long term, we retain the assets entrusted to us and attract new assets, underpinning our revenue growth.

3
EFFICIENT OPERATIONS

Our operating model is organised to ensure that as much of our growth in revenues as possible drops through to available profit and operating cash flow.

Operating on a scalable platform is critical to this. In addition to providing operational leverage, such a platform enables us to expand distribution, allows fund managers to work effectively and supports the addition of new products and investment strategies. We continually invest in our platform to ensure it continues to meet the needs of our business as it grows and supports regulatory compliance.

NET REVENUE

Net revenues are the fees we earn, less payments to our distribution partners for their services to clients. Fees are typically based on a percentage of assets, although some funds earn performance fees for above-target returns. By attracting inflows across the cycle and outperforming against the market, we are well-positioned for net management fee growth year on year.

FIXED COSTS

Fixed costs comprise salaries and the costs of running our operating platform and support infrastructure, including the costs of services provided by our outsourced service providers. These costs include IT systems, rent, administration and brand investment.

In 2016, we focused on defining the next stage for further investment in our operating platform. Through 2017 we will be implementing some significant changes. This will drive a modest short term uptick in costs that over time will achieve efficiencies and more operating scale to facilitate further growth.

Part of investing in our operating platform is implementing the changes necessary to respond to changes in regulation. Through 2016 and into 2017 this focus is on MiFID II, UCITS V and the Senior Managers Regime. These investments in our operating platform are undertaken whilst maintaining our focus on efficiency and cost discipline.

AVAILABLE PROFIT

Deducting fixed costs from net revenue leaves us with available profit for distributing to our stakeholders. Our high conversion rate of available profits to cash ensures we have sufficient liquidity to do so, while maintaining a strong and sustainable balance sheet.

4
VALUE CREATION

We are committed to using available profit, defined as our net revenue less fixed costs, to benefit all our stakeholders, every year.

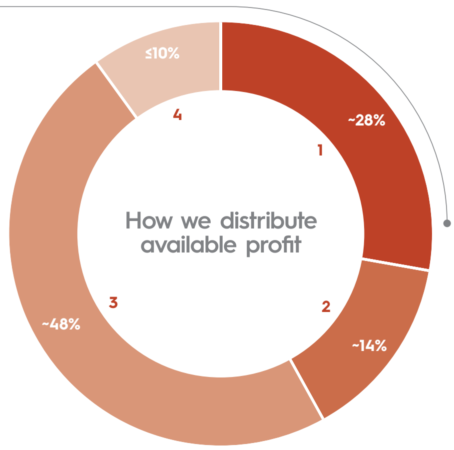
Our distribution or deployment of available profit is determined principally by our compensation strategies for staff and our dividend policy. Although the Board retains the flexibility to change how we use available profit, our current distribution approach distributes rewards as follows:

1. VARIABLE STAFF REWARD ~ 28%

People are critical to creating value within our business model. Remuneration is one tool we use to attract, retain and motivate the high-performing staff we need to drive our growth and long-term success. Our pay philosophy has been developed to support the interests of our key stakeholders, namely our clients, shareholders and employees. Variable remuneration generally ranges from mid to high 20% of available profit, including social security taxes payable by the Group. Paying variable compensation out of available profits ensure alignment of employees' interests with those of our shareholders.

2. CORPORATION TAX ~ 14%

We use the actual UK tax rate, currently 20%, to estimate the charge for tax on our profits, as this is not expected to be materially different from the Group's effective rate. As compensation costs are tax deductible, this leads to around 14% of available profit being paid in tax.



3. DIVIDEND PAYMENTS TO SHAREHOLDERS ~ 48%

Around half of available profit is paid to shareholders as ordinary and special dividends. Under our progressive dividend policy, we target an ordinary payout ratio of 50% of underlying earnings per share. We pay special dividends out of available profits not required for other purposes.

4. RETAINED FOR INVESTMENT AND GROWTH UP TO 10%

This is retained cash of up to 10% of available profit, which we use to fund the strategic initiatives we expect to drive our growth.

OUR MARKETS

Our markets have long-term growth dynamics

JUPITER

Well positioned to benefit from growing **global** demand for savings

MARKET DRIVERS

A number of powerful trends are driving long-term demand for investment products and attractive returns.

Populations are growing and ageing

Populations around the world are both increasing and ageing. According to the United Nations, the number of people aged 60 or over worldwide will increase from 0.9bn to more than 1.4bn by 2030, meaning that one person in six will be over 60, compared with one in eight now. Virtually all countries are expected to see substantial growth in their populations of older people.

Individuals are having to save for retirement

These population trends mean that many more people need to fund long retirements. However, governments and companies are limiting pension provision, due to the cost and impact on their balance sheets. Therefore, individuals are increasingly required to provide for retirements themselves, using defined contribution pension schemes alongside other forms of long-term savings to build up capital to provide the income they desire.

Developing economies are getting richer

In addition to ageing populations, emerging economies are enjoying rising wealth. As their incomes grow and demand for savings products increases, individuals in these countries are increasingly demanding foreign investments, to help them diversify their holdings and to give them access to better quality assets. Mutual fund providers, pension funds and insurance companies are providing more opportunities for these individuals to achieve their investment goals.

Clients are demanding different products

Flows into mutual funds are polarising. At one end of the spectrum, there is growing demand for low-cost exchange traded and index funds, where returns track an underlying market index. At the other end, there are significant inflows into high-performance, outcome-orientated active strategies, capable of delivering additional returns. This is the area in which Jupiter operates, as we believe our active philosophy can add value.

These dynamics are increasing the demand for, and provision of, low cost passive investment products. Therefore, active asset managers must be able to differentiate clearly their active solutions and returns after fees generated versus passive products in order to continue to attract and retain clients.

Traditional funds, such as long-only, single-geography equity and fixed income funds, have seen sizeable outflows, especially concentrated on funds which stick closely to the benchmark. This is a consequence of investors looking for funds that consistently deliver value for money through outperformance after fees.

Clients are demanding fee transparency and value for money

The level of fees can have a significant impact on returns to clients over time. That is why Jupiter targets investment outperformance after all fees. The importance of fees means that clients want a clear understanding of how much they are paying, so they can assess whether they are receiving value for money from their asset managers. Demonstrating that they offer value for money will be increasingly important for active managers.

Regulation is increasing

In addition to offering tax incentives for saving, governments play an important role in our markets by protecting consumers through regulation. Jupiter's primary regulator is the FCA in the UK. It oversees all aspects of our work, from how we run our fund management operations to how we communicate to our clients, both directly and through our distribution partners.

While we also come under the jurisdiction of other regulators overseas, the high standard of UK regulation means the FCA sets the benchmark for what we do. When we face overseas regulations that are more onerous than in the UK, we comply with the higher standard.

Specific areas of regulatory change that have a tangible impact on our business include MiFID II, the Senior Managers Regime and the results of the FCA's asset management market study.

Jupiter welcomes the FCA's drive towards transparency in fee charges and the focus on delivering and demonstrating the value to clients of the investment service provided.

WHAT THESE TRENDS MEAN FOR JUPITER

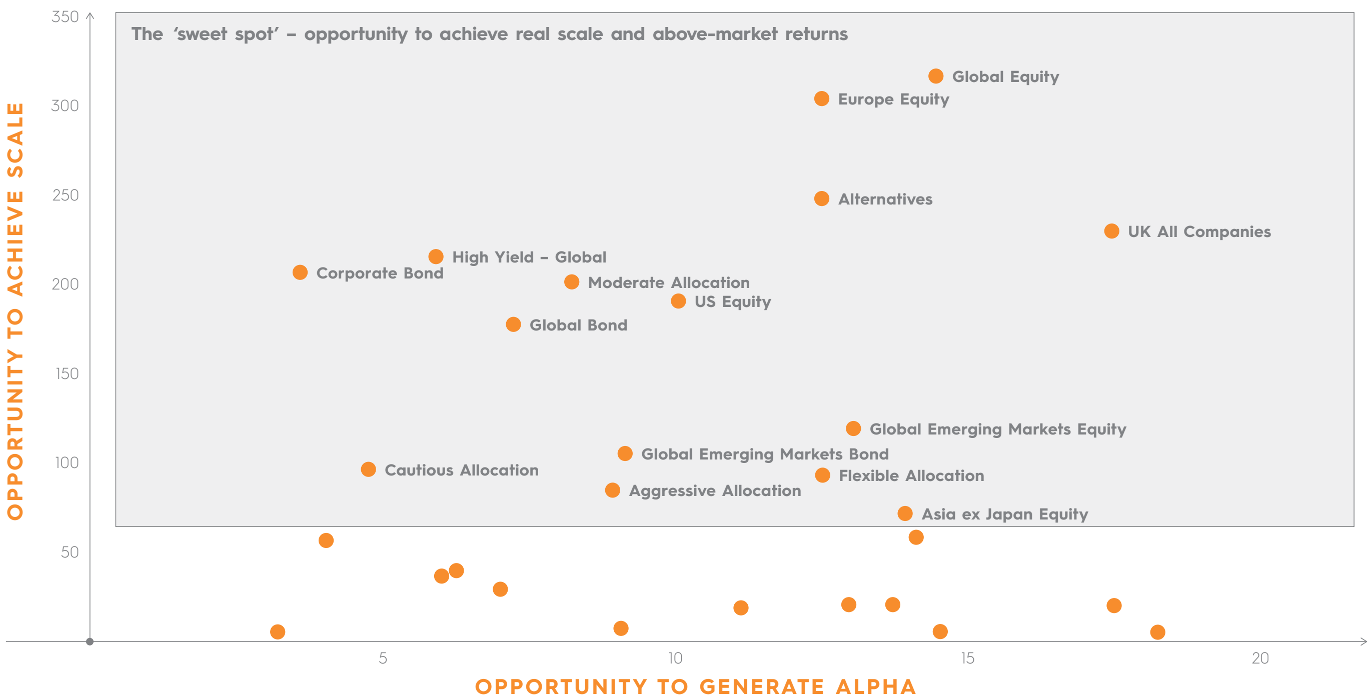
The trends in our markets have important implications for our strategy and operations:

- There continues to be substantial demand for investment products that offer strong outperformance after fees. Jupiter must meet this challenge in order to attract greater inflows, retain clients and grow revenues. Demand for different product types means we need to further diversify our active offering. As the chart below demonstrates, there is a range of markets that are well-suited to active asset management. These are where it is possible for us to achieve real scale and above-market returns by applying the right fund management expertise. Therefore, we will continue to develop and launch new investment strategies where we have the ability to differentiate our active offering.
- Attractive long-term demographics are increasing demand for mutual funds in the UK and in our international markets. This gives us the opportunity to further expand our distribution, as we continue to diversify geographically and broaden our client base.
- To ensure that we are able to operate in compliance with notable areas of regulatory change, Jupiter continues to prepare in advance and invest in systems, software and people to meet compliance deadlines.
- To take advantage of these trends, we need systems that can scale with our growth, support different product types and continue to allow us to operate efficiently and in compliance with regulations. Therefore, we continue to invest in our operating platform.

Opportunities for product development

As noted above, we believe there is considerable demand for actively managed products that generate above-market returns for clients after fees. The opportunities are greatest where product types combine the ability to generate positive returns and the associated demand allows us to generate scale. The chart below shows this product 'sweet spot' within the shaded area.

March 2013-2016: Fund sector size (£bn) vs. performance dispersion (annual % return gap)



Source: Data sourced from Morningstar Direct and Simfund. Data as at the end of March 2016.

We operate in large and growing markets, in the UK and internationally.

UNITED KINGDOM

The majority of our clients' assets in the UK are held in our unit trust range, unit trusts being a standard UK mutual fund offering. The wider UK mutual fund industry has £1.1 trillion of assets under management. As the accompanying chart shows, flows into mutual funds tend to be robust across the market cycle, with consistent demand for equity products.

The UK is also a key location for global financial institutions. The high net worth market in which they operate is resilient and growing long term. We estimate that the pool of investible assets managed in the UK is in excess of £4.9 trillion, with a large proportion of these funds channelled through decision-making centres in London. We do not believe that Brexit will fundamentally impact London's importance in the future, even if businesses relocate some operations to European centres.

The UK government encourages individuals to invest by providing tax-efficient vehicles, in the form of pension funds and Individual Savings Accounts (ISAs). ISAs currently allow individuals to invest £15,240 a year in cash, funds, bonds or shares, with any resulting income or capital gains being tax-free. This limit is increasing to £20,000 for the 2017/18 tax year.

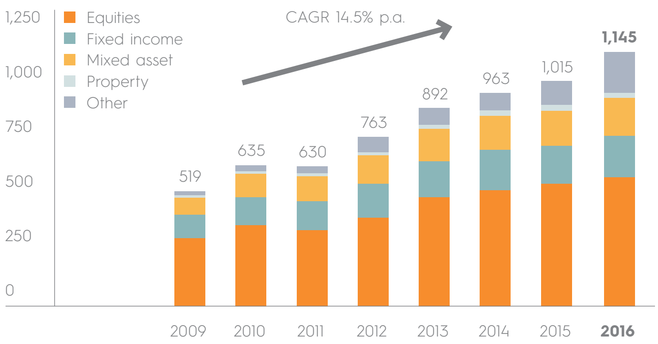
In the 2016 Budget, the government announced the introduction of Lifetime ISAs, which will allow people aged between 18 and 40 to save money for buying their first home or for retirement. The savings limit is £4,000 per year, with a government top-up of 25%. In addition, the government introduced Help to Buy ISAs in December 2015, which allow first-time home buyers to save up to £200 per month, with a 25% government top-up.

Individuals can make tax-free contributions to their pension schemes within annual and lifetime limits, although these limits have been significantly reduced in recent years. In April 2016, the government's pension reforms came into force, giving individuals more freedom over how they use their pension pots at the point of retirement. This is creating demand for products that provide income, as an alternative to annuities.

Longer lives mean investing for retirement is also becoming more complex. Individuals now need to accumulate assets during their working lives and shift their investments to income producing assets at the point of retirement. Once retired they need to continue adjusting their investments, to ensure they do not outlive their savings. Many people will also find themselves working at least part time beyond their retirement dates. Fund management groups have an opportunity to develop new products to support all these different phases of retirement and this is an area where we are actively looking to expand our product range.

The UK mutual fund market had a mixed year in 2016, with considerable uncertainty ahead of, and subsequent to, the referendum on EU membership in June. Total net retail inflows were £4.7bn, down from £16.8bn in the previous year. Target absolute return funds were most in demand.

Domestic AUM (£bn)



Source: IA. Figures exclude money market funds.

Jupiter's position

The UK is our core market as it is home to the majority of our current clients. Our strong brand and historical presence, deep distribution and track record of outperformance after fees mean that we are well positioned to continue to succeed.

Fee transparency and clear demonstration of value for money is critical in all markets in which we operate. In 2015, we simplified the fee structure of our SICAV range and we have now concluded a pricing review of our unit trust range, which is our primary UK product range. In parallel, the FCA has been conducting its Asset Management Market Study and published its Interim Report in November 2016. We welcome the FCA's objectives around transparency of fees and value to clients. We must await the final report to know explicitly how to respond to the FCA's transparency objective and whether, as we currently expect, this will be in the form of a combined fee, as outlined in the Interim Report.

We have proactively reviewed our unit trust pricing structure and will be adopting an approach that is aligned with the objectives of the Interim Report. This approach means moving to a single price for the buying and selling of fund units, thereby eliminating 'box profits' earned by the Group. In addition, research costs previously borne by funds, and therefore, clients, will now be borne by Jupiter without a consequential price change. These changes are important steps in the evolution of our unit trust pricing structure, increasing transparency and further demonstrating the value we bring to clients as we diversify and grow.

Implementing these changes will take some time. Through 2017 we will work with our service and research providers on the implementation steps. Our expectation is that in 2017 we will incur implementation costs, with the charges being effective from 2018.

INTERNATIONAL

Continental Europe includes some of the world's largest economies and has a substantial mutual fund market. Assets in European mutual funds (cross border UCITS funds) total €1.1 trillion, and have stayed flat since the end of 2015. Fixed income funds are more popular than in the UK and make up the largest proportion of these assets at 41% of total assets. Equity and multi-asset funds represent 39% and 11% respectively (source: Simfund). Net flows into UCITS were positive for the full year at €1.6 billion, with inflows into absolute return and multi-asset funds but outflows from equity funds.

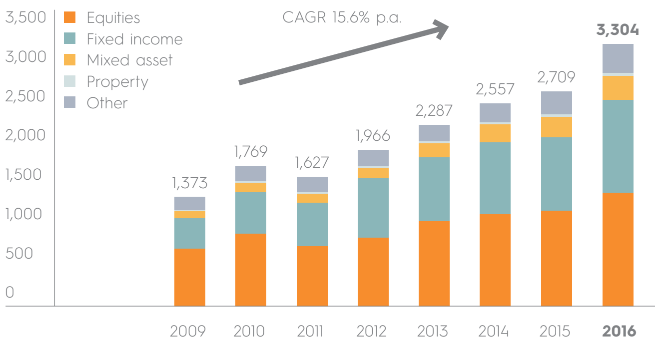
Appetite for different products varies between countries. Although equity funds are the biggest proportion of European assets they are less popular in Italy, for example, where there has been a tradition of cautious investment in government bonds and real estate. More generally, an environment of negative real interest rates is pushing European investors away from traditional savings products and towards products that offer better returns.

Retail and private banks are the main distribution channels in continental Europe, followed by financial advisers, insurance companies, platforms and direct sales. In France, Spain and Switzerland, open architecture has developed mainly via funds of funds, while in Italy and Germany, financial advisers are taking a larger proportion of sales, with guided architecture a growing trend.

International fund managers have built good positions in many European markets, helped by UCITS passporting. This allows them to run funds on a cross-border basis, without needing a presence in each country where funds are domiciled. Jupiter has a UCITS passport, allowing us to act as the management company for our Luxembourg-based SICAV range. It remains unclear whether UK fund managers will retain passporting rights after the UK leaves the EU. This is not expected to be a significant issue for Jupiter, although some restructuring of legal entities may be necessary.

After Europe, Asia is the second-largest cross border mutual fund market in the world, with total cross border mutual fund assets of £0.2 trillion. Hong Kong is the largest market in the region, followed by China, which is growing rapidly, and Singapore. While there is no common regional framework like European UCITS, there are moves towards mutual recognition of funds and regional passporting, which will further open up these markets.

International AUM (£bn)



Source: Simfund. Figures exclude money market funds, cross-border markets only.

Distribution in Hong Kong is largely achieved through retail banks, while Singapore is dominated by private banks. Global financial institutions have a significant presence in the region, enabling mutual fund providers such as Jupiter to leverage relationships developed in other markets. Although product preferences in Asia vary by country, Asian and emerging market equity funds tend to be popular, as are bond funds. Holding periods tend to be shorter than in the UK and Europe.

Jupiter's position

Jupiter's approach of diversifying the business, including by geography, has given us a growing presence in key markets in Europe and Asia, and our international business provided all of our net inflows in 2016. Going forward, our focus will be on increasing our penetration of the markets we are in, by building on existing relationships with distribution partners, targeting new intermediaries and continuing to expand the range of funds we offer internationally.

Fee transparency and clarity of demonstration of value to clients is critical in all markets we operate in. Last year, we simplified the fee structure of our SICAV range. As outlined on the previous page, we plan to take a consistent approach to all research costs by bearing them ourselves within Jupiter's accounts. Whilst discussed in the context of unit trust pricing, the change is relevant across all product lines.

STRATEGIC OBJECTIVES

Jupiter's strategy is focused on delivering organic growth

As an active asset manager, our primary strategic objective is to deliver value to clients through outperformance after all fees. Clients access this expertise through fund products sold primarily through our distribution partners. We deliver attractive returns to shareholders by leveraging our scalable platform. We continue to diversify our business by product, client type and geography, increasing the resilience of our business model.

1 INVESTMENT OUTPERFORMANCE

Creating value for clients after fees, leading to further demand for our investment products

WE DO THIS BY

- attracting and retaining the best people, carefully managing talent and performance, behaving in an ethical manner and aligning rewards with the interests of clients and shareholders
- organising our investment team into clear strategies and enabling the sharing of ideas and information
- preserving our culture of investment freedom and individual accountability in a team environment
- creating products, applying strategies and operating in asset classes that give us the ability to deliver outperformance and that cannot be replicated by passive strategies
- carefully managing risk and compliance

KEY PERFORMANCE INDICATOR

66%

Percentage of our AUM above median over three years

THE RISKS TO OUR STRATEGY

- Sustained underperformance
- Failure to retain key staff
- Markets in which we operate no longer support active asset management strategies

2 EFFECTIVE DISTRIBUTION

Providing the right products to clients through the appropriate distribution channels

WE DO THIS BY

- maintaining and developing our product range, to provide strategies suited to different market conditions
- investing in our brand, to increase recognition by intermediaries and clients, driving demand for our products
- building our UK business through sales and marketing focused on IFAs and wealth managers
- building our international business by adding to our sales and client service teams, enabling us to add new distribution partners and to leverage our existing distribution partner relationships in new markets
- making our products available in more markets, by creating new share classes that are appropriate for local requirements

KEY PERFORMANCE INDICATOR

£1.0bn

Net inflows

THE RISKS TO OUR STRATEGY

- Client trends to passive products
- Changes to key channels to market
- Sustained underperformance
- Cost of regulatory change

3 EFFICIENT OPERATIONS

Investing in efficient operations through our scalable platform, enabling profitable growth

WE DO THIS BY

- operating a single infrastructure platform, designed to support a growing business and its governance and regulatory compliance requirements
- investing in that platform to ensure that it continues to be scalable and that we can respond to change in our markets
- making selective investments in developing our people, brand and operations, according to market conditions and our income levels at the time, so as to maintain stable adjusted EBITDA margins across the cycle
- continued investment in operational efficiencies, such as outsourcing or improved technologies, at the right point in the business cycle

KEY PERFORMANCE INDICATOR

49%
Adjusted EBITDA margin

THE RISKS TO OUR STRATEGY

- Operational error, business continuity incident or fraud
- Failure of third-party supplier
- Counterparty failure
- Failure to implement changes to our operating platform as planned or as required by regulation
- Cost of regulatory change

4 VALUE CREATION

Creating value for shareholders through growing dividends and capital appreciation

WE DO THIS BY

- successfully implementing our first three strategic objectives, resulting in a growing pool of available profit for distribution
- having a remuneration philosophy that enables us to align employees' interests with the interests of clients and shareholders
- running a sustainable balance sheet over the cycle
- sharing the rewards of growth with our investors through ordinary dividends, supplemented by special dividends, depending on the size of our residual earnings or any one-off receipts

KEY PERFORMANCE INDICATOR

27.2p
Dividends per share

THE RISKS TO OUR STRATEGY

- Failing to achieve our other three strategic objectives

MANAGING OUR RISKS

Managing risk, growing performance

The Board has ultimate responsibility for risk management

To help the Board discharge its responsibilities, the Group has a comprehensive approach to identifying, monitoring, managing and mitigating risk, which is described in the Governance Framework section.

Our Enterprise Risk Management framework clearly defines essential information about the Group's risks and provides a process for escalation through our governance structure, which enables continuous and robust oversight by the Audit and Risk Committee and the Board.

An important part of the Board's remit is to determine our risk appetite and the tolerances within which we must operate. This is defined as the amount and type of risk we are willing to accept in order to achieve our strategic and business objectives.

At least once a year, the Board formally considers its risk appetite, taking into account our strategic plans, the business environment and the current and likely future condition of our business and operations. The Board sets our appetite for eight categories of risk. These are:

- Strategic risk
- Investment risk
- Operational risk
- Conduct risk
- Regulatory risk
- Counterparty/credit risk
- Balance sheet risk
- Reputational risk

Definitions of these categories can be found in the Governance Framework section. As a business, we have a relatively low appetite for risk, and particularly for regulatory, conduct and reputational risk.

Our risk management process identifies the most significant risks we face. All key risks have a named owner, which is either a member of the Executive Committee (ExCo) or, for a small number of risks, the ExCo as a whole. We define the potential impact of each key risk and monitor it using key risk indicators (KRIs). We set our thresholds for each KRI and use them to keep the Board informed about the Group's position in relation to its risk appetite, so we can take action if it seems likely we will exceed this appetite.

The table opposite shows the top ten risks that we face, along with the Board's rating of each risk and how the significance of the risk has changed during the year. All our top risks fall into the strategic, investment, operational and regulatory categories.

	OWNER	BOARD RISK RATING AT YEAR END 2015	BOARD RISK RATING AT YEAR END 2016
STRATEGIC RISK			
Failure to deliver strategy	Chief Executive Officer	Low	Medium
Ability to attract and retain critical staff	ExCo	Low	Low
Changes in distribution trends	Head of Distribution	Medium	Medium
INVESTMENT RISK			
Sustained market decline	ExCo	Low	Low
Sustained fund underperformance	Chief Investment Officer	Medium	Low
OPERATIONAL RISK			
Failure to enhance operating platform to support future business requirements	Head of Operations	New to top 10 in 2016	High
Operational control environment	Head of Operations	Low	Medium
Failure of critical outsource partner	Head of Fund Operations	Medium	High
Cyber crime	Chief Executive Officer	High	Medium
REGULATORY RISK			
Regulatory Change	General Counsel	Low	Medium

STRATEGIC RISKS

RISK	**FAILURE TO DELIVER STRATEGY** The risk of failure to achieve our strategic objectives which would impair our ability to deliver value to our stakeholders.	**ABILITY TO ATTRACT AND RETAIN CRITICAL STAFF** The risk of failure to attract or retain the people critical to successfully executing our strategy, including continuing to deliver investment outperformance.
POTENTIAL IMPACT	A failure to achieve one or more strategic objectives could result in a reduced pool of available profit for reinvestment and distribution to shareholders. This would limit growth and potentially long term viability.	The unplanned departure of a member of our leadership team could lead to significant redemptions from our funds, failure to deliver our strategy or failure to run our business efficiently, resulting in a material impact on corporate performance.
MITIGATION/ CONTROLS	The Board sets the strategy and is responsible for ensuring the Group has the right structure, leadership and culture to execute it. The Board and the Executive Committee regularly review the strategic options, opportunities and threats. Plans, budgets and targets are set to be aligned with delivery of the strategic goals. Progress is monitored and where necessary corrective action is taken.	Our culture is a key differentiator for us, enabling us to attract, motivate and retain talented individuals, which in turn drives outperformance. We give autonomy coupled with personal accountability, and encourage independence of thought and challenge. Our investment function is arranged around 12 strategies, providing a framework for repeatable performance, but the teams themselves are small and nimble. This culture and structure gives us clarity of purpose. We actively manage succession and transition. We believe that high levels of engagement and equity ownership encourage our people to take personal responsibility for their work and to strive to enhance our business. We maintain a remuneration philosophy and approach that continues to promote a strong culture of performance and alignment of employees' and shareholder interests.
2016 IMPACT	Good progress was made in delivering our organic growth strategy, which enabled us to pay the ordinary and special dividend, while maintaining sufficient resources to continue to invest in our operating platform and to support growth opportunities.	Recruitment was again an important theme in 2016 with a number of appointments made to further strengthen our leadership and investment management teams. Employee engagement continued to be a core focus for 2016. We implemented a number of initiatives identified through the employee survey, including improvements to internal communications and the career development framework.

INVESTMENT RISKS

CHANGES IN DISTRIBUTION TRENDS	SUSTAINED MARKET DECLINE	SUSTAINED FUND UNDERPERFORMANCE
The risk of client demand switching to products we do not provide. The risk of critical distribution partner relationships no longer generating client demand or retaining clients.	The risk of a severe market and economic downturn which affects all fund managers and all asset types across all geographic markets.	There is a risk that our clients will not meet their investment objectives, due to poor relative performance by one or more of our funds.
Our ability to generate fund inflows and prevent outflows may be jeopardised by fundamental changes in distribution patterns or by a sustained market preference for products we do not offer. This would have a detrimental impact on profitability and shareholder value.	A secular downturn could result in a reduction in assets under management leading to a decline in revenue and capital levels. There may be additional outflows as investors switch to non-financial assets.	Weak financial markets specific to our funds or poor performance by our fund managers may lead to our products being uncompetitive or otherwise unattractive to new or existing clients. This could result in both outflows (and the related decline in revenues) and a failure to attract new business.
We continually analyse our markets to ensure we maintain a diverse product suite that appeals to existing and potential clients. We focus on investment outperformance after fees. In response to the rising demand and supply of passive investment products, we focus on the clear differentiation of our active strategies and routes to markets where active solutions are in strong demand. Our well-defined product development process enables us to deliver new products or enhancements, so we can target client groups in a timely and efficient way. We continue to diversify our client base, distribution partners and channels.	Our investment philosophy allows our fund managers to pursue their own investment styles and the flexibility to adjust strategies as far as possible to retain value during unfavourable market conditions. We have a broad range of investment strategies which enables us to offer products suitable for different market conditions. We regularly review our discretionary expenditure and cost base to ensure sustainability. Our strong capital position and relatively low cost base means we are well placed to cope with this risk.	Jupiter maintains a diversified range of flexible investment products, and aims to deliver value to our clients across different market conditions. Our investment process seeks to meet investment targets within clearly stated risk parameters. Our Investment Risk team works closely with portfolio managers to challenge fund risk profiles, assess the risks across the portfolios and to further develop our capabilities. This challenge process is formally reported to, and overseen by, our Risk Committee, which meets quarterly (and more frequently when required).
Our strong position in the UK provides a stable and profitable base from which we can grow internationally. In recent years, we have increasingly complemented our UK business with overseas growth, as we optimise existing relationships with large distribution partners in new countries and create products that appeal to clients in multiple geographies.	The impact of a severe economic recession that might be expected to occur once in 25 years was included in our assessment of capital adequacy in 2016. The analysis concluded that Jupiter could continue to pay dividends as usual and would remain adequately capitalised over the three year planning horizon without needing to raise additional capital.	As described in the Our Strategic Performance section, 66% of our mutual fund AUM achieved above median returns over a three-year period. Continued diversification of fund management asset classes and strategies enabled us to reduce this risk to low in 2016.

OPERATIONAL RISKS

RISK	**FAILURE TO ENHANCE OPERATING PLATFORM TO SUPPORT FUTURE BUSINESS REQUIREMENTS** Failure to make the investment and changes required to maintain a scalable and robust operating platform fit for running and growing our business.	**OPERATIONAL CONTROL ENVIRONMENT** We could suffer a material error executing a key business process, or from our systems or business premises being unavailable.
POTENTIAL IMPACT	An inadequate operating platform or poorly implemented changes to the platform could restrict our ability to operate effectively, to grow existing strategies or to implement new strategies quickly and efficiently. It may give rise to operational errors which could be costly from a financial, reputational and regulatory perspective.	A significant error or breach of a client agreement may result in additional costs to redress the issue. The unavailability of our key systems or business premises could mean we are unable to act on behalf of our clients and/or perform other time critical activities to ensure the smooth running of our business.
MITIGATION/ CONTROLS	We have established a robust project governance structure, to effectively manage and oversee further investment in, and changes to, our operating platform. This includes extensive planning, preparation and well managed implementation testing and effectiveness assessments. We have committed considerable focus and resource to ensuring disruption to existing operational activities is kept to a minimum as we implement changes.	We have efficient and well-controlled processes and maintain a comprehensive Enterprise Risk Management framework as described in detail in the Governance review. We have continuity and business resumption planning in place to support our critical activities. We have implemented remote working, including core system access for all our essential staff if they cannot travel to our offices. If our normal business systems or premises become unavailable, we have alternative premises including a dedicated office suite equipped with all of our critical business systems.
2016 IMPACT	In 2016, we took significant steps in designing further upgrades to our current operating platform. This implementation will start in 2017. The successful implementation of these upgrades will further improve efficiency and scalability, while reducing the risk of operational errors. We have initiated this risk with a high rating given the work we are undertaking in 2017.	Focus on controlling potential operational risks continues, with work within our operations teams to enhance management through better processes and closer inter-department interaction. The risk rating was increased to medium to recognise the inherent risk to existing business processes when implementing operating platform upgrades.

REGULATORY RISK

FAILURE OF CRITICAL OUTSOURCE PARTNER	CYBER CRIME	REGULATORY CHANGE
The failure or non-performance of a third party provider who we rely on for business processing may lead to us failing to deliver the required service to our clients and/or regulatory non-compliance.	The risk that a successful cyber-attack or fraud attempt could result in the loss of clients' assets or data or cause significant disruption to key systems.	The risk that changes in regulation restrict or impact our ability to do business or that we fail to implement changes required to meet new regulatory requirements.
Our relationships with stakeholders may be jeopardised if we provide inadequate service, resulting in the loss of clients or regulatory or financial censure.	A significant attack could undermine client confidence in our ability to safeguard assets, which could affect our ability to retain existing clients and attract new business. This could drive negative financial consequences.	Our ability to do or support our business may be inhibited, which could lead to negative financial consequences. Regulatory censure and the related negative publicity could damage our clients' confidence in us and affect our ability to generate new business.
We subject all third parties who provide us with critical services to a high level of ongoing oversight, through our established Supplier Management framework, giving us assurance that they meet our required standard. Jupiter has formal guidelines for managing and overseeing all third-party relationships, ensuring they receive a level of scrutiny that reflects their potential risk to our business. The risk team continues to evolve its approach to overseeing these relationships, with resource and focus more clearly defined in relation to key suppliers.	Jupiter commits considerable human and technological resources to preventing a cyber security incident. Our server environments are housed in two data centres provided by a specialist third party and offer fully resilient and secure facilities. We have established a security awareness programme to extend knowledge and understanding within the business. Jupiter applies best practices from the ISO 27001 controls framework with additional reference to SANS Critical Security Controls in order to prioritise our technology defences. We have produced an extensive Cyber Security Incident Response plan to ensure departmental heads can adequately respond to the growing threat of cyber crime.	We continually monitor regulatory developments to assess potential business implications. We invest in the expertise, systems and process change necessary to enable changed regulatory requirements to be complied with by required dates. We maintain a robust compliance culture and require all relevant employees to undertake training on regulatory matters. Our Compliance department's monitoring programme ensures we adhere to regulatory controls.
Client Assets (CASS) is an area under particular review. Following new regulatory requirements and the FRC's new CASS Assurance Standard in 2016, significant progress has been made with redesigning the controls environment at both Jupiter and our third party provider. We have raised this risk to high as a result.	In 2016, Jupiter successfully achieved the Cyber Essentials Plus accreditation, an initiative backed by the Government, augmenting our earlier Cyber Essentials certification, enabling us to reduce this risk to medium.	Work continued through 2016 to enhance and embed our conduct risk framework. We made significant investments in projects to ensure we make the changes necessary to our operating platform to deliver continued compliance with regulation as it changes. In 2016 the focus was on our MiFID II implementation programme. This risk has increased to high because of the regulatory projects that will be implemented in 2017.

OUR STRATEGIC PERFORMANCE

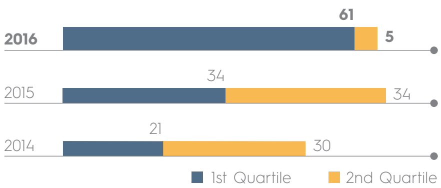
Delivering value to clients

1

INVESTMENT OUTPERFORMANCE

66%
of our mutual fund AUM performing above the median over three years

Three year performance
percentage of our AUM above median (%)



OUR PRIMARY FOCUS

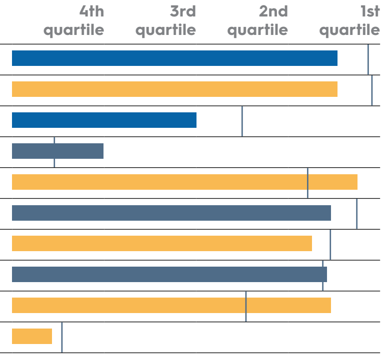
Jupiter is focused on delivering value to our clients through investment outperformance after fees. Clients typically see three years as the key period for measuring investment performance. At 31 December 2016, 23 of our mutual funds, representing 66% of our mutual fund AUM, had delivered above-median performance over three years (2015: 27 mutual funds, representing 68% of mutual fund AUM). Within this, 61% of our mutual fund AUM achieved first quartile performance. Over one year, 21 mutual funds representing 55% of mutual fund AUM were first or second quartile (2015: 31 mutual funds, representing 84% of mutual fund AUM).

The chart below shows three-year investment performance for our ten biggest funds, each of which has more than £1bn of assets. This shows the benefit of our strategy to diversify by product type, with a range of different bond, equity and multi-asset funds contributing to our strong investment performance this year.

Investment performance in our largest mutual funds (£m)

This chart breaks down the AUM, 2016 net flows and three year investment performance for mutual funds with AUM in excess of £1bn.

Fund name	AUM at Dec 2016	YTD net flows	3 years returns
Dynamic Bond	£6,209m	£1,776m	12%
European	£3,780m	(£56m)	37%
Strategic Bond	£3,407m	£542m	13%
Merlin Income	£3,169m	(£958m)	15%
Income Trust	£2,283m	£26m	27%
Merlin Growth	£1,961m	(£222m)	32%
European Growth	£1,655m	(£302m)	30%
Merlin Balanced	£1,655m	(£101m)	29%
UK Special Sits	£1,525m	(£26m)	27%
UK Growth	£1,446m	(£148m)	9%



Source: Jupiter Performance Analytics — Equities, Multi asset, Fixed income

The bars in the graph show our current quartile ranking and the vertical bar shows our position as at 30 June 2016

The charts below demonstrate our ability to generate outperformance after fees against the market and passive funds. This is an illustration focusing on our equity funds; it is not intended to be a comprehensive comparison. The first chart compares the performance of 17 Jupiter equity-only funds against other active funds, index funds and 'benchmark huggers', which are notionally active funds whose performance is highly correlated with their index. Over five years, we have outperformed other active funds in sectors where we have a presence and significantly beaten indexed funds and benchmark huggers, after accounting for fees.

The second chart compares the annualised performance of a range of individual Jupiter funds against their sectors. These are the eight largest equity funds that have a five year performance history. When compounded over five years, this outperformance after fees adds considerable value for our clients. Equivalent three year charts would demonstrate a consistent pattern.

External research also demonstrates the quality of our investment performance. In January 2017, Ignites Europe analysed Morningstar ratings, which measure risk-adjusted performance relative to peers. Jupiter ranked fifth out of the 50 largest active fund houses in Europe.

Our culture is a key differentiator for us, enabling us to attract, motivate and retain talented individuals, which in turn drives outperformance. We give autonomy coupled with personal accountability, and encourage independence of thought and challenge.

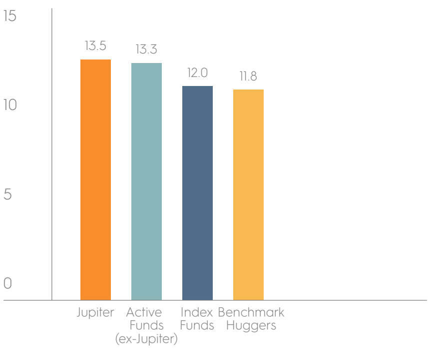
This culture helps avoid concentrations of risk and managers are able to employ their own individual strategies. As an illustration, in the run up to the UK's referendum on EU membership, our investment managers and analysts were empowered to position their strategies as they saw appropriate and within the Risk Management framework. As a result, our funds did not respond to the Brexit decision in a uniform way. Whilst some funds were negatively impacted, others were more neutral or were positively impacted.

We continued to recruit experienced investment professionals during 2016. Specifically, we hired a Head of Investments, Alternatives who has responsibilty for developing our capability in this strategically-important asset class. We also recruited a lead emerging market debt manager, adding significantly to our expertise in this area.

Careful succession planning is crucial for maintaining our investment performance. In May, Dan Carter became lead manager of the Jupiter Japan Income Fund, having previously been the fund's deputy manager.

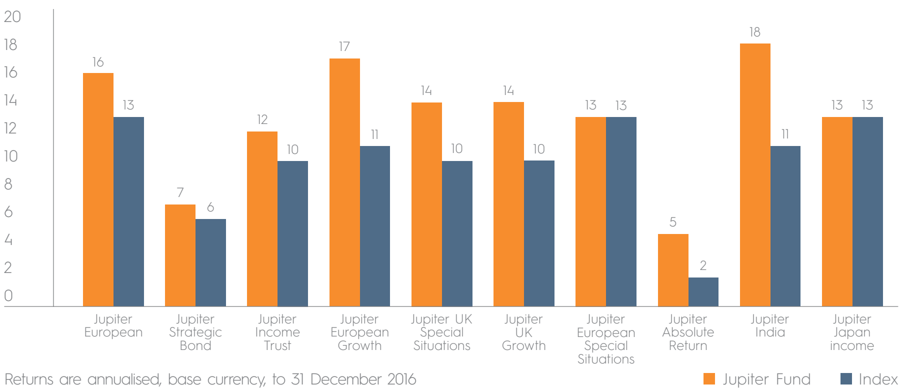
Our product specialists play an important role in communicating with distribution partners and other third parties and also freeing up fund manager time to enable them to focus on their core deliverables. We added three product specialists in the year, to support strategic areas of growth: UK equities; global emerging markets and Asia; and fixed income and multi-asset funds. These hires bring our product specialist team to full strength.

Five year AUM weighted performance (%)



Source: Morningstar Direct as at 31 December 2016

Five year fund performance after fees (%)

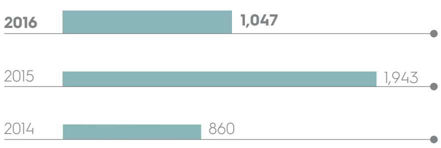


Returns are annualised, base currency, to 31 December 2016
Source: Morningstar Direct

2
EFFECTIVE DISTRIBUTION

£1.0bn
Net inflows

Net inflows (£m)



ASSET GROWTH

Turning performance into fund inflows drives our growth. Despite a backdrop of market uncertainty and restrained activity for much of 2016, our mutual fund franchise delivered net inflows of £0.9bn for the year. This was lower than in 2015, but the 9% increase in gross inflows was encouraging, despite the lower net impact.

Sales performance continued to benefit from our strategy of geographical diversification, with around half of gross inflows and all of our net inflows coming from our international operations. As a result, our SICAV AUM continued to grow and stood at £9.4bn at 31 December 2016 (31 December 2015: £6.9bn), representing 26.8% of our mutual fund AUM.

The table below breaks down our net flows by product type:

Net inflows/(outflows) by product (£m)	2016	2015
Mutual funds	859	2,099
Segregated mandates	207	(230)
Investment trusts	(19)	74
	1,047	1,943

The most significant inflows to our mutual funds came in fixed income and absolute return strategies. In the UK, we continued to see strong gross inflows, but these also suffered outflows in fund of funds and European strategies. Our UK gross sales market share in fixed income strategies increased from 5.4% in 2015 to 8.8% in 2016, and from 6.8% in 2015 to 9.1% in 2016 in cross-border markets. We have been promoting our absolute return strategy and it resulted in our UK gross sales market share rising from 0.6% in 2015 to 2.2% in 2016; a SICAV was launched in 2016 for the cross-border markets.

Our AUM increased by £3.8bn through market and exchange rate movements, resulting in total AUM at the year end of £40.5bn (31 December 2015: £35.7bn). The table below breaks down our AUM by product type:

Assets under management by product (£bn)	31 December 2016	31 December 2015
Mutual funds	35.2	31.2
Segregated mandates	4.2	3.5
Investment trusts	1.1	1.0
	40.5	35.7

Our distribution strategy is built around our distribution partners. In the UK, we continue to evolve our sales team to ensure it works to maximum effectiveness. This allows us to focus appropriate resource on our larger relationship partners, while ensuring we provide the right level of support across all our distribution partners. We have also looked to increase the number of products selected by distribution partners, by effectively communicating the breadth and quality of our product range.

In 2016, we had positive flows of £0.2bn in segregated mandates. We won business in the UK and Germany, and are gaining traction in Asia. We see opportunities to expand our presence in the institutional market, both in the UK and internationally. We are investing further in the build out of our institutional proposition, and this will continue into 2017.

To enter new geographical markets, we draw on our existing relationships with large distribution partners such as international banks. Once we are established, we add local distribution around these global networks, in line with our strategy to diversify our business by client type. In 2016, we opened a branch in Italy, which is one of the largest markets in Europe for cross-border mutual fund flows. We have hired two senior salespeople in Italy, who bring with them extensive relationships with key distribution partners in the Italian market. We also opened a branch in Spain, with our former tied agent in the country becoming a Jupiter employee, and recruited a second salesperson to work alongside him.

Our growth in Germany, Switzerland and Austria demonstrates the success of our geographical expansion strategy. We now have £2.8bn of AUM in these three countries, compared with just £0.6bn five years ago. In Germany we continued to expand our distribution this year, with our salespeople visiting banks and financial advisers around the country, and attending conferences and roadshows. In Switzerland we have new staff who are focused on the Zurich market.

In Asia, private banks continued to be our main distribution partners and provided us with strong inflows. During 2016, a large international bank, appointed at the end of 2015, became our largest distribution partner in Asia. We continue to target the retail market in Hong Kong and successfully signed two retail distribution partners this year. In addition, we ran outdoor and digital campaigns to raise the profile of our brand.

During the year, we continued to enhance our investment offering in sectors with accessible scale, where we believe we can add value through investment outperformance. New products included the Asian Income Fund, a UK Dynamic Growth Fund, a Global Ecology Diversified Fund and an Absolute Return SICAV to complement the successful unit trust. The Asian Income Fund was the most successful equity unit trust launched in the UK during the year, with assets of £0.3bn at the year end.

Our strategy of product diversification has proved highly successful in recent years. At the end of 2016 we had ten funds with assets of more than £1bn, with total assets between them of £27.1bn. This compares with six funds over £1bn at the end of 2012, with assets of £12.5bn. Our growth in fixed income has been particularly notable. At the year end, assets in our Strategic and Dynamic Bond Funds totalled £9.6bn, compared with £0.2bn five years earlier.

3

EFFICIENT OPERATIONS

49%
Adjusted EBITDA margin

EBITDA margin (%)

SCALABLE OPERATING MODEL

Our adjusted EBITDA margin was down slightly at 49% in 2016, (2015: 51%) but remains in line with our target across the cycle. This reflected the resilience of our business model, despite changeable market conditions during the year, and some increases in fixed costs. These resulted from our office move, the full-year impact of the costs associated with the Group's management of its SICAV funds and investment in our operating model, including regulatory change. We also implemented a number of cost discipline measures in the year to help maintain our profitability. More information on our performance can be found in the Financial Review.

Our key focus in 2016 was defining the requirements for the next stage of development of our scalable operating platform. This development programme will take place through 2017 and into 2018. The tools we will introduce will enhance flexibility, supporting growth in our product suite and enabling us to respond efficiently to changing regulation.

It will also streamline the sharing of data across our business functions and introduce an enhanced set of tools which will use that data to perform functions throughout the investment and client service lifecycle. For example, it will give our fund managers better portfolio modelling tools and make it easier and faster to change investment weightings across multiple portfolios. In addition, it will enhance our risk oversight, giving us an immediate and comprehensive analysis of all our risk positions.

While we will begin the implementation phase in 2017, there will be a required period of bedding in and parallel running the systems, which will lead to dual payments on licences and similar costs. As we move into 2018 and 2019, these dual payment costs will fall away and the scale benefits of the improved platform are expected to drive financial benefits as further business growth can be supported.

During 2016, our other focus was on the data clean up required ahead of our platform development. This was also necessary for meeting new regulatory requirements such as MiFID II and EMIR. At their heart, we see these regulatory changes as being data management initiatives. We strongly believe in embedding solutions to these initiatives within ongoing business activity, rather than through one-off pieces of work. We therefore established a central team to oversee the implementation of greater focus on single, golden sources of data.

Efficient operations depend as much on people as they do on systems and processes. During the year, we hired experienced people to augment our existing talent. The new hires were primarily in investment operations, to support growing areas such as fixed income and institutional business, and within our technology function. This has enabled us to reduce the number of consultants and contractors we employ, improving efficiency and helping us to retain knowledge and skills within Jupiter.

We have also continued to invest in our IT infrastructure. This included further enhancements to our virtual servers, to increase cost efficiency, as well as ongoing investment in scaling our network and in cyber security.

We continue to use third party outsourced service providers for critical parts of our fund operations.

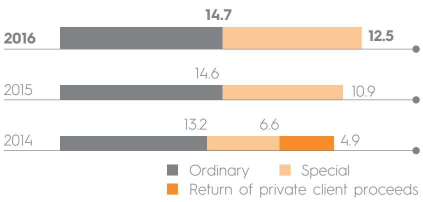
Our move to the Zig Zag building at the end of 2015 is delivering the benefits we expected. It offers a high-quality working environment and has considerably improved internal communication. This helps our people to exchange ideas, which is a key part of our investment culture, as well as helping our functions to work effectively together.

Corporate Fitness is our approach to helping our people work in a better, faster and more agile way. It includes principles and guidance to help them manage their time and work/life balance and to delegate effectively. It also encourages our people to focus on the output and impact of their work. Corporate Fitness is now fully embedded into our culture and is working well. As part of this agenda, we continue to look at how we support working parents and women returning from maternity leave.

4
VALUE CREATION

27.2p
Dividends per share

Dividends per share (p)



SHARING THE REWARDS OF GROWTH

Jupiter's business looks to create value for shareholders through growing dividends and capital appreciation. Successful delivery on the three strategic objectives of investment outperformance, effective distribution and efficient operations contributes to the successful delivery of our fourth objective, as this will ensure a growing pool of available profit for shareholders.

Alongside this, we have a remuneration philosophy that enables us to align employees' interests with the interests of clients and shareholders, an important facet of any business that is reliant on its people for corporate success, which also improves our ability to offer investors a sustainable return.

The rewards of profitability and growth are shared with our investors through ordinary dividends, supplemented by special dividends which vary as our residual earnings vary. We ensure the sustainability of our delivery to shareholders of the ordinary dividends by running a sustainable balance sheet over the cycle. This balance sheet approach is designed to provide investors with progressive returns from the ordinary dividend as well as giving us a comfortable surplus over and above our legal or regulatory capital requirements.

ATTRACTING AND RETAINING TALENTED INDIVIDUALS

Underpinning our strategic objectives are the people who work within the firm. Jupiter relies on its people to create value for investors and we believe every person across the firm matters. As a whole, these people create the culture and values of the organisation, which are key to the successful delivery of value. For example, the culture of autonomy coupled with personal accountability fostered within the investment room permeates across the whole organisation, improving both talent retention and acquisition. We aim to maximise the potential and performance of everyone within the organisation and recruit talented people to support the in-house talent we already have.

There are numerous examples of our focus on commitment to developing people, moving them across and through the organisation. For instance, we continue to be part of the Investment 2020 programme, which provides opportunities for people to join Jupiter from a more diverse range of backgrounds than may have traditionally been the case. We run an annual talent assessment, which we completed in November, and have enhanced our talent and development process, with a focus on development plans for individuals.

Our talent agenda helps our people to flourish, ensuring they receive the training and development necessary for their role. We continued to embed and enhance the curriculum during the year. We are also running more bespoke training, including a sales academy which we piloted in 2016. More than 100 people have also been through our line management training, to continue to enhance their management skills. More information on our training and development approach can be found under Workplace in the Corporate Responsibility section.

During the year we focused on implementing the actions from our last employee opinion survey. This included establishing a new employee focus group called Bridging the Gap, which is empowered to create initiatives in areas such as career development. For example, the group is currently piloting an initiative called Pitch for Projects, which will allow people to learn skills and get experience by working on short-term assignments. We have also put considerable effort into improving communication, for example through:

- twice yearly town halls, where everyone is invited to hear presentations from different parts of the business;
- lunches where the Chief Executive meets with groups of people from across the business to ask their views; and
- other events open to everyone to attend, where subject matter experts explain items ranging from career development to new regulations.

Recruitment continued to be an important theme in 2016. In addition to the changes to the leadership team, we further expanded our investment management team and brought in other skilled people to support our growth and to implement regulatory changes. At the end of the year, we employed 497 people, up from 452 at 31 December 2015. We enhanced our workforce planning through our budgeting process, giving us a better understanding of our people and skills requirements going forward. Turnover within our investment team remains low and across Jupiter as a whole is in line with the industry average, at approximately 10%.

We documented our corporate values for the first time in 2015 and continued to embed them this year. To ensure that our values are reflected throughout the organisation, we are enhancing our induction programme for all staff and embedding the values in our core people processes.

OUR VALUES

Our primary responsibility is to our clients who entrust their savings to our management. We aim to protect and grow their assets and provide an excellent service.

Every employee can make a difference to Jupiter. We value individual talent and independent thought and seek to give freedom to employees to deliver. We do this within a team framework where respect, high standards and innovation are key to our high-performance culture.

We aim to make a positive contribution to society as managers of other people's money. We seek to do so by increasing the value of our clients' savings, in the way we run money and by behaving in an ethical manner.

We believe that if we live by our values, Jupiter will be a profitable and sustainable company which provides fair returns to clients, employees and shareholders.

We aim to ensure our people share in the rewards of our growth, while effectively managing risk. During the year we embedded our enterprise risk management framework in all our HR processes, particularly reward. We also ran an internal communication campaign to explain the full range of benefits we offer to our people. This contributed to our nomination for an award for the take up of our share plan.

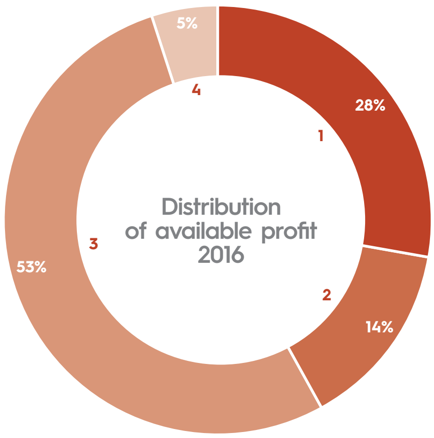
DISTRIBUTION OF VALUE TO STAKEHOLDERS

We continue to distribute available profit in a balanced manner, benefiting both our people and shareholders while also investing for future growth.

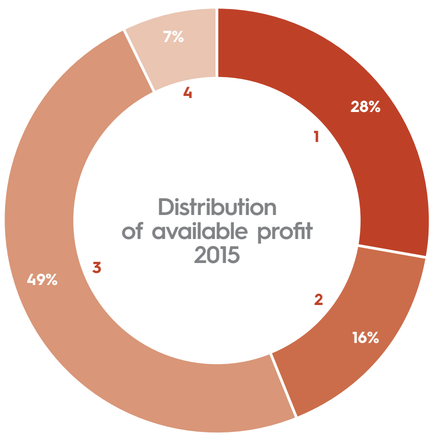
As a result, the distribution pattern of available profit for 2016 across the stakeholder groups was consistent with 2015, as shown in the graphics opposite.

Jupiter shares the rewards of growth with shareholders through a progressive ordinary dividend and through special dividends. Our ordinary dividend policy targets a payout ratio across the cycle of 50% of underlying earnings per share. In 2016, the Board is declaring ordinary dividends totalling 14.7p per share, up from 14.6p per share in 2015. This represents 1% growth, in line with the 1% increase in underlying earnings per share. The payout ratio resulting is 50%.

The Board's policy is to retain up to 10% of pre-variable compensation earnings each year, for investment in future growth. The balance is then available to return to shareholders through special dividends. The Board has therefore declared a special dividend of 12.5p per share (2015: 10.9p), bringing total dividends for the year to 27.2p, an increase of 7% on 2015.



1 Staff reward
2 Corporation tax
3 Shareholders' dividends
4 Retention for investment



1 Staff reward
2 Corporation tax
3 Shareholders' dividends
4 Retention for investment

STRATEGIC REPORT
GOVERNANCE
FINANCIAL STATEMENTS
OTHER INFORMATION

Net management fees continued to rise

Revenues and profit continued to rise, as a result of higher levels of AUM and operational efficiencies.

Our balance sheet and liquidity remain strong.

NET REVENUE

Net revenue (£m)	2016	2015
Net management fees	330.2	300.8
Net initial charges	15.0	14.1
Performance fees	6.2	14.6
Total	**351.4**	**329.5**

Net revenue (see page 30) for the year were £351.4m (2015: £329.5m), an increase of 7% on 2015. This was driven by a rise in net management fees to £330.2m (2015: £300.8m), as organic mutual fund flows and changeable but generally rising markets resulted in average assets increasing by 10%. Performance fees, at exceptional levels in 2015, were £6.2m (2015: £14.6m).

	2016	2015
Net management fees (£m)	330.2	300.8
Average AUM (£bn)	37.8	34.4
Net management fee margin (bps)	**87**	**88**

Net management fees made up 94% of net revenue (2015: 91%). The increase in that proportion in the year was a result of lower levels of performance fees in 2016. The Group's net management fee margin for the year was 87 basis points (2015: 88 basis points), with the continued expansion in lower margin fixed income products exercising downward pressure on the margin, which was partially offset by the full-year impact of the 2015 introduction of an aggregate operating fee within the SICAVs. These factors moved in line with management expectations and within our stated guidance.

We continue to expect net management fee margins to decline by 1-2 basis points a year from 2017, due to the continued expansion of both our international presence and the fixed income component of our AUM. Given the uncertainties inherent in these factors, the rate and gradient of decline remains uncertain.

Net initial charges of £15.0m (2015: £14.1m), which include box profits of £12.8m (2015: £11.1m), were marginally ahead of the prior year.

Performance fees decreased to £6.2m (2015: £14.6m). The uncertain nature of such fees and the modest amount of AUM with performance fee potential (2016: £1.6bn, 2015: £1.5bn) means that the 2015 performance fee level is unlikely to be repeated in future periods, unless a period of outstanding performance on a single fund occurs again.

ADMINISTRATIVE EXPENSES

Costs by category (£m)	2016	2015
Fixed staff costs	48.3	43.5
Other expenses	67.1	52.6
Total fixed costs	**115.4**	**96.1**
Variable staff costs	66.6	66.4
Underlying administrative expenses	**182.0**	**162.5**
Charge for options over pre-Listing shares	0.1	0.5
Office closure costs	–	0.8
Administrative expenses	**182.1**	**163.8**

Underlying administrative expenses of £182.0m (2015: £162.5m) rose by 12%. Within this, fixed staff costs of £48.3m (2015: £43.5m) increased by 11% due to increases in international headcount, key front office hires and investment in our platform and distribution capabilities.

Other expenses rose to £67.1m (2015: £52.6m) due to the full-year cost impact associated with the introduction of the SICAV aggregate operating fee and additional occupancy costs following the relocation to the Zig Zag Building.

We continue to manage our fixed cost base in line with our aim of growing the business whilst continuing to invest in our scalable operating platform.

Variable staff costs (£m)	2016	2015
Cash bonus	42.4	45.5
Deferred bonus	10.6	10.1
LTIP, SAYE and SIP	13.6	10.8
Total	**66.6**	**66.4**
Variable compensation ratio	**28%**	**28%**
Total compensation ratio	**33%**	**33%**

Variable staff costs increased marginally to £66.6m (2015: £66.4m). A reduction in compensation linked to performance fees led to lower overall levels of cash bonus charges being recognised (£42.4m compared to the 2015 charge of £45.5m), but this decrease was offset by increases in deferred bonus and LTIP charges. Variable compensation as a proportion of available profit (see page 7) was unchanged at 28% (2015: 28%). Total compensation, including fixed staff costs, remained at 33% of net revenue (2015: 33%).

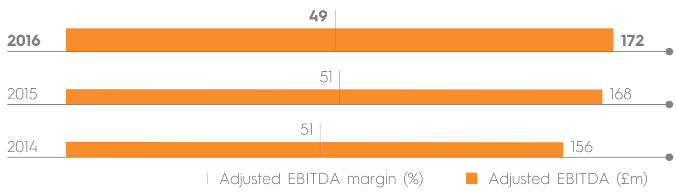
We expect the variable compensation ratio to remain at a high 20% level over the medium term. However, the equity-settled nature of previously awarded deferred bonus and LTIP schemes means that their charges are fixed at the time of grant and subsequently do not change in step with current year performance. In addition, the national insurance levied on these charges is linked to Jupiter's share price, which may also not be correlated to overall profitability. As a result of these factors and also the unpredictability of performance fees, the ratio may differ from this level in future periods.

ADJUSTED EBITDA

Adjusted EBITDA (see page 30) was £171.6m (2015: £168.1m), a 2% increase on the previous year, as higher net management fees were substantially offset by an increase in underlying administrative expenses. The Group's adjusted EBITDA margin (see page 30) decreased to 49% (2015: 51%) as a result of increased investment in our people and premises as well as the introduction of the aggregate operating fee.

Reconciliation of operating earnings to adjusted EBITDA (£m)	2016	2015
Operating earnings	169.3	165.7
Add: charge for options over pre-Listing shares	0.1	0.5
Add: depreciation	2.2	1.1
Add: office closure costs	–	0.8
Adjusted EBITDA	**171.6**	**168.1**

Adjusted EBITDA



OTHER INCOME STATEMENT MOVEMENTS

Amortisation of £3.3m (2015: £3.2m) relating to software and the Jupiter brand name was in line with the 2015 charge. The Jupiter brand name will become fully amortised in June 2017.

The Group earned net finance income of £0.3m (2015: £0.4m) on cash on deposit during the year, less fees relating to the revolving credit facility.

Other gains/(losses) in 2016 included a one-off credit of £5.0m relating to foreign exchange gains arising from the liquidation of two overseas subsidiaries. These gains had previously accumulated in the Group's foreign currency translation reserve in equity and are required to be transferred through the income statement on derecognition of the subsidiaries.

PROFIT BEFORE TAX ("PBT")

PBT for the year was £171.4m (2015: £164.6m). This increase of 4% was driven by a rise in operating earnings (see page 30) and an increase in other gains.

TAX EXPENSE

The effective tax rate for 2016 was 20.5% (2015: 19.7%), slightly higher than the standard rate of UK corporation tax.

We have a published tax strategy, which is available from our website at http://www.jupiteram.com

UNDERLYING PBT AND UNDERLYING EPS

Underlying PBT and underlying EPS are non-GAAP measures which the Board believes provide a more useful representation of the Group's trading performance than the statutory presentation (see page 30).

Underlying EPS (p)

Underlying EPS of 29.4p (2015: 29.2p) increased by 1%, reflecting the Group's increase in net revenue offset by higher levels of fixed costs as a result of the office move and costs associated with the management of the SICAVs.

Underlying EPS (£m)	2016	2015
Profit before tax	171.4	164.6
Adjustments:		
Amortisation of acquired investment management contracts and trade name	1.9	1.9
Charges for options over pre-Listing shares	0.1	0.5
Office closure costs	–	0.8
Realised foreign exchange gains on liquidation of subsidiaries	(5.0)	–
Underlying profit before tax	**168.4**	**167.8**
Tax at statutory rate of 20% (2015: 20.25%)	(33.7)	(34.0)
Underlying profit after tax	**134.7**	**133.8**
Issued share capital	457.7m	457.7m
Underlying EPS	**29.4p**	**29.2p**

The Group's basic and diluted EPS measures were 30.3p and 29.6p respectively in 2016, compared with 29.4p and 28.5p in 2015.

CASH FLOW

The Group has a high conversion rate of operating earnings to cash, generating positive operating cash flows after tax in 2016 of £147.3m (2015: £156.3m). This cash was used to fund the interim dividend and will primarily be used to fund the full year and special dividends to shareholders.

Operating cash flows (£m)

ASSETS AND LIABILITIES

The Group's net cash position at the year-end date was £258.9m (31 December 2015: £259.4m), as cash generated through trading offset the funding of the 2015 final and special dividend payments, the 2016 interim dividend payment, the 2015 compensation round and the share repurchase programme. The share repurchase programme will avoid dilution arising from operating the Group's share-based compensation schemes.

During the year, the Group had no debt (2015: £nil). The revolving credit facility of £50m was renewed in July and extends to July 2019. The facility has not been drawn, but offers us access to additional cash at short notice, should it be required.

We deploy seed capital into funds to help us build a track record from launch or to give small but strongly performing funds sufficient scale to attract external money. As at 31 December 2016, we had a total investment of £58.7m in our own funds (2015: £47.3m) as we maintained seed capital at targeted levels. This excludes £8.3m (2015: £8.1m) of investments in our own funds made to hedge our obligation to settle amounts payable to employees in relation to Deferred Bonus Plan awards. These investments are shown on the Group's balance sheet under the appropriate heading for the relevant level of ownership in each fund. The Group only invests in liquid funds and chooses to hedge market and currency risk on the majority of its holdings of seed capital investments, with 88% of seed capital either hedged or invested in absolute return products. As a result, the value of these investments is stable and available to improve the Group's cash balances and liquidity if required.

EQUITY AND CAPITAL MANAGEMENT

Dividends

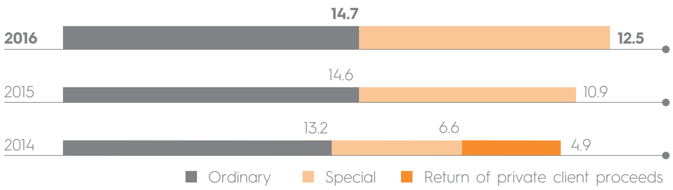
The Board considers the dividend on a total basis, whilst looking to maintain an appropriate balance between interim and full year payouts. The Board's intention is to use profits and cash flow to pay shareholder dividends, to reinvest selectively for growth and to return excess cash to shareholders according to market conditions at the time.

The Group has no debt and the Board considers that Jupiter has adequate buffers over its capital and liquidity requirements. As a result, the Board regularly considers how best to deploy any excess cash that may arise from its operations.

Jupiter has a progressive ordinary dividend policy, and our intention is for the ordinary dividend payout ratio to be around 50% across the cycle. The Board then expects to retain up to 10% of available profit for investment and growth. The remaining balance, after taking account of any specific events, will be returned to shareholders in the form of a special dividend. Jupiter Fund Management plc, the ultimate parent company of the Group, holds significant levels of distributable profit from which dividends can be paid.

Reflecting this policy, the Board has declared a total dividend of 27.2p (2015: 25.5p) per share, representing a 7% increase on last year. We believe our distribution policy and the consequent yield this delivers, allied with our growth prospects, make for an attractive model for shareholders.

Dividends (p)



The Board has declared a full year dividend for the year of 10.2p (2015: 10.6p) per share. This results in a total ordinary dividend for the year of 14.7p (2015 14.6p), an increase in line with underlying EPS and maintaining the ordinary dividend payout ratio at 50%. Due to the increase in profitability in the year, and our robust and well capitalised balance sheet, the Board has decided to retain less than 10% of available profit, declaring a special dividend of 12.5p (2015: 10.9) per share.

The full year dividend payment will be paid alongside the special dividend on 7 April 2017 to shareholders on the register on 10 March 2017. The Board does not seek approval for full year dividend payments at the AGM, which means that full year dividends can be paid alongside special dividend declarations, with the expectation that these can be paid early, before the AGM.

Liquidity

The Group has a robust free cash position, supported by an undrawn RCF and hedged seed capital. The Group has maintained a consistent liquidity management model, with core cash (after earmarked needs) run at levels sufficient for the needs of the business.

Capital

Total shareholders' equity increased by £7.5m to £610.4m (2015: £602.9m) as a result of the Group's continued profit growth. This was partially offset by the payment of the 2015 final and special dividends and the 2016 interim dividend, which totalled £116.8m.

The Group formally assesses its capital position and requirements annually through its ICAAP. The ICAAP document, which is approved by the Board, makes estimations and judgements to establish whether the Group holds an appropriate level of regulatory capital to mitigate the impact of its key risks in the event of these crystallising.

At present, the Group has a comfortable surplus over regulatory requirements, holding qualifying capital of £161m against a requirement of £55m, an indicative surplus of £106m, after allowing for the full year and special dividends.

STATEMENT OF VIABILITY

In accordance with provision C.2.2 of the 2014 revision of the Code, the Directors have assessed the prospects of the Group over a longer period than the 12 months required by the Going Concern provision.

The Directors confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities, as they fall due, up to 31 December 2019. The Directors' assessment has been made with reference to the Group's current position and strategy, the Board's risk appetite, the Group's financial forecasts, and the Group's principal risks and how these are managed, as detailed in the Strategic Report.

The three-year period is consistent with the Group's current strategic forecast and ICAAP. The forecast incorporates both the Group's strategy and principal risks. The forecast is approved by the Board at least annually. This formal approval is underpinned by regular Board and Executive Committee discussions of strategy and risks, in the normal course of business. The forecast is regularly updated as appropriate.

The three-year strategic forecast considers the Group's profitability, cash flows, dividend payments, share purchases, seed capital and other key variables. These metrics are subject to sensitivity analysis, which involves flexing a number of the main assumptions in the forecast, both individually and in unison.

Scenario analysis is also performed as part of the Group's ICAAP, which is approved by the Board. These scenarios evaluate the potential impact of severe but plausible occurrences which reflect the Group's risk profile. Scenarios include:

- sustained underperformance across a range of Jupiter funds;
- the loss of key fund managers; and
- the occurrence of activities breaching regulatory or client requirements.

THE USE OF ALTERNATIVE PERFORMANCE MEASURES ("APMs")

The Group uses the following APMs:

APM	Definition	Reconciliation	Reason for use
Adjusted EBITDA*	Earnings before interest, tax, depreciation and amortisation, adjusted for non-recurring items**	Page 27	A
Adjusted EBITDA margin*	Adjusted EBITDA divided by net revenue	Not applicable	A
Net revenue	Revenue less fee and commission expenses	Page 26	B
Operating earnings	Net revenue less administrative expenses	Page 94	B
Underlying administrative expenses	Administrative expenses excluding non-recurring items	Page 27	C
Underlying EPS	Underlying profit after tax divided by issued share capital	Page 28	C
Underlying profit before tax	Profit before tax excluding amortisation arising from acquisitions and non-recurring items**	Page 28	C
Variable compensation ratio	Variable staff costs as a proportion of available profit (see page 7)	Not applicable	D
Total compensation ratio	Total staff costs as a proportion of net revenue	Not applicable	D

* In previous periods, these APMs were referred to as "EBITDA" and "EBITDA margin"
** Items that are non-recurring are those items of income or expenditure that are not expected to repeat over the business cycle. Where appropriate, such items may be recognised over multiple accounting periods.

A. to present a measure of profitability which is aligned with the requirements of our investors and potential investors and which excludes the effects of financing (interest payable) and capital investment (depreciation and amortisation), enabling comparison with competitors with different accounting policies and debt levels.

B. to draw out meaningful subtotals of revenues and earnings commonly used by asset managers after taking into account items such as fees and commissions payable, without which a proportion of the revenues would not have been earned, and administrative expenses which often have a direct link to revenues through the use of compensation ratios to set remuneration.

C. to present users of the accounts with a clear view of what the Group considers to be the results of its underlying operations, thereby enabling consistent period on period comparisons and making it easier for users of the accounts to identify trends.

D. to provide additional information not required for disclosure under accounting standards. The information is given to assist users of the accounts in gauging the level of operational gearing in the Group and in predicting future variable cost and therefore profit levels.

All APMs relate to past performance.

CORPORATE RESPONSIBILITY

Embedding good practice for commercial success

Being a responsible business is integral to the way we work

Our priorities are our marketplace, workplace, the environment and community.

MARKETPLACE – PROTECTING OUR CLIENTS' INTERESTS

Our corporate values set out our aim of making a positive contribution to society, as managers of other people's money. As part of this, we look to exercise good stewardship on behalf of our clients, to support their investment ambitions and to behave ethically. We believe that our biggest sustainability impact comes from looking after our clients' needs and our engagement with the companies we invest in.

The regulatory environment reinforces our approach. As our business is mainly in the UK, our primary regulator is the Financial Conduct Authority (FCA). It oversees all aspects of our work, from how we run our fund management operations to our client communications. While we also come within the jurisdiction of other regulators overseas, the high standard of UK regulation means that the FCA sets the benchmark for what we do. When we face overseas regulations that are more onerous than in the UK, we comply with the higher standard.

OUR CLIENTS

Jupiter can only succeed by offering products that our clients want and that meet their investment needs; by selling and marketing these products responsibly; and by offering high levels of client service. Ensuring we meet the needs of our clients comes from a combination of our culture and our governance. These are closely linked. Our policies, principles, codes of conduct and our corporate values all inform our culture and align our interests with those of existing and potential clients and our staff.

Our key policies relating to our clients include:

- Treating customers fairly (TCF). TCF is a core FCA principle, which promotes fair treatment of clients from product inception through to marketing and post-sales support. Our TCF policy commits us to dealing with clients honestly, openly and competently, not just as part of regulatory compliance but as a fundamental guiding principle. Our TCF Committee, chaired by our Chief Executive Maarten Slendebroek, ensures that our services meet our TCF obligations and our policy.
- Conflicts of interest. This policy sets out potential material conflicts that we have identified, together with procedures and arrangements to prevent these from creating a material risk of damage to our clients' interests.

IMPLEMENTING OUR POLICIES

We have a number of methods for ensuring we successfully implement our policies. These include:

- training programmes, covering areas such as anti-bribery and corruption, money laundering and market abuse, which employees are required to complete during the year;
- our employee handbook, which provides assistance with contractual terms, expected conduct and our policies;
- our intranet, through which we make our key policies available to our people;
- internal audits, which review our compliance with our legal and regulatory obligations, as well as our own rules;
- supervisory controls, including a TCF sponsor in every client-facing department; and
- our governance framework, including our Board, management and reporting committees with their own terms of reference, which provide us with a robust structure within which we implement our governance and policies.

Our Compliance department monitors our success with implementing our policies, principles and codes of conduct. We review the majority of our policies annually and circulate the updated versions to all staff.

CONDUCT RISK

Conduct risk considers a firm's culture and values, how these influence its behaviour and the extent to which it prioritises client outcomes. The purpose is to ensure that firms do not put their own interests ahead of their clients' interests. Conduct risk therefore covers many aspects of the way we operate, ranging from the culture set by the Board, to designing products appropriate for clients and to the way that employees are remunerated and incentivised.

During 2016, we built upon the conduct risk foundation put in place the previous year: all staff now understand the importance of positive conduct to our business, our clients and distribution partners. In addition, the enterprise-wide approach to conduct risk is currently being embedded into 2017 Business Risk Assessments, to deliver a bottom-up view of conduct risk across the business. These will ensure we strengthen and enhance operational level controls to mitigate potential conduct risks where identified.

OUR APPROACH TO STEWARDSHIP

Effective stewardship is fundamental to achieving the best risk-adjusted returns for our clients. Our investment teams and specialist governance and sustainability analysts work together, to integrate stewardship into our investment approach. All our fund managers are actively involved in voting decisions and our governance dialogue with companies, in partnership with our Governance Research team and our sustainability specialists. We do not view governance themes in isolation but seek to understand how they affect long-term performance.

Jupiter has a formal Stewardship Committee. The Committee aims to develop and deliver a co-ordinated approach to our engagement with companies. The Chief Investment Officer chairs the Committee, which comprises fund managers, the Head of Governance, corporate governance and sustainability analysts and representatives from across the business. The Committee looks at trends in our engagement with companies, the issues that are arising and how we can enhance our processes and information gathering. It also approves our submissions to consultations, for example on changes to the Financial Reporting Council's (FRC) UK Stewardship Code (the Code).

Jupiter is a signatory to the Code. During the year, the FRC conducted a review of asset management signatories to the Code based on the quality of their Code statements. Tiering distinguishes between signatories who report well and display their commitment to stewardship, and those where reporting improvements are necessary. In November 2016, after participating in discussions with asset managers including Jupiter, the FRC announced that Jupiter is included in Tier 1, indicating that we provide a good quality and transparent description of our approach to stewardship and explanations of an alternative approach where necessary.

The Chief Investment Officer also chairs our Sustainability Review Committee, which comprises portfolio managers and sustainability and governance specialists. The Committee oversees the approval of companies for investment in ethically screened, socially responsible or environmental solutions funds. It also reviews our engagement with companies on social and environmental issues and monitors these risks and opportunities across our funds. We have a process to link this analysis of major social and environmental issues to our key holdings. Our approach is that sustainability specialists and investment teams conduct sustainability research in collaboration.

One area we continue to research and engage in is the issue of fossil fuel market trends. In 2016, we analysed the financial impact of changing fossil fuel supply and demand trends, with a focus on how fossil fuel companies are adapting their strategies as a result. We also worked across investment teams to monitor renewable technology cost and policy trends.

During the year, the UN-backed Principles for Responsible Investment (PRI) released its Transparency Report for 2016, in which it assessed Jupiter's wider approach to the PRI's six responsible investment principles. Jupiter once again scored strongly across a number of modules assessed by the PRI. In particular, we received 'A' scores for the Strategy and Governance, Listed Equity-incorporation and Listed Equity-Active Ownership modules.

OUR STEWARDSHIP PERFORMANCE

We monitor the companies we invest in by hosting or attending regular meetings with their executive management. These meetings allow us to question and challenge companies about the issues we think may affect their long-term value.

We also separately engage with company chairmen and non-executive directors. The content of these meetings vary but can include strategy, board effectiveness, remuneration, shareholder rights, culture, values, succession planning and sustainability. This engagement gives us a different perspective on a company's performance and prospects and is a real source of insight, helping us to drive long-term investment performance. Our approach means we build relationships and look to engage before problems arise, rather than holding companies to account after the event. During the year, we engaged with 106 companies to primarily discuss stewardship matters. These meetings were conducted in addition to the 1,000+ meetings held with company management around the financial calendar.

Voting at company general meetings is also an important part of exercising our stewardship responsibilities. In 2016, we voted at 1,275 meetings. Of these, 366 were in the UK and 909 were overseas. We voted against management or abstained on at least one resolution at 15% of UK meetings and 32% of overseas meetings.

As part of our approach to stewardship and responsible investment, we review key themes that could affect the long-term value of companies. In 2016, for example, we considered:

- the risk and opportunities for investors in the auto sector, at a time of unprecedented technological change;
- the global rise of eCommerce penetration; and
- the approach of UK companies to living wage requirements and zero hour contracts.

MORE INFORMATION ON STEWARDSHIP

For a more detailed understanding of our stewardship activities, please visit www.jupiteram.com to view monthly records and download our latest Voting and Engagement Report.

Further information on our approach to corporate governance, corporate responsibility and voting can be found in the Jupiter Asset Management Corporate Governance and Voting Policy and The UK Stewardship Code: Jupiter's Approach, both of which are available on our website.

WORKPLACE – ATTRACTING AND RETAINING TOP TALENT

As a people business, we depend on the skills and experience of our people. More information on our approach to managing our people can be found in the Our Strategic Performance section.

Diversity and inclusion

To us, diversity and inclusion means having the right people, regardless of background, in the right roles. Diversity is the mix; inclusion is getting the mix to work well together. The differences between individuals are valuable, as they promote different viewpoints and ways of thinking, helping us to innovate and make better decisions for our clients. We are committed to increasing diversity within Jupiter and to promoting mutual understanding between our employees. We back this up with a zero-tolerance policy to bullying or harassment, as respect and tolerance are important to our high-performance culture.

Diversity and inclusion remained an important focus for us during the year. Appointments to the Board and to our Executive and Management Committees in 2016 have improved the diversity balance at the highest level of the firm. We recognise that women remain under-represented in the investment management team. This is an issue across the industry and we see developing our own female talent as the most effective solution. We have also signed up to HM Treasury's Women in Finance Charter, which is a commitment to supporting gender diversity. Further details of our goals can be found on our website at: www.jupiteram.com/en/Jupiter-Fund-Management-plc.

The table below analyses our employees by gender:

At 31 December	2016		2015	
	Female	Male	Female	Male
Board	5 (56%)	4 (44%)	4 (40%)	6 (60%)
Senior managers	9 (12%)	63 (88%)	10 (15%)	57 (85%)
Other employees	169 (44%)	218 (56%)	149 (43%)	196 (57%)
Total	183 (39%)	285 (61%)	163 (39%)	259 (61%)

Training and development

We invest in our people through skills training, mentoring and coaching.

Performance management is a key part of our high-performance culture. All our employees take part in six-monthly reviews, where we seek their feedback and assess their performance against objectives and behaviour, in line with our Corporate Values. Together with individuals, we then develop an individual training and development plan.

Our structured learning and development curriculum caters for everyone across the organisation, from support staff to senior managers, and covers the key types of training necessary for each role. We offer both technical and softer skills, such as leadership and presentation skills. The curriculum is now in its second full year. Over 60% of staff have attended internal training courses and more than 90% of those would recommend the courses to colleagues.

In 2016, we launched our People Manager workshops, to enhance the skills of all people managers throughout the firm. We are monitoring attendees' ongoing managerial capability.

In response to our Employee Opinion Survey feedback, we provided Career Planning 'Food for Thought' lunches. In the third quarter, we launched Jupiter's Sales Academy. This initiative aims to drive increased productivity across the sales force. Focusing initially on the sales executive population, both in the UK and internationally, the pilot will encompass six modules over a six month period.

We maintain a robust risk and compliance culture. Our Compliance department's monitoring programme ensures we adhere to regulatory controls. With the increased regulation facing our industry, we have training and communication programmes to ensure awareness and compliance with regulatory changes such as MiFID II, UCITS V and the Senior Managers Regime, and the embedding of our Enterprise Risk Management framework. The training also covers areas such as anti-bribery and corruption, money laundering and market abuse and cyber security, which most employees receive during the year.

All new members of the leadership team are given a full, formal and tailored induction to the business, including meetings with other senior management and advisers. In the case of new Directors, the Chairman, working with the Company Secretary, ensures that training programmes are provided either directly or by the Company through legal and regulatory updates. Non-Executive Directors also have access to external programmes. Jupiter expects Directors to identify their own training needs and to ensure they are adequately informed about Jupiter's business and their responsibilities as a Director. The Chairman regularly reviews and agrees training and development needs with each Director.

HUMAN RIGHTS AND MODERN SLAVERY

We recognise the importance of upholding human rights in our business operations, both in how we as an organisation treat individuals and how we encourage individuals within the Group to interact with each other. This is at the heart of our corporate values. We protect the rights of our employees through our employment policies and practices, which prohibit discrimination and encourage diversity. We protect the rights of our other stakeholders through our insistence on high standards of ethical behaviour. This is embedded in our culture through our policies, principles, codes of conduct and our corporate values.

We expect our suppliers to uphold human rights both in their own organisations and, in turn, in those of their suppliers. In particular, we will not tolerate modern slavery or human trafficking.

Further details can be found on our website at: www.jupiteram.com/en/Jupiter-Fund-Management-plc.

MEASURING OUR ENVIRONMENTAL IMPACT

In 2011, we began working with Carbon Credentials to measure our carbon footprint. Since then, we have gathered data on a variety of emissions sources. The table below presents the operational boundary for our reported GHG emissions in 2016:

Direct emissions (scope 1)	Building gas combustion	Fugitive emissions from refrigeration and air conditioning equipment	Owned vehicles
Indirect emissions (scope 2)	Building electricity consumption		
Other relevant indirect emissions (scope 3)	Business travel	Waste disposal	Water consumption

OUR ENVIRONMENTAL PERFORMANCE

The table below breaks down our GHG emissions by scope. We use the "operational control" approach to consolidating GHG emissions. Our chosen GHG methodology (Defra's Environmental Reporting Guidelines) defines this as operations where we, or one of our subsidiaries, have full authority to introduce and implement our operating policies. We believe this approach incorporates all of our entities with sustainability impacts that are actually or potentially material.

At the end of 2016, Jupiter had physical operations in nine countries. However, we have estimated that the actual or potential sustainability impacts of our non-UK offices are immaterial. We have therefore applied a materiality threshold of 5% for the purposes of reporting GHG data, in line with practice among similar sized firms in our sector.

Key performance indicator	2016	2015	Change (%)
Direct emissions (scope 1)	230.0 tCO_2e	182.4 tCO_2e	26
Indirect emissions (scope 2): location based	1,186.4 tCO_2e	228.7 tCO_2e	419
Indirect emissions (scope 2): market based	0.5 tCO_2e	238.4 tCO_2e	(100)
Other relevant indirect emissions (scope 3)	358.1 tCO_2e	277.3 tCO_2e	29

Note: natural gas and electricity consumption was estimated for the first quarter of 2016, due to delays in commissioning the meters at the Zig Zag building. Natural gas consumption for 2015 was estimated, due to issues with data availability.

Scope 1 emissions increased by 26% in 2016, as a result of a rise of 33% in emissions from natural gas consumption. The growth in scope 2 location-based emissions of 419% is the result of greater electricity consumption. Both these increases are the consequence of our move to the Zig Zag building. Despite the building's sustainable design and fit-out, it has a 17% larger floor area than our previous office and improved comfort levels for our employees, with high internal air quality, dedicated resilient cooling facilities, LED lighting and a 24/7 critical cooling system. All our employees also now have double screens on their desks. We will be engaging with our landlord in 2017 to better understand our energy performance, using sub-meter data, so we can target emissions reductions opportunities.

However, it is important to note that our new office electricity supply is 100% renewable. Under the market-based approach to scope 2 emissions reporting, our electricity emissions are only 0.5tCO2 for 2016. On this basis, our total scope 1 and 2 emissions are 45% lower than in 2015.

Our emissions intensity measure is tCO2e per full time employee equivalent (FTE). Using direct emissions (scope 1) and location-based scope 2 emissions, our emissions intensity in 2016 was 2.99 tCO2e per employee FTE (2015: 0.91 tCO2e per employee FTE). Using direct emissions (scope 1) and market-based scope 2 emissions, our 2016 emissions intensity fell to 0.49 tCO2e per employee FTE (2015: 1.04 tCO2e per employee FTE).

Scope 3 emissions are almost entirely made up of emissions from air travel, which increased by 29% during 2016.

COMMUNITY – SUPPORTING CHARITABLE GIVING

The difference we make in the community is primarily through charitable giving, which we believe is best directed by our employees.

This was the second year of working with our partner charity, the Alzheimer's Society, which was selected by our charity committee at the start of 2015. During the two years of our relationship, we have raised around £40,000 for the Alzheimer's Society. This has come from direct corporate donations and from fundraising events which engaged our employees, including a bake off, a quiz night, a staff versus clients football match and a 'Beat the Boss' bikeathon.

Towards the end of the year, we began the process of selecting our next partner charity, based on nominations from employees. Our aim in selecting a partner charity is to choose an organisation whose work aligns with Jupiter's corporate values and Teach First has been chosen as our next partner charity. Teach First are a charity focused on improving inequality in education primarily through training and supporting new teachers to develop as leaders in schools.

In addition to the Alzheimer's Society, we supported a number of other charitable causes during 2016, including the Jeans for Genes Day and raising money for brain tumour research.

Charlotte Jones
Chief Financial Offficer
23 February 2017

GOVERNANCE

CHAIRMAN'S INTRODUCTION

DEAR SHAREHOLDER,

Jupiter puts considerable emphasis on effective governance, so I am pleased to report on the governance of your Company in 2016.

THE ROLE OF THE BOARD AND OUR CORPORATE VALUES

The Board's role is to set the Group's strategy, ensure it has the right leadership and culture, monitor the performance of the business and oversee its risk management structure. The Board's effectiveness in carrying out this role is supported by its focus on culture, setting the tone from the top and paying close attention to good governance throughout the Group. As Chairman, my role is to lead the Board, set its agenda and ensure it operates effectively.

Our corporate values are longstanding and were first documented in 2015. They are central to our business success. You will see them set out fully in the Strategic Report. They articulate clearly our client-centric culture, focused on integrity and excellence of client outcomes.

THE BOARD

The Board is responsible for the Group's long-term success. This success is promoted by having Board members with a diverse range of relevant skills and experiences. As the biographies set out later in this section illustrate, the Board has a good balance of asset management, finance, financial services, international, regulatory and governance experience. The Board is supported by a succession plan, which balances continuity and refreshment of Board membership, and ensures members continue to demonstrate appropriate experience in the asset management markets within which we operate.

In September, Charlotte Jones was appointed as an Executive Director and our Chief Financial Officer, replacing Philip Johnson who departed in May. Charlotte brings finance experience from across the financial services industry, which has already translated into a helpful contribution to our discussions.

In July, Karl Sternberg joined the Board as a Non-Executive Director and became a member of the Audit and Risk Committee. Karl has 30 years of experience working in the asset management industry and the Board has already benefited from his extensive industry knowledge. In October, Jon Little stepped down from the Board.

In November, John Chatfeild-Roberts stepped down after six years' service as a member of the Board, to concentrate on his role as Head of Strategy for the Merlin range of funds.

The Board now comprises three Executive Directors and six Non-Executive Directors, including me.

OUR COMMITTEES

Our Board committees play integral roles in supporting the Board's work. They are provided with the resources they need to undertake their duties, including access to the Company Secretary and external advisers. The committees, their mandates and memberships are shown later in this section.

The Audit and Risk Committee continues to oversee the Group's financial reporting, internal controls and compliance. This has included supporting the implementation of a Group-wide Enterprise Risk Management framework and examination of the CASS assurance framework in Jupiter and in our critical outsourced service providers.

The Nomination Committee has worked on Board and senior management succession planning, to ensure diversity of perspective on the business as well as ensuring the candidates have the relevant skills and experience. In December, all Non-Executive Directors were appointed to the Nomination Committee. We believe this will improve efficiency by ensuring all Non-Executive Directors are involved at an early stage in Board and senior executive recruitment.

The Remuneration Committee continued to perform its role of ensuring that Jupiter can attract and retain talented employees. The Committee spent considerable time on starting to develop a new remuneration policy, which shareholders were invited to discuss with the Remuneration Committee Chairman, Lorraine Trainer, in a consultation in December 2016 and January 2017. The new remuneration policy aimed to maintain the strong culture of pay for performance and align the reward to employees with the experience of our clients and shareholders. We received a range of feedback: some shareholders were fully supportive and others had comments on different aspects of the new policy. As we wanted to achieve broad support for our policy, we decided that we would delay bringing in the new policy until a General Meeting later in 2017 or at the 2018 AGM. Accordingly, at the forthcoming AGM we will be seeking approval of what is largely the same policy as approved by shareholders at our 2014 AGM. Further details may be found in the Remuneration Committee Chairman's Statement.

The reports from each of the Board committees which follow, explain more about their work over the past year and their priorities.

The Executive Committee, which is the key operational committee, is led by Maarten Slendebroek as Chief Executive Officer. It was significantly strengthened as a result of a series of changes during the year. In January, Paula Moore, Gillian van Maaren and Lance DeLuca joined the Committee, comprising the CEO, Adrian Creedy (COO), Philip Johnson (CFO), Stephen Pearson (CIO) and Nick Ring (Head of Distribution), thereby increasing the Committee from five to eight. In May, Adrian Creedy stepped down as COO and as a member of the Committee, though he remains the Committee secretary. During the year, Charlotte Jones replaced Philip Johnson and in November, Jasveer Singh (General Counsel) joined the Committee. The broadening of the Executive Committee has enabled decisions to be reached more quickly, with direct input from the key areas of the business.

BOARD EFFECTIVENESS

Towards the end of 2016, we undertook our annual review of Board effectiveness. This year we worked with a specialist consultancy, edoMidas Ltd, to help us ensure we utilise individual Directors' strengths most effectively in the Board environment. The effectiveness review confirmed that we have good diversity of thought on the Board and a culture of good and open communication. We identified a series of modest changes to the way we work together, which should sharpen the focus of Board discussion and the quality of our debate.

During 2016, to foster deeper engagement, we launched a pairing arrangement between Non-Executive Directors and members of the senior executive team. This has increased understanding of the Board's role for senior executives and of the Group's business and operations for the Non-Executive Directors. We intend to continue the programme in 2017.

I hope that this introduction has added some colour to the formal reports from the Committees that follow in the next few pages. I look forward to meeting you and answering any questions you may have at our forthcoming AGM on 17 May 2017.

Liz Airey

Liz Airey
Chairman
23 February 2017

COMPLIANCE STATEMENT

Jupiter supports the principles of corporate governance as set out in the UK Corporate Governance Code (the Code) issued by the Financial Reporting Council. A copy of the 2014 version of the Code can be found on the FRC website at: www.frc.org.uk

Having reviewed the provisions of the Code, (dated September 2014) the Board is satisfied that throughout the accounting period ended 31 December 2016, Jupiter complied with all of the Main Principles of the Code. More information on how the Company applied the provisions of the Code is set out later in this Governance section.

LEADERSHIP

The Board is responsible for the leadership of the Group and for its long-term success within an effective risk and control framework, and for setting the Group's strategic aims. Liz Airey has chaired the Board since September 2014. The Board comprises three Executive, five Non-Executive Directors and the Chairman. The Non-Executive Directors constructively challenge the executive management of the Company and provide valuable insight to the development of the Group strategy. They provide a diverse and effective balance of skills, knowledge and experience, to closely consider management's performance in running the Group's business and in meeting its goals and objectives.

Lorraine Trainer was appointed Senior Independent Director in September 2014. Lorraine acts as a sounding board for the Chairman, supporting her in her objectives for the Board. When appropriate, Lorraine is also an intermediary for other Directors and meets major shareholders, ensuring a good understanding of their issues and concerns. Further details are provided later in this report.

The Board has established three standing Board committees and the Executive Committee. The Board's responsibility for overseeing control and disclosure of inside information is delegated to the Disclosure Committee, which was established in 2016 and is convened as required to consider such matters. In addition, during 2016 there were six committees reporting to the Executive Committee. These committees complete the Board's framework of control.

The Board committees are the Audit and Risk, Nomination and Remuneration Committees. Liz Airey chairs the Nomination Committee and is a member of the Remuneration Committee. The Board considered her to be independent, within the terms of the Code, at the time of her appointment as Chairman of the Board. All other members of the Board committees are independent Non-Executive Directors. The Board committees operate within defined terms of reference, which are published on the Company's website www.jupiteram.com

THE CHIEF EXECUTIVE OFFICER, EXECUTIVE DIRECTORS AND EXECUTIVE COMMITTEE

The Chief Executive Officer, Maarten Slendebroek, the Executive Directors, Edward Bonham Carter and Charlotte Jones, and the Executive Committee are responsible for managing the Group's day-to-day business and for implementing the Board's strategy.

Charlotte Jones was appointed Chief Financial Officer in September 2016.

Edward Bonham Carter was appointed Vice Chairman in March 2014. His role focuses on engaging with the Group's stakeholders including clients, prospective clients and industry bodies. Edward also has Board responsibility for environmental, social and governance matters.

GOVERNANCE WITHIN THE GROUP

The Executive Committee has established the six management and reporting committees shown in the diagram overleaf, which assist the Executive Committee with managing the Group's business. Each of these committees operates under defined terms of reference. The diagram also sets out the main responsibilities of each committee.

In addition, in the UK Jupiter has two regulated companies – Jupiter Asset Management Limited ("JAM") and Jupiter Unit Trust Managers Limited ("JUTM"). JAM's principal activity is providing investment management services. JUTM's principal activity is to act as the management company for the unit trusts, SICAVs and investment trusts managed by Jupiter. The boards of these companies oversee the activities of JAM and JUTM.

THE BOARD

Board

ROLE
- Setting and approving strategy
- Overseeing controls framework
- Overseeing risk and setting risk appetite
- Overseeing culture and values

MEMBERS
- Chairman
- Five Non-Executive Directors
- Three Executive Directors

Chief Executive Officer

ROLE
- Responsible for running the Group's business within authority limits delegated to him by the Board focusing on:

i) Business strategy and management
ii) Investment and financing
iii) Risk management and controls
iv) Communication within the business and to shareholders and other stakeholders
v) Chairing the Executive Committee, communicating its decisions and recommending actions to the Board
vi) Developing senior teams within the Group and ensuring succession planning
vii) Developing policies and procedures for Board approval and implementation including the Stewardship Code Statement and the Share Dealing Code
viii) Setting values and culture

Committees

Nomination

ROLE
- Composition of the Board
- Succession issues
- Reviewing policies and practice for talent management and diversity

MEMBERS
- Chairman (Liz Airey)
- All Non-Executive Directors

Remuneration

ROLE
- Setting and overseeing Remuneration Policy
- Review of benefits of rewards

MEMBERS
- Chairman (Lorraine Trainer)
- Three Non-Executive Directors

Audit and Risk

ROLE
- Financial reporting
- Audit management and compliance
- Risk management and internal controls

MEMBERS
- Chairman (Polly Williams)
- Three Non-Executive Directors

Executive Committee

ROLE
- Implementing strategy and objectives set by the Board and communicated by CEO
- Managing performance
- Reviewing matters arising from the Reporting Committees
- Receiving proposals from the Management Committee for improvements in business efficiency and effectiveness and communicating through the CEO to the Board and its Committees
- Reinforcing culture and values

Reporting Committees

Product Development

ROLE
- Examining new product proposals
- Managing and supporting compliance requirements of new products

Management

ROLE
- Running the business and budget in accordance with Group strategy
- Allocating resources and prioritising projects
- Developing the Group's corporate values in all its operations
- Developing communications and cross-functional engagement

Risk

ROLE
- Managing of risk within tolerances set by the Board
- Reviewing effectiveness of the risk management process
- Reporting to the Audit and Risk Committee on the status of key risks

Balance Sheet Management

ROLE
- Establishing and maintaining balance sheet policies
- Reviewing Group procedures from balance sheet perspective

Treating Customers Fairly

ROLE
- Ensuring funds are managed and operated within agreed guidelines, to ensure fair treatment of customers
- Working with Sub-committees to ensure this approach is operated throughout the Group

Portfolio Review

ROLE
- Reviewing investment performance of all portfolios
- Identifying changes in investment approach
- Considering portfolio objectives, attributions and risks

Key: Delegation of Authority   Reporting

BOARD OF DIRECTORS

LIZ AIREY
Chairman

Appointed
Non-Executive Director in May 2010
Chairman in September 2014

Committees
- Chairman of the Nomination Committee
- Member of the Remuneration Committee

Skills and experience
Liz brings a wealth of relevant financial skills and experience in financial governance and executive leadership.

Previous appointments
Liz's previous roles have included Non-Executive Director of Dunedin Investment Enterprise Trust plc where she held the roles of Senior Independent Director and Chairman of the Audit Committee (2005-2016), Chairman of the Unilever UK Pension Fund (2008-2014), Non-Executive Chairman of JP Morgan European Smaller Companies Trust plc (2006-2011) and Non-Executive Chairman of Zetex plc (2003-2007), a formerly listed manufacturer of specialist semi-conductors. In 1999 she was appointed a Non-Executive Director of AMEC plc, and served as Senior Independent Director (2004-2009). Prior to this in her executive career she was Finance Director of Monument Oil and Gas plc, a post she held from 1990 until the sale of the company to Lasmo plc in 1999.

Current external appointments
Liz is currently Non-Executive Director of Tate & Lyle plc and is also a member of the Corporate Governance Committee of the ICAEW.

MAARTEN SLENDEBROEK
Chief Executive Officer

Appointed
Distribution and Strategy Director in September 2012
Chief Executive Officer in March 2014

Committees
None

Skills and experience
Maarten has more than 25 years of asset management and financial services experience.

Previous appointments
Before joining Jupiter in 2012 as Head of Distribution and Strategy, Maarten spent 18 years at BlackRock and its predecessor companies. He was a member of the global operating committee and the European executive committee at BlackRock. His last two roles were Head of Solutions EMEA and Head of International Retail. Earlier in his career, Maarten gained extensive experience as a sell-side European equity analyst.

EDWARD BONHAM CARTER
Vice Chairman

Appointed
Group Chief Executive in 2007
Vice Chairman in March 2014

Committees
None

Skills and experience
With 35 years' experience in the investment market and 23 years working at Jupiter, including seven years as CEO, Edward has extensive knowledge of the fund management business. His role as Vice Chairman focuses on engaging with the Company's key stakeholders, including clients, prospective clients and industry bodies.

Previous appointments
Edward joined Jupiter in 1994 as a UK fund manager, after working at Schroders (1982-1986) and Electra Investment Trust (1986-1994). He was appointed Chief Investment Officer in 1999 and Joint Chief Executive in May 2000. He became Group Chief Executive in 2007 and led Jupiter through its management buyout that year and its subsequent IPO in June 2010. Edward relinquished his role as Group Chief Executive in March 2014, on Maarten Slendebroek's appointment.

Current external appointments
Edward joined the Board of Land Securities Group plc as a Non-Executive Director and member of the Remuneration Committee in January 2014 and was subsequently appointed Senior Independent Director in July 2016. Edward is also a Board member of The Investor Forum, a Trustee of the Esmeé Fairbairn Foundation, and a member of the Strategic Advisory Board of Livingbridge.

CHARLOTTE JONES
Chief Financial Officer

Appointed
Chief Financial Officer in September 2016

Committees
None

Skills and experience
Charlotte has extensive experience in the global financial services sector gained in senior financial roles and is a chartered accountant.

Previous appointments
Charlotte commenced her career at Ernst & Young where she progressed to be an audit Partner in the Financial Services Practice. She subsequently worked at Deutsche Bank for nine years in various roles, latterly as Deputy CFO, and was appointed as Head of Group Finance and Chief Accounting Officer at Credit Suisse in 2013.

LORRAINE TRAINER

Senior Independent Director

Appointed
Non-Executive Director in May 2010
Senior Independent Director in September 2014

Committees
- Member of the Audit and Risk Committee
- Member of the Nomination Committee
- Chairman of the Remuneration Committee

Skills and experience
Lorraine brings substantial experience in human resource leadership, in the areas of cultural development, team performance and reward, both from her executive career and her work on director development.

Previous appointments
In her executive career, Lorraine has had a number of HR leadership roles in international organisations, focusing on performance development. These included Citibank NA, the London Stock Exchange and Coutts, part of the NatWest Group. Her previous roles have included Non-Executive Director of Aegis Group plc (2005-2013), and Non-Executive Director of Colt Group S.A (2013-2015).

Current external appointments
In addition to her Board work, Lorraine works in the area of director development at and around board level for a variety of international groups. She is a Non-Executive Director of Essentra plc, where she chairs the Remuneration Committee and is a member of the Audit and Nomination Committees, and of Sonae SGPS S.A, where she chairs the Nomination and Remuneration Committee and is a member of the Audit and Finance Committee.

JONATHON BOND

Independent Non-Executive Director

Appointed
Non-Executive Director in July 2014

Committees
- Member of the Audit and Risk Committee
- Member of the Nomination Committee
- Member of the Remuneration Committee

Skills and experience
Jonathon spent 25 years in the private equity industry, with a particular focus on raising standards of governance and performance. He has extensive international and general management experience, having founded and served on the board of several significant businesses.

Previous appointments
Jonathon was a founding Partner of Actis LLP, the emerging markets specialist alternatives fund manager, where he spent over ten years. During that time he was a member of the Supervisory Board, Investment and Executive Committees, as well as setting up and running the in-house fund raising team. For a number of years, Jonathon was a Non-Executive Director of Celtel, the first pan-African mobile company. Jonathon previously worked as a founding Director of HSBC Private Equity in India (1994-2000), Electra Private Equity Partners in London and Paris (1988-1994) and Bain & Co in London (1985-1988).

Current external appointments
Jonathon is Executive Chairman of the Skagen Group, based in London. The Skagen Group is a family-owned group of companies operating in the UK, Europe and the USA, which includes green cleaning specialist Ecover and Method among its portfolio.

POLLY WILLIAMS

Independent Non-Executive Director

Appointed
Non-Executive Director in March 2015

Committees
- Chairman of the Audit and Risk Committee
- Member of the Nomination Committee

Skills and experience
Polly has a wealth of relevant experience, including roles with particular responsibility for audit and risk oversight, and is a chartered accountant. Previously, Polly was a Partner with KPMG, with responsibility for the Group Audit of HSBC Group plc.

Previous appointments
Polly's previous non-executive directorships include Worldspreads Group plc, APS Financial Limited, Z Group plc, National Counties Building Society (as Chairman) and Scotiabank Ireland Limited.

Current external appointments
Polly is a Non-Executive Director of TSB Banking Group plc, where she is Chairman of the Audit Committee and a member of the Risk and Remuneration Committees. She is also a Non-Executive Director of Daiwa Capital Markets Europe Limited and XP Power Limited. Polly serves as a trustee of the Guide Dogs for the Blind Association and is Chairman of the Trustees for the Westminster Almshouses Foundation.

BRIDGET MACASKILL

Independent Non-Executive Director

Appointed
Non-Executive Director in May 2015

Committees
- Member of the Nomination Committee
- Member of the Remuneration Committee

Skills and experience
Bridget brings substantive knowledge and deep understanding of the investment management industry and extensive experience at board level. She has 25 years' experience in the investment management industry and has held several senior board appointments in the UK and USA.

Previous appointments
Bridget joined First Eagle Investment LLC in 2009 where she held the position of President and Chief Executive of First Eagle Investment LLC until March 2016. Prior to joining First Eagle, she was President and Chief Executive at Oppenheimer Funds, Incorporated. Bridget has also served as a Non-Executive Director of Prudential plc, J. Sainsbury plc, Scottish & Newcastle plc and Hillsdown Holdings plc.

Current external appointments
Bridget is currently Chairman of First Eagle Holdings LLC, the parent company of First Eagle Investment Management LLC where she serves as a Senior Adviser. Bridget is also a Non-Executive Director of Close Brothers Group plc, Jones Lang LaSalle Incorporated, and is a trustee of TIAA-CREF funds.

KARL STERNBERG

Independent Non-Executive Director

Appointed
Non-Executive Director in July 2016

Committees
- Member of the Audit and Risk Committee
- Member of the Nomination Committee

Skills and experience
Karl brings some 30 years' international experience in the investment industry, gained through both executive and non-executive roles.

Previous appointments
Karl was a founding Partner of institutional asset manager Oxford Investment Partners, which was bought by Towers Watson in 2013. Prior to that he held a number of positions at Morgan Grenfell/ Deutsche Asset Management between 1992 and 2004, including Chief Investment Officer for London, Australia, Europe and the Asia Pacific. Since 2006 he has developed his non-executive career, with a focus on investment management and the investment trust sector in particular. From 2010 to 2015, he was a Non-Executive Director of Friends Life Group plc, where he was a member of the Audit Committee and chairman of the Investment Oversight Committee. Karl was Chairman of JPMorgan Income & Growth Investment Trust plc until November 2016.

Current external appointments
Karl is the Senior Independent Director of Alliance Trust plc, and a Non-Executive Director of Herald Investment Trust plc, The Monks Investment Trust plc, Clipstone Logistics Reit plc, Lowland Investment Company plc and JPMorgan Elect plc.

MATTERS RESERVED TO THE BOARD

The Board has a formal schedule of matters reserved for its decision, which it reviews and updates annually, to incorporate governance changes and developments within the Group.

The key issues reserved for its decision are:

- establishing the Group's commercial objectives and strategy;
- approving the dividend policy;
- overseeing financial reporting, including approving the annual report and interim financial statements;
- setting the annual budget;
- approving significant capital projects, expenditure and borrowings;
- deciding major acquisitions, disposals and investments;
- overseeing the Group's operations and management, and maintaining an effective system of internal controls and risk management; and
- ensuring adequate succession planning, including agreeing Board and other senior appointments and the appointment or removal of the Company Secretary.

THE BOARD MEMBERS

Maarten Slendebroek was appointed CEO in March 2014. His role, and that of the Chairman, Liz Airey, are separate and there is a clear division of responsibilities which is documented and examined annually by the Board.

The Chairman is primarily responsible for leading the Board, setting its agenda, ensuring its effectiveness and that enough time is allocated for open debate and discussion, particularly of strategy and complex or contentious issues. She facilitates the contribution of all Non-Executive Directors and maintains appropriate contact with major shareholders, in order to understand their issues and concerns relating to governance, strategy and remuneration, among other key issues.

The Chief Executive Officer is responsible for implementing the strategy that the Board has agreed and for the day-to-day management of the Group's business, while optimising the adequacy and use of the Group's resources. He keeps the evolving culture in Jupiter under review, particularly its impact on risk management and controls. He also keeps succession under review, making recommendations to the Nomination Committee on the role and capabilities required in respect of the appointment of Executive Directors.

At the beginning of 2016, the Board comprised: Liz Airey (Chairman), Jonathon Bond (independent Non-Executive Director), Edward Bonham Carter (Vice Chairman), John Chatfeild-Roberts (Executive Director), Philip Johnson (Chief Financial Officer), Jon Little (independent Non-Executive Director), Bridget Macaskill (independent Non-Executive Director), Maarten Slendebroek (Chief Executive Officer), Lorraine Trainer (Senior Independent Director) and Polly Williams (Independent Non-Executive Director).

DURING 2016 THE FOLLOWING CHANGES TO THE BOARD HAVE TAKEN PLACE:

Philip Johnson stepped down at the AGM in May;

Karl Sternberg was appointed as an independent Non-Executive Director and joined the Board in July;

Charlotte Jones was appointed as Chief Financial Officer and joined the Board in September;

Jon Little stepped down from the Board in October; and

John Chatfeild-Roberts stepped down from the Board in November.

BOARD BALANCE AND INDEPENDENCE

The Board now has nine members, comprising the Chairman, three Executive Directors and five Non-Executive Directors. The Board considers each of its Non-Executive Directors – Jonathon Bond, Bridget Macaskill, Karl Sternberg, Lorraine Trainer and Polly Williams – to be independent in both character and judgement and free of any relationship which could materially interfere with exercising their independent judgement. The Board considered the Chairman to be independent within the terms of the Code at the time of her appointment. The biographies of all Directors are set out earlier in this section.

No individual or group of individuals dominates the Board or its decision making. The Non-Executive Directors constructively challenge and help develop proposals on strategy and bring strong, independent judgement, knowledge and experience to the Board's deliberations.

The Board requires all Directors to devote sufficient time to their duties and to use their best endeavours to attend meetings. During the year, the Non-Executive Directors' letters of appointment were reviewed. Non-Executive Directors are expected to spend up to 30 days a year in their roles as Directors. Committee chairmen are expected to commit up to 18 further days a year.

In 2016, the Chairman met with the Non-Executive Directors on a regular basis and also with the Chief Executive Officer. A meeting is held once a year when the Senior Independent Director meets the Non-Executive Directors, with neither the Chairman nor Executive Directors being present. Non-Executive Directors also met regularly with senior management.

OPERATION OF THE BOARD

The Board has a rolling agenda which ensures that the key issues set out above, including items relating to strategy, finance, operations, corporate governance and compliance, are appropriately reviewed at its meetings. Six scheduled Board meetings took place during the year, with an additional meeting off-site in June for a full day's discussion of strategy issues relating to Jupiter's operating platform. Progress on action points agreed at previous strategy days on fund management and distribution was also reviewed. A summary of the agenda items for the scheduled Board meetings and details of attendance by Directors is set out on the following page.

A comprehensive set of papers is circulated approximately one week before Board and committee meetings. These include regular business progress reports, investment performance data, distribution activity reports, financial statements and shareholder information. Full minutes of previous meetings are also circulated promptly and any concerns which are raised regarding the running of the Company are noted. Adrian Creedy (the Company Secretary) manages the timely circulation of information to the Board and ensures Board procedures are complied with and that applicable rules and regulations are followed. The Company Secretary reports to the Chairman on corporate governance matters.

Effectiveness

INDUCTION AND DEVELOPMENT

New Directors are given a full, formal and tailored induction to the business, organised by the Company Secretary, including meetings with senior management and advisers. The Chairman, working with the Company Secretary, is responsible for ensuring that training programmes are provided to Directors either directly or by the Company through legal and regulatory updates. Non-Executive Directors also have access to external programmes. Jupiter expects Directors to identify their own training needs and to ensure they are adequately informed about Jupiter's business and their responsibilities as a Director. The Chairman regularly reviews and agrees training and development needs with each Director.

Directors have access to independent professional advice at the Company's expense, where they judge this necessary to discharge their responsibilities as Directors. All Directors have access to the Company Secretary's advice and services.

BOARD AGENDAS IN 2016

January (Frankfurt)
- Review of sales and marketing in Austria, Germany and Switzerland
- Review of fund management structure and performance
- Risk appetite review
- Board effectiveness report considered

February
- Approval of the Annual Report and Accounts
- Compliance with the Code review
- Approval of AGM notice
- Approval of full year and special dividends
- Approval of Board and Committees' effectiveness review action plan

May
- Corporate structure review
- Board effectiveness review
- Corporate governance and regulatory update
- Fund manager presentation
- ESG report and briefing

July
- Review of interim results and interim dividend
- Brexit implications for Jupiter
- Feedback from major shareholders considered
- Strategy day follow up
- Consideration and approval of Group ICAAP
- Regulation, compliance and Risk report review
- Cyber security briefing
- Approval of new policies on control of inside information, share dealing and disclosure

October
- Remuneration policy review
- ESG report and briefing
- Product review update
- Corporate governance and regulatory update
- Fund manager presentation
- Trading update approval
- FCA market study review
- Risk update

December
- Budget and plan approval
- Risk report
- Talent management and succession planning
- Stewardship Code approval
- Approval of modern slavery statement
- Review of Chairman's and CEO's responsibilities
- Fund manager presentation
- Review of matters reserved to the Board

ATTENDANCE RECORD

The following table details the number of scheduled Board and Committee meetings held during 2016 and the attendance record of each Director:

Scheduled Board and Committee Meetings

Year 2016	BOARD MEETINGS						AUDIT AND RISK COMMITTEE				REMUNERATION COMMITTEE					NOMINATION COMMITTEE (8)		
	Jan	Feb	May	July	Oct	Dec	Feb	May	July	Nov	Jan	Feb	Jul	Oct	Dec	Feb	Jul	Dec
Liz Airey	●	●	●	●	●	●					●	●	●	●	●	●	●	●
Jonathon Bond	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Edward Bonham Carter	●	●	●	●	●	●												
John Chatfeild-Roberts (1)	●	●	●	●	●													
Philip Johnson (2)	●	●	●															
Charlotte Jones (3)					●	●												
Jon Little (4)	●	●	●	●	○													
Bridget Macaskill (5)	●	●	●	●	●	●					●	○	●	●	●			●
Maarten Slendebroek	●	●	●	●	●	●												
Karl Sternberg (6&7)				●	●	●				●								●
Lorraine Trainer	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Polly Williams	●	●	●	●	●	●	●	●	●	●								●

● Board member ● Committee member ○ Meeting not attended or prior commitment

(1) Resigned from the Board on 30 November
(2) Resigned from the Board on 18 May
(3) Appointed to the Board on 5 September
(4) Resigned from the Board on 31 October: did not attend Board meeting on 12 October due to other business commitments
(5) Not able to attend the Remuneration Committee meeting in February due to a commitment which pre-dated Bridget Macaskill's appointment to the Board
(6) Appointed to the Board on 22 July
(7) Appointed to the Audit and Risk Committee on 26 July
(8) On 1 December 2016, Bridget Macaskill, Karl Sternberg and Polly Williams were appointed to the Nomination Committee

CONFLICTS OF INTEREST

The Company's Articles of Association permit the Board to consider and authorise situations where a Director has an actual or potential conflict of interest in relation to the Group. The Board has a formal system to record conflicts and, if appropriate, to authorise them. Conflicts of interest are included as an agenda item at each Board meeting. When authorising conflicts or potential conflicts of interest, the Director concerned may not take part in the Board's decision making. Non-conflicted Directors are required to act in a way they consider would be in the best interests of the Company and most likely to promote its success. These procedures on conflicts of interest have been followed throughout the year, are overseen by the Nomination Committee and are considered to have operated effectively.

BOARD AND BOARD COMMITTEE EVALUATIONS

The Board's effectiveness, composition and operation are evaluated annually. Every three years, the evaluation is facilitated externally, the last one having been completed in 2014 with the assistance of Independent Audit Limited. During 2016, internal reviews were undertaken by means of questionnaires circulated to the Board, and the relevant committee members and senior managers. The Board's effectiveness review was also supported by edoMidas Ltd, a specialist provider of high-performance business training. With edoMidas Ltd's help, we were able to look at the utilisation of individual Director's strengths in the Board's discussions. Further details of the 2016 Audit and Risk, Nomination and Remuneration Committee evaluations are provided in the committee reports.

As part of the Board effectiveness review, and following conversations between the Chairman and each Director, the Nomination Committee reviewed the performance of all Directors (except the Chairman, whose performance review was led by the Senior Independent Director, without the Chairman being present). The Committee has recommended to the Board that all serving Directors should be proposed by the Board for election or re-election as appropriate, at the forthcoming AGM.

SUCCESSION PLANNING

The Nomination Committee is responsible for both Executive and Non-Executive Director succession planning and recommends new appointments to the Board. When making Board appointments, the Board seeks to ensure that there is a diverse range of skills, backgrounds and experience, including relevant industry experience. Further information is included in the Nomination Committee report.

DIRECTOR ELECTION AND RE-ELECTION

All Directors appointed by the Board are required by the Company's Articles of Association and the Code to be elected by shareholders at the first AGM following their appointment by the Board. Accordingly, Karl Sternberg and Charlotte Jones are seeking election and their biographical details can be found earlier in this section.

Also in accordance with the Code, all other serving Directors will seek re-election at the 2017 AGM. The Chairman believes that each Director continues to perform effectively, demonstrating commitment to their roles, and that their skills complement each other to enhance the Board's overall operation. Full details of the skills and experience of all Directors can be found in their biographies earlier in this section.

Accountability

The statement of Directors' responsibility for preparing the Annual Report and Accounts is set out at the end of this Governance section. Within this, the Directors have included a statement that the Annual Report and Accounts present a fair, balanced and understandable assessment of the Group's position and prospects. To help the Board discharge its responsibilities in this area, the Board consulted the Audit and Risk Committee, which advised on the key considerations to comply with best practice and the Code's requirements. Following the Committee's advice, the Board considered and concluded that:

- the business model and strategy were clearly described;
- the assessment of performance was balanced;
- KPIs were used consistently;
- the language used was concise, with good linkages to different parts of the document; and
- an appropriate forward-looking orientation had been adopted.

The Directors' report on viability and the going concern basis of accounting, which the Directors have determined to be appropriate, can be found in the Strategic report, which also describes the Group's performance during the year.

Internal control and risk management

INTERNAL CONTROL

The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system can provide only a reasonable assurance against material financial misstatement or loss and is designed to mitigate, not eliminate, risk.

The Board, assisted by the Audit and Risk Committee, periodically assesses the effectiveness of the internal controls. This review covered all material controls including the following compliance, operational and financial aspects:

- *Compliance* – Reviewing the method by which the Executive Committee gains assurance that the business operates within the risk appetite set by the Board and examining the whole of the Group's regulatory control environment.
- *Operational* – Reviewing the Risk Committee's 'Enterprise Risk Management Dashboard' methodology and overseeing the roles of various committees in overseeing risk within the business.
- *Financial* – Receiving regular reports on the Group's financial position, its progress against budget and ongoing forecast of its results. Through these regular updates, as well as the annual ICAAP process, the Board regularly reviews the Group's balance sheet levels and capital requirements. The Audit and Risk Committee assists the Board in this area, reviewing the half-year and annual results and the Annual Report, before recommending these to the Board for approval. The Audit and Risk Committee regularly receives reports in relation to the key aspects of the financial reporting process. Reports on financial controls are also issued by Internal and External Audit.
- *Financial* – Reviewing an annual report from the Money Laundering Reporting Officer on the Group's anti-money laundering and fraud prevention (financial crime measures).

The Board believes that the ongoing process for identifying, evaluating and managing the principal risks to achieving the Group's strategic objectives works effectively. The process was in place for the year ended 31 December 2016 and up to the date of approval of the Annual Report and Accounts. This process is regularly reviewed by the Board and complies with the guidance, 'Internal Controls' Revised Guidance for Directors.

SUPPLIER OVERSIGHT AND SIGNIFICANT CONTRACTS

Jupiter had three significant oversight relationships at the start of 2016: International Financial Data Services (IFDS), HSBC Securities Services (HSBC) and JP Morgan (Luxembourg) (JPML). This list has been extended to include National Westminster Bank (NatWest) and Northern Trust (Northern), following the implementation of UCITS V in October 2016.

In support of the unit trust fund range, IFDS's services include dealing and registration processing, distribution of income, record keeping and responding to customer enquiries. HSBC provides fund accounting services and passive hedging services. NatWest directly provides trustee services and delegates custody services to Northern.

JPML provides a range of services in support of the SICAVs, including custody, company secretarial, fund accounting, dealing and registration processing, the distribution of income, record keeping and responding to customer enquiries. JPML was also appointed as depository following the implementation of UCITS V in October 2016.

These organisations' activities are defined in service level agreements that are closely monitored to ensure that service delivery standards are met. Jupiter's Supplier Management function oversees a suite of agreed activities including: formal meeting governance; the review of key performance indicators; reviews by Jupiter's assurance functions (including service delivery; business continuity; IT security, enterprise risk, compliance and internal audit where appropriate); site visits, and the review of key reports (including controls assurance reports and the financial report and accounts). Any risks or issues arising are progressed through to resolution and where appropriate, escalated to Senior Management and reported to the Board.

ASSURANCE PROCESS

The Group's control environment is reviewed during the course of each year by one or more of the three assurance functions (Compliance, Enterprise Risk and Internal Audit). Assurance reports are provided to senior management, the Board and the Audit and Risk Committee as appropriate.

Each year Jupiter commissions the external auditor to test the integrity of aspects of the control environment. The results of this testing, including any exceptions identified, are made available to the Group's institutional and investment trust clients, as Jupiter has adopted the International Standard on Assurance Engagement (ISAE) 3402, together with AAF 01/06 as recommended by the Institute of Chartered Accountants in England and Wales in the November 2010 technical release of AAF 01/06.

RISK MANAGEMENT FRAMEWORK

The Board has ultimate responsibility for the Group's risk strategy and for determining an appropriate risk appetite, as well as the tolerance levels within which the Group must operate. By defining these, the Board demonstrates that it is aware of, and, where appropriate, has taken steps to mitigate the risks that may have a material impact on the Group.

To assist with its oversight of risk, the Executive Committee has formed an Executive Risk Committee chaired by the Chief Executive Officer. All members of the Executive Committee attend the Risk Committee, together with the Director of Compliance and Head of Risk. The Committee is responsible for overseeing regulatory, capital and liquidity risks, within a coherent and manageable structure.

APPROACH TO RISK

The Board determines the appropriate approach to risks, within which the Group must operate. Risk tolerances are the Group's actual boundaries and limits, through which the business monitors and, if appropriate, escalates concerns to the Board. Risks and the Group's attitude to them are considered and monitored in the following categories:

1	**Strategic risk** The risk that the Group is unable to meet its strategic objectives, as a result of matters inherent in the nature of its business or the markets in which it operates.
2	**Investment risk** Underperformance of Jupiter funds relative to benchmarks, objectives or competition or other failure to meet investors' objectives.
3	**Operational risk** The risk of loss caused by weaknesses or failures in the Group's systems and controls, related to people, systems or processes. These include risks arising from failing to properly manage key outsourced relationships and cyber security.
4	**Conduct risk** The risk that the Group fails to deliver positive outcomes for its clients.
5	**Regulatory risk** The risk of censure because of the Group's failure to meet its regulatory obligations, which may lead to reputational damage, a monetary fine or, ultimately, the withdrawal of its authorisation to carry on business.
6	**Counterparty/credit risk** The risk of loss caused by the corporate failure of one of the trade, prime brokerage or treasury counterparties to which the Group may be exposed, or of a custodial institution with which the Group has a relationship.
7	**Balance sheet risk** The risk that the Group may be unable to meet its financial obligations or lack sufficient capital to operate as a going concern.
8	**Reputational risk** The risk of loss to revenue, destruction of shareholder value or increases to operating capital or regulatory costs, resulting from damage to the firm's reputation.

Depending on the risk category, the Risk Committee or the Balance Sheet Management Committee will monitor these risks. If the Balance Sheet Committee has any concerns, those concerns will also then be considered by the Risk Committee.

RISK MANAGEMENT PROCESS

The departmental risk self-assessment process is the foundation of the Group's risk framework. Each functional business area completes a risk assessment at least annually, and more frequently when required which, when taken in conjunction with the ongoing control performance assessments, is felt to be adequate for capturing any ongoing and emerging risks to the business.

The departmental risk self-assessments are conducted by the heads and deputies of each functional area and are facilitated by the Enterprise Risk team. This involves all material risks being reviewed with the risk owners against agreed key risk indicators and tolerances. The risk owners also consider any relevant operational losses that have occurred, as well as any current system, process or staffing changes within the department, as well as considering the integrity of existing processes and controls. Where processes or controls are seen to be insufficiently robust, line management is required to define improvements to the operating environment to ensure they pose a minimal (or acceptable) level of risk to the Group.

Identified risks that have a sufficiently high likelihood of potential impact on the Group are reflected in the Enterprise Risk Management Dashboard, to ensure they receive an appropriately high level of senior management and Board attention. The Board takes action where these risks are deemed to be outside the Group's risk tolerance.

The Group's risk management assurance programme is closely linked with its compliance monitoring programme. Any breaches found by the Compliance department are logged into the in-house error database and allocated to a failed control and the associated risk category. The business therefore considers any breaches as part of the risk and control assessment process.

Management, with the assistance of the Finance function, is responsible for maintaining appropriate financial records and processes that ensure all financial information is relevant, reliable, in accordance with the applicable laws and regulations and distributed both internally and externally in a timely manner.

Management reviews the consolidation and financial statements to ensure that the Group's financial position and results are appropriately recorded, circulated to members of the Board and published where appropriate. All financial information published by the Group is subject to the Board's approval on the recommendation of the Audit and Risk Committee.

MONITORING FUNCTIONS

The Group's monitoring functions comprise the Compliance, Enterprise Risk and Internal Audit departments.

The Compliance department oversees the Group's compliance with the relevant regulations. The Group maintains comprehensive procedures and compliance manuals, covering all business operations. The Compliance department also maintains detailed monitoring programmes for all regulated activities, to monitor the perceived regulatory risk within the business. The findings of the monitoring programmes are circulated to the responsible Director and Executive Committee member.

The Internal Audit function is currently outsourced to Ernst & Young LLP (EY) and is focused on ensuring that operations comply with the Group's policies and procedures, including in relation to efficient operations, financial reporting, fraud, safeguarding assets and compliance with laws and regulations. The internal audit team is independent of business operations and has a reporting line to the Audit and Risk Committee. In addition, the Group periodically uses external parties to review counterparty relationships. This includes reviewing legal documentation as well as testing the operations of external service providers.

Further details of the Internal Audit function can be found in the Audit and Risk Committee report.

Remuneration

Executive Directors' remuneration is structured to promote the long-term success of the business, with variable remuneration paid to Executive Directors based on stretching performance conditions which are aligned with the business strategy. No Executive Director is involved in deciding his or her own remuneration. Further information on Jupiter's remuneration policy and Executive Director remuneration outcomes for 2016 is set out in the Remuneration report.

Corporate values and culture

Jupiter's corporate values have underpinned its strategy for success, based on seeking long-term outperformance for clients. These values have long been deeply embedded in Jupiter's culture and were documented for the first time in 2015. Twice a year, during mid-year and annual reviews, staff are encouraged to review their performance against these values, to ensure our clients remain the key focus of their performance.

The Board communicates through the Executive and Management Committees to all our staff to ensure Jupiter's culture is preserved, with a focus on high performance, individual responsibility and putting clients first. This culture has helped retain and attract talented individuals. The Board seeks to ensure that its culture is reflected in all areas of the business and it is a vital lens through which the Board and its Committees look at elements of Jupiter's business activities.

People and talent management

Jupiter is a people business and the Board is focused on ensuring that it understands how the Group develops existing talent and brings new talent into the organisation. 2016 saw considerable developments in talent management, as detailed in the Strategic report. The Nomination Committee was involved in the recruitment of the more senior hires, with the Remuneration Committee integrally involved in ensuring that Jupiter has the right reward structure to enable it to recruit and retain talent. At every meeting, the Board receives an update on key people issues, including the broad themes affecting the management of talent in the asset management industry and succession planning for the efficient execution of the Group's growth strategy.

Relations with shareholders

Communication with shareholders is a high priority and is conducted to promote a common understanding of the Group's objectives and current performance. The Group has an Investor Relations function within the Finance team, which supports the Chief Executive Officer and the Chief Financial Officer in their relations with shareholders and sell side analysts. Through the Investor Relations function, Jupiter maintains a regular dialogue with interested shareholders, potential investors and industry analysts, as well as ensuring that the Group adheres to both regulatory changes and best practice issuance from other bodies. During 2016, the Chief Executive Officer, Chief Financial Officer and Head of Finance held over 100 shareholder and investor meetings, using the materials published at the time of the most recent results. These meetings were separate to the AGM and the briefings provided at the time of the announcement of the half year and full year results. Presentations to analysts and investors are simultaneously posted on the Company's website, to ensure they are available to all interested parties. All Directors are invited to attend these presentations.

As part of the process of ensuring that good channels of communication are in place, and in order to maintain an understanding of the view of the major shareholders about the Company and its strategy, meetings are arranged with the Chairman following which a full briefing is provided to the Board. Three such meetings took place early in 2016 at which the following issues were discussed:

- investment and development strategy and performance;
- Board and management structure and succession;
- regulation and the FCA's market study;
- corporate culture and gender diversity at Jupiter; and
- executive remuneration.

In December shareholders were also invited to meet with the Chairman and Lorraine Trainer, who is both Senior Independent Director and the Chairman of the Remuneration Committee, to consult on the proposed changes to the Remuneration Policy, talent management and succession arrangements. Representatives of seven of the Company's largest shareholders attended these meetings during December 2016 and January 2017.

Lorraine Trainer, in her capacity as Senior Independent Director, is also available to meet shareholders on request, if they have concerns that contact through the Chairman has failed to resolve, or for which such contact is not appropriate.

Shareholders are encouraged to attend the AGM and to put their questions to the Directors and to the Chairmen of the Board committees in person. In order to support shareholders prior to the consideration of the Company's resolutions at the AGM, the Company Secretary maintains contact with a number of well-known voting bodies including ISS and IVIS, to ensure all relevant information concerning the Company and its strategy is made available.

The Company communicates electronically with its shareholders whenever possible. To reduce wasted resources and pollution associated with paper printing, shareholders are encouraged to accept electronic access to the Notice of Meeting and Annual Report and Accounts, which will be made available at least 20 days prior to the AGM on the Company's website at www.jupiteram.com.

KEY INVESTOR RELATIONS ACTIVITIES IN 2016

January
- Fourth quarter 2015 trading update

February
- Full year results presentation for 2015

March
- Full year results London roadshow

April
- First quarter 2016 trading update
- Investor roadshow, Scotland

May
- AGM

June
- Investor roadshow, USA

July
- Half year results presentation for 2016

September
- Half year results London roadshow

October
- Third quarter 2016 trading update

November
- Best of British Conference, London

NOMINATION COMMITTEE REPORT

DEAR SHAREHOLDER,

Welcome to the report of the Nomination Committee.

The Nomination Committee has an important role in ensuring the Board has the right composition, a good balance of the experience and skills required to perform its duties, and appropriate diversity of thought and perspective.

The Committee undertakes succession planning for both Executive and Non-Executive Directors and makes recommendations to the Board when changes may be appropriate. In carrying out this work, it determines the best selection process, including choosing the right recruitment firm to help identify external candidates, as well as itself identifying internal candidates. Selected candidates are interviewed by members of the Committee and meet other Directors and senior managers as appropriate, before being recommended to the Board, which makes the final decision on Board appointments.

During the year, the Board's composition and succession planning continued to occupy the Committee, with a number of changes. At the AGM in May, Philip Johnson stepped down from the Board and later that month ceased to be CFO. He was replaced by Charlotte Jones, who joined the Board as CFO on 5 September 2016. There were also two Non-Executive Director changes. In July, Karl Sternberg was appointed as a Non-Executive Director and as a member of the Audit and Risk Committee. In October, Jon Little stepped down from the Board. Finally, in November John Chatfeild-Roberts stepped down from the Board to concentrate on his role as Head of Strategy for the Merlin range of funds.

As a people business, one of Jupiter's key risks relates to attracting and retaining talented people and ensuring appropriate succession arrangements are in place. The Committee has continued its work on succession planning for executive Directors and senior executives. It has also overseen the executive team's work to continue to broaden the leadership group and initiatives for improved talent and career development for all staff. This included considering and approving the further expansion of the Executive Committee.

The Committee has also continued to focus on diversity and has reviewed the progress made in implementing the Company's diversity and inclusion policy. During the year the Company signed up to HM Treasury's Women in Finance Charter reflecting our support for improving gender balance in the financial sector. The Board is cognisant of all kinds of diversity.

Towards the end of the year, the Committee recommended to the Board that all Non-Executive Directors be appointed to the Nomination Committee, as it considered this would improve efficiency by ensuring all Non-Executive Directors are involved at an early stage in Board and senior executive recruitment. Accordingly, Bridget Macaskill, Karl Sternberg and Polly Williams were appointed to the Committee with effect from 1 December 2016.

In line with best practice, in its final meeting of the year, the Committee reviewed its terms of reference to ensure they still met the Company's needs and that it was fulfilling its role effectively.

Liz Airey
Chairman
23 February 2017

ROLE AND RESPONSIBILITIES OF THE COMMITTEE

The Committee's role and responsibilities include:

- reviewing and nominating candidates for both executive and non-executive Board roles;
- considering succession planning for Directors and senior executives;
- reviewing the Company's policy and practices for executive talent management, development and diversity;
- evaluating the Board's structure, balance of skills, knowledge and experience required to underpin its continued effectiveness; and
- considering the Directors' performance and continuing contribution to the Board and its Committees and, when appropriate recommending to shareholders their re-election at the AGM.

The Committee's terms of reference are available for inspection on the Company's website www.jupiteram.com

COMMITTEE MEMBERSHIP AND ATTENDEES

Members	Attendance by invitation	Secretary
Liz Airey	Maarten Slendebroek (CEO)	Adrian Creedy
Jonathon Bond	Gillian van Maaren (HR Director)	
Bridget Macaskill		
Karl Sternberg		
Lorraine Trainer		
Polly Williams		

Details of attendance by members of Board committees are set out in the Governance report. While only members of the Committee have the right to attend its meetings, from time to time others are invited to attend the discussion of particular agenda items, including other Directors and representatives of the appointed external recruitment consultants.

The Nomination Committee's work in 2016

The Committee meets at least twice each year, with further meetings taking place as required, for example to consider non-executive or senior executive recruitment as it arises. Three meetings were scheduled in 2016 and five further meetings took place. The Committee reports formally to the Board on its proceedings. Liz Airey chairs the Committee but does not do so when the Chairman's appointment is being considered.

Each year the Nomination Committee evaluates the Board's balance of skills, experience, independence and knowledge. This informs its assessment of the Board's development and helps it prepare a description of the role and responsibilities required for each new Board appointment. During 2016, there were a number of new Board appointments.

NON-EXECUTIVE DIRECTOR APPOINTMENT

The Committee appointed an independent consultant, the Zygos Partnership, to recruit a Non-Executive Director as part of its continuing role of reviewing and refreshing the Board's composition. Zygos does not have any other connection to the Company, other than having been used for several previous non-executive recruitments. The Committee specified the skills, knowledge and experience required. Karl Sternberg was selected and joined the Board in July 2016. Jon Little stepped down from the Board in October 2016.

During the year, the Committee decided to establish governance guidelines setting out expectations and a framework for the composition of the Board, the tenure of Non-Executive Directors, appointments to governance roles and planning for succession. The Committee recommended these guidelines to the Board following which they were adopted.

Details of other commitments held by the Chairman and Non-Executive Directors are set out in their respective biographies.

EXECUTIVE APPOINTMENTS AND DEVELOPMENT

Following the announcement in November 2015 that Philip Johnson would be leaving Jupiter in May 2016, the Committee instructed Russell Reynolds Associates to undertake a search for appropriate candidates for the role of Chief Financial Officer. Russell Reynolds does not have any other connections with the Company. This search culminated in Charlotte Jones joining the Board in September.

The Committee has continued to oversee the talent management and development of senior executives. This has included:

- the development of the Executive Committee with three new members joining in January and two further new members joining in the second half of the year;
- consideration of talent acquisition, including plans for a graduate training scheme and succession planning; and
- employee engagement including actions from the 2015 Employee Opinion Survey and plans for a 2017 Employee Opinion Survey.

BOARD EFFECTIVENESS

An internal evaluation of the Board and its Committees was conducted in 2016, which included work with a specialist consultancy, edoMidas Ltd to analyse the Directors' strengths and to consider how to utilise these strengths most effectively in the Board environment. We identified a series of changes which will sharpen the focus of Board discussion and improve how Board members work together.

All serving Directors will be seeking re-election or (in the case of Karl Sternberg and Charlotte Jones) election at the AGM on 17 May 2017. The Committee has reviewed the Directors standing for election or re-election (with Committee members recusing themselves in respect of their own review), taking into account their effectiveness and commitment. It has also considered the independence of the Non-Executive Directors and is satisfied that they are independent in both character and judgement, in accordance with the Code. The Committee therefore recommended to the Board all the Directors standing for election or re-election at the AGM.

DIVERSITY AND INCLUSION

The Committee believes that diversity among Board members including gender diversity, is of great value and carefully considers this in making new Board or senior executive appointments. The Company's statement on Board diversity is available at www.jupiteram.com

The Group continues to implement a diversity and inclusion policy, to give greater emphasis to supporting diversity throughout Jupiter. Details can be found in the Corporate Responsibility section of the Strategic report. Following the appointment of Charlotte Jones, female directors constitute 56% of the Board and female executives constitute 37.5% of the Executive Committee. The Nomination Committee continues to monitor diversity within the business, as well as the goals set under the diversity and inclusion policy.

CONFLICTS OF INTEREST

During the year, the Committee continued its review of the Board's operation of the Conflict of Interest policy. Further details of the operation of this policy can be found in the Governance section.

DEAR SHAREHOLDER,

The Audit and Risk Committee has a vital part to play in helping to ensure good governance throughout the Group. We are responsible for overseeing the integrity and effectiveness of the Group's financial reporting, testing and challenging internal control procedures and ensuring they are in place and operating effectively throughout the Group. We are also responsible for the ongoing monitoring of the Group's risk management processes and overseeing the relationships with the Group's external auditor and the internal audit function.

As Chairman of the Audit and Risk Committee since March 2015, I report to the Board on how the Committee discharges its responsibilities. I am pleased to present our report for 2016, which I hope provides you with insight to the Committee's work during the year.

THE COMMITTEE'S WORK IN 2016

Throughout the year, the Committee looked at the implementation of the Group's corporate values and how management sets and monitors the Group's culture. In addition to the regular agenda items, a full review of which is set out in the following pages, the Committee took the opportunity to discuss, debate and challenge in depth the risk and control structures, processes and procedures both within the Group and those relevant to its significant suppliers. All the Committee's meetings are attended by the Head of Risk and the Compliance Director and other senior managers to support these discussions. Our work in 2016 included:

Risk and Compliance

(i) The Group's Internal Capital Adequacy Assessment Process (ICAAP) documentation was reviewed, taking into account the new Enterprise Risk Management Framework, which was completed in July.

(ii) Following the implementation of the new CASS assurance requirements in January, a review of controls was undertaken.

Controls

(iii) In May the Committee reviewed the Group's supervision of internal controls and IT infrastructure provided by third parties.

(iv) We also reviewed the oversight of Jupiter's unit trusts, investment trusts and SICAVs in May.

(v) We reviewed the Group's tax strategy and associated internal controls in November.

We also focused on the Group's preparedness for and the risk implications of the Brexit result and have supported the Board's review of the Group's approach to cyber-security protection. We also supported management in its consideration of the FCA's Asset Management Market Study, from the publication of the interim report in November to the close of the FCA's consultation period in February 2017, looking at the areas covered by the consultation and the potential effects on the Group and its pricing model.

THE COMMITTEE'S MEMBERS

Lorraine Trainer and Jonathon Bond served with me on the Committee throughout the year. In July, Karl Sternberg joined the Committee following his appointment to the Board. Karl has fully engaged in the Committee's work since his appointment and his contributions to our discussions have been both positive and well informed.

EFFECTIVENESS REVIEW

In November, an internal review of the Committee was undertaken.

I am pleased to say this review delivered positive results, from a questionnaire circulated to members, the Chairman of the Board, key executives and the internal audit and external audit lead partners. An in depth understanding of the Committee's responsibilities was reported. A number of helpful suggestions were also made for improvement to the Committee's papers which are circulated in advance of each meeting, and these will be progressed during 2017. A review of the effectiveness of the internal audit function was also undertaken in October. The results of this review are discussed later in this report.

TERMS OF REFERENCE

As part of our annual review of the Committee's terms of reference, we have increased the time we spend on compliance matters, ensuring we can focus on new and anticipated regulation including the Market Abuse Regulation, UCITS V, MiFID II, the Senior Managers' Regime and the EU Audit Regulation & Directive at the appropriate time.

The Committee's terms of reference are published on the Company's website at www.jupiteram.com

LOOKING FORWARD

The investment in Jupiter's operating platform in 2017 is a critical enabler for the Group to deliver its growth strategy, as well as to continue to be in compliance with regulation as it evolves, for example, under MiFID II. The Audit and Risk Committee will continue to monitor these change projects, focusing on budget adherence and the projects' abilities to deliver the objectives set and to monitor an effective operating platform particularly during the transition phases.

We will also continue to review the Group's various risk management, control and assurance functions, to ensure they are working effectively and efficiently against a backdrop of further political uncertainty and regulatory and economic change.

In addition to undertaking our usual scheduled business, we shall be examining the Group's preparations for the implementation of the Senior Managers' Regime in 2018 and looking closely at how Jupiter's culture will be developing following its introduction.

I am looking forward to meeting our shareholders at our AGM on 17 May 2017, to answer questions about the Committee's work.

Polly Williams
Chairman of the Audit and Risk Committee
23 February 2017

ROLE AND RESPONSIBILITIES OF THE COMMITTEE

The Committee's roles and responsibilities are set out in its terms of reference, which were reviewed during the year. In particular, the Committee encourages and safeguards the highest standards of integrity, financial reporting, risk management and internal controls in the Group, with reference to the provisions of the Code, the FRC's Guidance on Audit Committees and other applicable regulations. The Committee is responsible for:

- overseeing the Group's financial reporting processes, including reviewing statements, announcements and judgements concerning its financial performance;
- reviewing the Group's internal controls and risk management systems on an ongoing basis, including the adequacy and effectiveness of the framework used to monitor the Group's significant outsourced relationships;
- examining the controls in place for the prevention and detection of fraud;
- assessing the principal risks that could impact the Group's business model, future performance, liquidity and solvency;
- reviewing and monitoring the effectiveness and adequacy of the process for identifying, assessing, mitigating and managing significant strategic, operational and liquidity risks, appetites and tolerances;
- reviewing and monitoring the effectiveness of the internal audit function and considering its work plans and reports;
- overseeing the appointment, performance, remuneration and independence of the external auditor, including the provision of non-audit services to the Group;
- reviewing all whistleblowing arrangements and ensuring the proportionate and independent investigation of the matters reported; and
- reviewing how the controls culture is set by management, understood by employees and implemented throughout the Group.

THE EXPERIENCE OF THE COMMITTEE'S MEMBERS

All of the Committee's members who served during the year are considered by the Board to be appropriately experienced and qualified to fulfil their duties. The Board considers Polly Williams to have recent and relevant financial experience. Committee members attend training seminars on relevant topics during the year and updates are provided by the Company Secretary on relevant governance issues.

Karl Sternberg, who joined the Committee during the year, was provided with a full induction programme which included a overview of the Committee's work and the Group's strategy and business model and the main financial risks and opportunities.

The Committee members' profiles are set out in full in the Board members' biographies. In the Board's view the Committee has competence relevant to the asset sector in which the Group is operating.

COMMITTEE MEMBERSHIP AND ATTENDANCE

Members	Appointment Date	Attendance by invitation	Secretary
Polly Williams (1)	March 2015	Liz Airey (Chairman)	Sally Hopwood
Jonathon Bond	July 2014	PwC (External Auditor)	
Karl Sternberg	July 2016	EY (Internal Audit)	
Lorraine Trainer	May 2010	Maarten Slendebroek (CEO) Philip Johnson (CFO until May 2016) Charlotte Jones (CFO from September 2016) Robert Parker (Director of Compliance) Jon East (Group Legal Director) Rupert Corfield (Head of Risk) Adrian Creedy (Company Secretary) Alex Sargent (Head of Finance) Paula Moore (CF10A)	

(1) Chairman of the Committee

The attendance record table set out earlier in the Governance report shows the meetings which were attended by the Committee's members.

COMMITTEE MEETINGS

The Committee met four times during 2016. The meetings were scheduled at key times in the audit and financial reporting calendar: February (full year results); May (AGM); July (interim results); November (preparation for trading year end).

Only Committee members have the right to attend its meetings. The table above shows the members of the senior management team and others who are invited to attend the Committee's meetings. The Head of Finance, the Head of Risk, the Director of Compliance and the lead partners of the external and internal auditors attended all of the Committee's meetings.

Outside of its usual meetings, the Committee also meets in private with the Head of Risk and the Compliance Director. In 2016, those meetings took place in May.

In February and July, the Committee met with internal and external auditors' lead partners, without management being present.

In preparation for every Committee meeting, the Committee Chairman meets privately with both audit lead partners.

Overview of activities in 2016

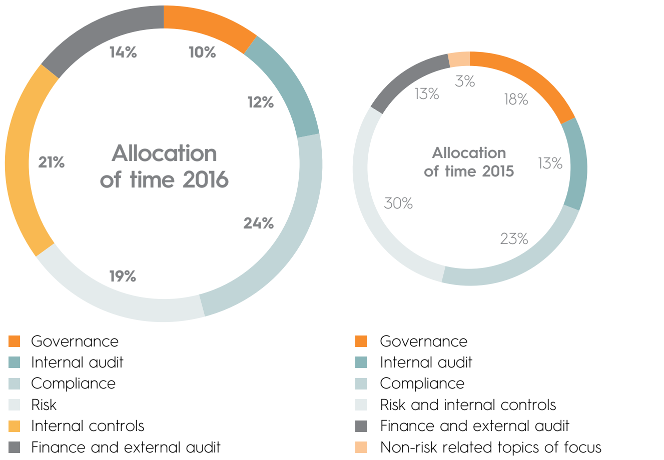
During the year, the Audit and Risk Committee completed its full annual cycle of regular agenda items. These are set in advance each year, to ensure its work fulfils the requirements of the Code and other relevant regulations.

Financial Reporting	Feb	May	July	Nov
Full-year results and announcements	●			
Half-year results and announcements			●	
Review of judgements and estimates in financial reports	●			●
Assessment of true and fair accounts	●			
Assessment of report to be fair, balanced and understandable	●			
Going concern and viability statements	●		●	
Tax strategy and internal controls		●		●
External Audit				
Management representation letter	●		●	
Evaluation of external audit	●		●	
Recommendation of reappointment	●			
Non-audit fees	●	●	●	●
External audit independence	●			●
External audit plan and fees	●			●
Internal Audit				
Summary of current work and audit reports	●	●	●	●
Role and effectiveness of internal auditor				●
Internal audit plan	●	●	●	●
Risk Management and Internal Controls				
Risk management and compliance with risk appetite	●	●	●	●
Compliance with corporate governance requirements	●			●
Reviewing Group's procedures on detecting fraud	●			
Reviewing and updating Group's whistleblowing procedure		●		

The Committee supplemented its regular annual work programme with deeper focus and discussion of:

- the CASS assurance standard, followed by a full review of the Group's assurance framework;
- preparedness for and impact of the decision to leave the European Community (Brexit);
- the Group's reliance on its significant outsourced relationships with IFDS and HSBC. Further details of the terms of those relationships are set out earlier in this Governance report; and
- the Group's change programs as they relate to developments in the operating platform and significant regulatory change programs.

An illustration of how the Committee spent its time is shown below.



Review of the Annual Report and Accounts

The Committee reviewed the half-year financial statements in July. The financial statements for the year ended 31 December 2016 were reviewed in February 2017.

In addition, the Board asked the Committee to review the Annual Report and Accounts prior to publication. This was undertaken at its February 2017 meeting. The Committee looked first at the Strategic report and considered that the information being communicated relating to the business model and strategy was understandable and clear. It then looked at the whole of the report, including the notes to the accounts, and advised the Board that in its view, the Annual Report and Accounts taken as a whole was fair, balanced and understandable and provided shareholders with the necessary information to clearly assess the Company's business model, strategy, position and performance.

Financial reporting processes

The Committee considered the accounting issues and significant matters of judgement likely to affect the preparation of the 2016 accounts. These were found to be:

1. impairment of goodwill;
2. accrued income and expenses; and
3. share-based payments.

Each of these items required management to make judgements as to their treatment, which were scrutinised closely by the Committee. To enable the Committee to do this, management prepared a briefing paper detailing the nature of each item and why it was considered to be a key judgement in preparing the Group's financial statements. The Committee considered the judgements at its meeting in November and reviewed the appropriateness of any resulting disclosures in the financial statements in February. It requested follow-up analysis, which was circulated to Committee members. As a matter of good practice, the external auditor was asked for its view of the judgements made by management.

Goodwill

As a result of the Group structure adopted at the time of the acquisition of Knightsbridge Asset Management Limited in the MBO, the Group continues to have goodwill of £341.2m on its balance sheet. In accordance with IAS 36, an annual test of impairment of goodwill is undertaken and the Committee was presented with the results, which demonstrated that no impairment was required.

Following the Brexit vote in June, a further impairment review was undertaken considering AUM flows, share price and the three-year forecast. An impairment was not expected to arise at the time of the review though, as uncertainties remain, regular reviews will be undertaken.

Accrued income and expenses

As disclosed in the Financial Statements and in accordance with previous years, the most significant items of accrued income and expenses involving a degree of estimation related to bonus and other performance related remuneration schemes. Additionally, the assessment by HMRC of VAT recovered by Jupiter Asset Management Group Limited, which was referred to in the 2015 Annual Report, has yet to be settled and was also considered by the Committee.

Bonuses are not paid until after the date of signing the financial statements, so an accrual for the charge is made, based on the calculated bonus pool and the amounts approved by the Remuneration Committee (which looks at bonuses in total, as well as individually for certain employees). The Committee reviewed the amount of the bonus pool and the estimated levels of deferral into both options over the Company's shares or a cash equivalent value of units in the Group's funds. Since options under the deferred bonus plan are not granted until April, the Committee looked at the expected level of share grants applicable to the year and reviewed the quality of prior-year estimates. The Committee also considered the information used by the Remuneration Committee to recommend individual payments and obtained assurance that sales and margin performances supported the anticipated bonus levels.

In 2013, HMRC issued a revised assessment to the Group in relation to all input VAT recovered by Jupiter Asset Management Group Limited since September 2009. Following recent relevant litigation not involving any Jupiter company, HMRC has advised that further consideration is being given to the matter. In the meantime, the Group's current provisioning level is believed to remain appropriate.

Share-based payments

The Committee reviewed the key assumptions used for the valuation of options relevant to the Company's share-based incentive schemes which were found to be appropriate and in line with previous expectations.

Internal controls and risk management systems

As part of its ongoing monitoring, the Committee received written reports at each of its regular meetings in February, May, July and November. These reports were from:

- the Compliance Director, who reported on regulatory compliance across the Group and the status of any other compliance matters;
- the Head of Risk, who reported on the work of the executive Risk Committee and enterprise risk performance; and
- the Internal Audit lead partner, whose reports showed the status of the internal audit programme and any recommendations for changes to it.

The Group Legal Director also regularly attended the Committee's meetings, to advise on current legal matters including litigation and intellectual property affecting any Group company. Any litigation matters relating to the Group's tax affairs, including the VAT case commenced in 2013 and referred to above, are reported to the Committee by the Head of Tax, who also attends the Committee's meetings when required.

In addition to its regular meetings, the Committee maintains a close and open dialogue with executive management and the Group's assurance functions throughout the year. Reports from the executive Risk Committee cover the Group's emerging, strategic and operational risk areas, including conduct and regulatory risks and risks to the Group balance sheet or strategic risks inherent in the Group's broader business environment and reputation are also considered.

The Committee regards its annual review of the Group ICAAP to be a vital element of the ongoing management of risks. The 2016 annual review was undertaken following consideration of the Group's capital adequacy, which was finalised in 2015.

The Committee's review of the Group's Audit & Assurance Facility ('AAF') 01/06 – ISAE 3402 report was completed in January 2017, in order for the format and readability of the report to be reviewed and to provide for separate sections for institutional controls and investment trust controls. When it was examined prior to publication, the Committee was satisfied that the Group's control structure was clearly communicated throughout the report.

The Committee has also reviewed the updated whistleblowing policy and procedures, providing improved facilities for employees to report any concerns and confirming the appointment of Polly Williams as a Non-Executive Director whistleblowing champion.

Internal audit function

EY has provided the Group's internal audit function since 2008. The internal auditor reports directly to the Chairman of the Audit and Risk Committee and, in addition to submitting status reports for each Committee meeting, provides Committee members with copies of any internal audit reports completed between meetings. The status reports tabled at meetings include findings and recommendations, as well as the Group's progress with implementing previous recommendations. These help inform the Committee's discussion of any required follow-up. The Committee works with the internal auditor to ensure that its work is embedded in the business and is co-ordinated with that of the external auditor.

The 2016 audit plan as approved by the Audit and Risk Committee, was completed during the year. The plan was designed and assessed against the Enterprise Risk Management Framework of the Group and focused on Jupiter's strategic risks. Twelve audits were delivered in the period. The audits included:

- client money and assets (CASS) governance;
- oversight of overseas offices;
- the IT infrastructure review; and
- the governance framework of the Funds Management Office.

The Committee plays a key role in ensuring that new branch openings are undertaken in accordance with the strategy and that all risks are managed both at the opening of a branch and during trading. The Milan and Madrid branches began operating in 2016 and an internal audit review of the management of risks in all branches was completed.

These reviews have helped the Group to implement more robust controls procedures. Internal audit continues to work closely with the Risk and Compliance teams to ensure a holistic approach to the provision of assurance in the Group.

The Committee has agreed nine audits will follow in 2017. The basis of the 2017 audit plan will be the enterprise strategic risks, with particular emphasis on business change and scalability.

2016 review of the effectiveness of Internal Audit

Our review was a two stage process. The Chairman and members of the Committee contributed to a survey of nine questions, which evaluated the interaction of Internal Audit with the Committee. The members of the Executive Committee and regular attendees of the Committee's meetings also considered EY's independent audit interviews and a high level of satisfaction was reported in most of the responses received. Some areas of possible improvement were identified, including clearer communication of best practice in the broader context in audit reviews. It was also felt that the use of subject matter experts could be extended.

In addition, the Committee received a quality assurance report from an independent partner of EY, who undertook a series of interviews with the function's stakeholders. The review reported that overall, management is very satisfied with the level of service and performance of the internal audit function.

The Committee remains of the view that outsourcing the function to a specialist independent provider is appropriate and allows for the provision of subject experts as required.

External auditor

PwC is the Group's external auditor, having been reappointed following a formal tender in 2014. Jeremy Jensen was the lead audit Partner throughout 2016.

The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 – statement of compliance

The Company confirms that it has complied with the provisions of the CMA Order 2014 for the financial year under review. The Company intends to retender the external audit contract no later than 2024.

Each year the external auditor presents to the Committee the proposed scope of its full-year audit plan, together with a review plan for the half-year. This includes its assessment of the material risks to the Group's financial statements and its proposed materiality levels, for the Committee's discussion and agreement. In 2016, PwC attended all of the Committee's regular meetings and also provided reports on specific topics requested by the Committee, which included a deeper review of the scope of CASS regulation (and the Group's preparedness for it), following the publication of the new CASS Assurance Standard applicable to our CASS audits in 2016.

The Audit and Risk Committee has primary responsibility for the Group's relationship with the external auditor. A review of the effectiveness of the external auditor was undertaken by means of a questionnaire, which was completed by members of the Committee, the Board, and the Finance and Compliance teams. PwC was found to have performed effectively during the audit and was responding constructively to new challenges. A summary of the questionnaire's findings was discussed at the Committee's meeting in May and the Chairman then discussed the action points with Jeremy Jensen.

The Committee reviewed and approved PwC's terms of engagement and the proposed fee for the 2016 audit. The Committee has reviewed and satisfied itself with respect to the external auditor's qualifications, expertise, resources and independence. It continues to believe that PwC conducts its audit work with objectivity and to a high standard. It considered the external auditor's proposed audit scope and plan at the November meeting and found it to be effective. There are no contractual obligations restricting Jupiter's choice of external auditor, other than in respect of EY's appointment as internal auditor.

The Committee has a primary responsibility to safeguard the external auditor's objectivity and independence. To achieve this in 2016, it followed its existing policy which provided that certain types of non-audit services were pre-approved, whilst others were not permitted under any circumstances. Prohibited services were those where the Committee considered that the associated threats to auditor independence were unacceptable. Pre-approved services were those considered to have a low threat to auditor independence. Nonetheless, pre-approved services still needed the Committee's approval if the expected fee exceeded £50,000. The policy also set out certain disclosures the external auditor must make to the Committee, restrictions on employing the external auditor's former employees, partner rotation and the procedures for approving non-audit services provided by the auditor.

A new policy was prepared and scrutinised by the Committee in November, assuring compliance with the EU Audit Regulation by 2020 as the Regulation allows. It was implemented in January 2017, following Board approval, and confirms a list of services which the external auditor is not permitted to provide to the Group, including advice in relation to its tax affairs. The policy caps the value of non-audit services that can be provided in future periods and prescribes the activities for which PwC may be retained to assist Jupiter outside the audit.

In 2016, the Group used PwC for some taxation advice and in other areas outside the statutory audit of the Group, such as those areas of assurance where the work being done is, in the view of the Group, similar in type and scope to the work performed in the audit and as such, can be provided more efficiently and cost effectively by the auditor. This area is mainly the review of the interim accounts and other assurance work on the AAF Controls' report for clients and CASS client money audits. PwC was used in these cases due to the existing relationship, which aids the understanding of the Group's business and structure and thus the ability to provide effective advice. We continue to look at these items on a case by case basis, as to whether PwC is the appropriate supplier and would consider using a different supplier where it would not be detrimental to the Group.

A quarterly report is circulated to the Committee setting out the non-audit services provided by the external auditor during the year and the fees charged. These services mainly related to the audit and assurance controls report, taxation and advice relating to the provision of professional services to the SICAV management company. The tax work included compliance issues that arose in various territories, including Taiwan, as well as advice on VAT issues relevant to the overseas trading companies. An analysis of fees paid in respect of PwC's audit and non-audit services is included within Note 1.3 of the financial statements.

The Board has recommended the reappointment of PwC as external auditor, which will be put to shareholders at the AGM on 17 May 2017.

OTHER AREAS OF DEEPER FOCUS AND DISCUSSION

In addition to its routine activities during the year, the Committee also identified topics of focus for review. This was primarily based on their importance to the Group's strategy and particularly its growth strategy, or current or anticipated regulatory focus. The main topics covered during 2016 and to date in 2017, which were presented to the Committee by senior stakeholders in the relevant business areas, related to regulatory change and compliance, viability, risk and governance.

The combination of routine annual activities and the topics of focus means that the Committee has been able to carry out a robust assessment of the Group's principal risks and its ability to deliver its strategy. This included assessing the risks that might threaten its business model, future performance, solvency or liquidity.

Regulatory change and compliance

During the year, the Committee reviewed the conduct risk and control framework, including:

- the Group's preparation for and compliance with the Market Abuse Regulation, which was implemented in July; and
- the role and effectiveness of the internal audit function.

The Committee also reviewed a number of factors such as liquidity management and cash generation from operations, contingent liabilities, unfavourable market scenarios versus the Group's core forecasts and other risks to the Group's operations or balance sheet position. The Committee considered it appropriate to adopt the going concern basis of accounting in preparing the half-year and annual financial statements for the year ended 31 December 2016, and did not identify any material uncertainties or notify the Board of any qualifications or assumptions as to the Company's ability to continue to do so over a period of at least 12 months from the date of approving such financial statements.

Viability

In February 2017, the Committee considered the Group's viability over the period of three years to 31 December 2019 and its position as a going concern at the half-year and year end. It considered whether the period of three years remained the most appropriate period over which Jupiter's viability should be considered and concluded it was, having given consideration to the Group's current strategic forecast and ICAAP. These assessments were informed by the Group's business and cash flow projections and the current net cash balance and loan facilities available to the Group. The Committee considered that the Group's current surplus capital and cash liquidity were both well above the levels which might bring the going concern basis into question. The Committee also received advice on current best practice from external advisers. The Group's Statement of Viability is set out in the Strategic Report.

Risk and governance

During the year, the Committee looked at:

- implementation of the Group's corporate values;
- how management sets and monitors the Group's culture; and
- the Group's tax framework and associated internal processes and controls.

These reviews had a particular emphasis on risk and highlighted to the Committee any potential risk areas or areas where controls may need enhancing. For instance, the Committee's review of cyber crime risks included consideration of the relevant risks and a review of appropriate insurance. The risks of network business interruption were also examined and improved insurance cover obtained.

DEAR SHAREHOLDER,

I am pleased to present our Directors' Remuneration Report for 2016. It is split into two parts:

- The Directors' Remuneration Policy. This is subject to a binding vote and sets out our policy for approval by shareholders. We are putting forward what is largely the same policy as approved at our 2014 AGM with 97% of votes in favour. The rationale for this approach is discussed in more detail below.
- The Annual Report on Remuneration. This outlines how we implemented our policy in 2016 and how we intend to implement it in 2017.

2016 REMUNERATION REVIEW

Over the last year, we have undertaken a detailed and comprehensive review of our remuneration arrangements to make sure they best support our business strategy and reflect regulatory requirements and evolving best practice. This included extensive consultation with our major shareholders and investor bodies and I would like to thank all involved for their constructive engagement.

We received a range of useful and varied feedback on our proposals; some shareholders were fully supportive whereas others were less comfortable with particular aspects. Specifically, although our proposals would have capped total individual pay potential and resulted in an overall decrease in total compensation, some shareholders were unsupportive of the significant restructuring of the pay elements being proposed for 2017.

The current pay model at Jupiter (low salaries and uncapped individual variable pay) is consistent with the historic structure of pay within the asset management sector but is increasingly inconsistent with governance guidelines and executive pay practices for listed companies more widely.

Our proposals would have addressed these inconsistencies but it is clear from the nature of the feedback that we need to do more work to ensure that we have broad shareholder support for the changes we need to make. As an ethical business with responsibilities to our stakeholders, including our clients, achieving broad support is important to us.

We therefore need to take some time to reflect on the feedback we have received and amend our proposals accordingly.

In practical terms, this means that we will delay bringing forward a revised policy for shareholder approval until a General Meeting later in 2017 or at the 2018 AGM.

Since legislation requires that the policy is renewed every three years and our existing policy was approved by shareholders at the 2014 AGM, a new policy needs to be approved at the 2017 AGM. Shareholder approval will therefore be sought at the 2017 AGM for a limited 12 month extension of our existing policy with the following updates:

- An increase in our shareholding guidelines from 150% of salary to 300% of salary for the Chief Executive and 200% of salary for other Executive Directors, to further strengthen alignment with shareholders.
- Alignment of our bonus deferral provisions to meet new regulatory requirements under UCITS V.
- Improvements to the rigour and transparency of the decision making process for variable pay awards to Executive Directors with a clearly defined process and metrics.

THE LINK BETWEEN STRATEGY AND REMUNERATION

Jupiter's focus is on delivering long-term outperformance to clients after all fees through active asset management. This successfully delivers value to shareholders as we combine this investment outperformance with effective distribution, efficient operations to enable growth, diversification and increased business resiliency. Since IPO, Jupiter has significantly increased in size, from a market capitalisation of c.£1bn in 2010 to c.£2bn at the end of 2016 which, together with a progressive ordinary dividend policy and special dividends, has returned significant value to shareholders. This growth has been reflected in international expansion and diversification by product, client type and channel.

Jupiter's remuneration arrangements must have the capacity to continue rewarding and incentivising delivery of this successful growth strategy. Therefore we need to continue our focus on maintaining the balance by which we share the benefits of profitability between our stakeholders, specifically our people and shareholders, whilst retaining the right proportion to invest in our platform to ensure it remains scalable for growth and continued compliance with regulatory changes.

The following table reiterates the four key areas of our strategy and how our remuneration policy for Executive Directors supports us in executing that strategy.

1. Investment outperformance

- Investment outperformance is critical to delivering value to our clients. It is measured in both the annual bonus and the LTIP performance metrics. The annual bonus measures investment outperformance relative to peers and benchmark indices. The LTIP measures outperformance against peers.
- Measurement is calculated over multiple time periods. For the annual bonus, we look back at investment performance over one, three and five years. For the LTIP, we measure outperformance over a three year period.

2. Effective distribution

- Measurement of flows is included in both the annual bonus and the LTIP. For the annual bonus, we focus on gross and net sales, as well as management fee margin. For the LTIP, we measure net sales over a three year period.
- Diversification is an important overlay, which helps in delivering stable returns to shareholders. Within the annual bonus we measure the mix of AUM over different geographies, asset classes and client channels, as well as concentration. Providing the right products to clients generates asset inflows.

3. Efficient operations

- Profitability is a key measure within the annual bonus, with targets set for profits, revenues and costs. We also have a three-year EPS target in our LTIP.
- The strategic and individual elements of the bonus and LTIP encourage our Executive Directors to focus on and invest in key projects, which enable us to grow a long-term, sustainable business, protecting our operating margin and keep step with changing regulatory requirements.

4. Value creation

- Our remuneration philosophy aligns executive rewards with long-term value creation for clients and shareholders across a range of features, including bonus deferral, LTIP and shareholding requirements.
- There is a strong link between the available profit for distribution to all our stakeholders and the variable compensation pool for employees, as detailed on page 7.

THE LINK BETWEEN PERFORMANCE AND VARIABLE REMUNERATION

Our practice of capping salaries for all employees (including Executive Directors) at a maximum of £250,000 and rewarding employees for personal performance means that a high proportion of total remuneration continues to be delivered as variable pay. All employees (including Executive Directors) are incentivised to deliver high performance and are rewarded according to the Group's success and their personal contribution. This approach reflects Jupiter's collegiate culture, with all employees sharing in Jupiter's success.

Variable pay awards to Executive Directors form part of the Group-wide capped variable compensation pool and their awards in relation to 2016 performance are discussed on pages 69-72. Although it has been a year of strong financial performance with increased profits and a higher variable compensation pool, the Executive Directors' awards are lower than for 2015, both in absolute terms and as a percentage of the pool. The reduced variable compensation for Executive Directors was a result of net sales being below target and a greater pressure on the variable compensation pool than in prior years, as described in greater detail in the Annual Remuneration Report. The Remuneration Committee has also continued its policy of increasing the proportion of the CEO's variable pay that is granted as LTIP awards (subject to additional three-year performance conditions) rather than as annual bonus.

2016 was the final year of the performance period for LTIP awards made to Executive Directors in 2014 and for buy-out awards granted to Maarten Slendebroek in 2013. These awards will vest over 41% and 49% respectively of the originally granted shares as discussed on pages 73-74.

LINKING RISK AND REWARD

The Committee oversees the close linkage between risk and reward for all employees to ensure the desired behaviours and culture are being demonstrated. Risk and compliance play an important role in our remuneration approach and can reduce variable compensation, potentially to zero. The reward practices and processes in place to support this are described in more detail on page 68.

EMPLOYEE SHARE OWNERSHIP

At Jupiter, our culture of employee share ownership continues to be a key area of focus. Currently, around a quarter of our employees hold awards under one or both of our deferred bonus and long-term incentive plans and are therefore aligned with shareholders in having a long-term interest in the Group's performance. We also operate two HMRC approved plans, a Sharesave and a Share Incentive Plan, under which 82% of eligible employees are either participating in one or both. These plans complement and encourage our culture of long-term employee share ownership.

During 2016, around a fifth of our employees benefited from the maturity of our three-year and five-year Sharesave awards from 2013 and 2011 respectively. At the end of 2016, over two thirds of these employees had exercised their options and enjoyed aggregate gains of £422,000 and around half of these employees have chosen to retain the shares.

SHAREHOLDER ENGAGEMENT

As mentioned above, I am grateful for the constructive engagement that there has been with our major shareholders over recent months. I look forward to a continuation of this dialogue over the coming year as we amend our proposals for a revised policy. In the immediate future, I look forward to receiving your views and support at the forthcoming AGM.

Lorraine Trainer
Chairman of the Remuneration Committee
23 February 2017

EXECUTIVE REMUNERATION AT A GLANCE

This table summarises remuneration arrangements for Executive Directors in 2016 under the policy approved by shareholders at our 2014 AGM, alongside commentary of how we intend to apply our policy in 2017.

Element	2016 approach	2017 approach and commentary
Salary	• Salary cap of £250,000 • CEO £250,000, CFO £250,000 and Vice Chairman £160,000 (£200,000 full time equivalent)	• No salary increases for Executive Directors • Salary cap of £250,000 • CEO £250,000, CFO £250,000 and Vice Chairman £160,000 (£200,000 full time equivalent)
Pension	• 15% of salary	• 15% of salary
Bonus opportunity	• No individual limits • Subject to capped aggregate variable compensation pool	• No individual limits • Subject to capped aggregate variable compensation pool
Bonus performance measures	• Balanced scorecard approach • Profitability, net flows, investment outperformance, strategic objectives and personal performance • Risk and compliance checkpoints and underpins	• Further enhancement of balanced scorecard approach and increased granularity around targets and performance • Increased suite of metrics to include profitability, net flows, investment outperformance, diversification, strategic operating objectives and personal performance • Concepts of 'Threshold', 'Target' and 'Maximum' performance embedded into annual bonus framework. This will allow significantly enhanced commentary in the Annual Report on Remuneration for 2017 (some of which you will start to see in this report as we transition to the new approach) • Retrospective disclosure of target ranges for quantitative measures and expanded commentary for qualitative measures • Risk and compliance checkpoints and underpins
Deferral	• 40% of total bonus over £100,000 deferred into shares for three years, 60% cash	• To the extent that we need to meet future regulatory requirements with greater deferral provisions than our policy, we will do so • For example, for 2017, we anticipate the following will apply (in line with UCITS V): 50% of total bonus deferred into shares for three years and subject to an additional six month holding period; 25% of total bonus delivered in shares subject to a six month holding period; and 25% of total bonus delivered upfront in cash
LTIP opportunity	• No individual limits • Face value of grants subject to capped aggregate variable compensation pool	• No individual limits • Face value of grants subject to capped aggregate variable compensation pool
LTIP performance measures	• Four measures with equal weighting: EPS, net sales, investment outperformance and strategic goals	• Four measures with equal weighting: EPS, net sales, investment outperformance and strategic goals
Shareholding requirements	• 150% of salary	• Increase to 300% of salary for CEO • Increase to 200% of salary for other Executive Directors
Other best practice features	• Malus and clawback provisions apply	• Malus and clawback provisions apply

The Remuneration Committee

ROLE OF THE COMMITTEE

The Committee's role and responsibilities include:

- determining the overarching policy for the remuneration of the Group's employees, ensuring it is structured in a way that rewards individual and corporate performance and is aligned with appropriate risk and compliance standards and the long-term interests of shareholders, investors and other stakeholders;
- determining the overall size of the annual variable compensation pool, taking into account all relevant factors including the performance of the business, the impact on liquidity and the Group's capital base, the Group's profitability, risk, compliance and any constraints on total remuneration spend;
- determining and reviewing annually individuals who may be considered to have a material impact on the risk profile of Jupiter and relevant subsidiaries (Code Staff) for the purposes of the FCA Remuneration Code, Alternative Investment Fund Managers Directive (AIFMD) and Undertakings for Collective Investment in Transferable Securities (UCITS) disclosures;
- determining the Chairman's fees and the total individual remuneration package of each member of the Executive Committee, each individual identified as Code Staff and any employee whose total remuneration is expected to exceed the median for the Executive Directors;
- for the above group of employees, overseeing the setting of objectives for, and assessing the extent to which each individual has met, their individual performance targets for incentive awards;
- approving the design of, determining the targets for, and monitoring the operation of, any performance related pay schemes operated by the Group, ensuring appropriate links exist between risk and reward, and approving the total annual payments made under such schemes;
- reviewing the design of all share incentive plans and deferred bonus arrangements for approval by the Board and, if applicable, shareholders. For any such plans, determining each year whether awards will be made, and if so, the overall amount of such awards, the eligibility criteria for such awards and the performance targets attaching to those awards, taking into account future risks; and
- overseeing any major changes in employee benefit structures throughout the Group.

COMMITTEE MEMBERS

Lorraine Trainer (Chairman)
Liz Airey
Jonathon Bond
Bridget Macaskill

OVERVIEW OF ACTIVITIES IN 2016

The following regular agenda items were considered during the scheduled Committee meetings which took place during 2016:

	Jan	Feb	July	Oct	Dec
Remuneration policy and disclosures					
Review of remuneration policy			●	●	●
Directors' Remuneration Report		●			
Risk and reward					
Input from Risk and Compliance	●			●	
Review of risk checkpoints prior to variable compensation pool approval		●			
Annual remuneration discussions					
Bonus and LTIP pool	●	●			
Individual performance and remuneration outcomes	●	●			
LTIP performance testing	●	●	●		
Allocation of LTIP awards	●	●	●		
Setting individual objectives		●			
External market					
Shareholder trends and feedback			●		
Governance developments				●	
Market trends			●		
Benchmarking data			●		
Regulatory					
Regulatory and governance update				●	●
Code Staff identification (CRD IV, CRD III and AIFMD)				●	
Remuneration Policy Statement				●	●
Committee remit and effectiveness					
Terms of reference review				●	
Self-evaluation				●	

In addition to the scheduled meetings set out above, the Committee held additional meetings in respect of the appointment of Charlotte Jones to consider and approve her remuneration arrangements (as described on page 75), and in relation to the remuneration policy review.

Directors' Remuneration Policy

This section of the report sets out our Directors' Remuneration Policy (the "Policy"). The Policy is subject to a binding shareholder vote at our 2017 AGM.

CHANGES TO THE POLICY

As noted in the Chairman's Statement, a comprehensive review of executive remuneration arrangements has been undertaken in consultation with major shareholders. The outcome of that review is that we are seeking shareholder approval at our 2017 AGM for a limited 12 month extension of our existing Policy, which was approved by shareholders at our 2014 AGM with 97% support.

The main changes that are being proposed to our existing Policy are set out below.

- An increase in our shareholding guidelines from 150% of salary to 300% of salary for the Chief Executive and 200% of salary for other Executive Directors, to further strengthen alignment with shareholders.
- Alignment of our bonus deferral provisions to meet new regulatory requirements under UCITS V.
- Improvements to the rigour and transparency of the decision making process for variable pay awards to Executive Directors with a clearly defined process and metrics.

The Committee reserves the right to make minor amendments to the Policy in the future without shareholder approval for administrative reasons or to obtain or maintain favourable tax, exchange control or regulatory treatment for a Director.

CONTEXT OF ALL-EMPLOYEE PAY

The Jupiter Remuneration Committee considers the pay and conditions of all employees when determining remuneration arrangements for Executive Directors.

The remuneration policy for Executive Directors applies on a similar basis to all employees. The salary cap in place for Executive Directors currently applies across the Group. In any year, bonuses paid in respect of prior year performance and the face value of LTIP and any other awards granted to Executive Directors and all other employees will be funded by (and not exceed) the available capped variable compensation pool so all employees including Executive Directors are incentivised in a similar way and are rewarded according to personal performance and the success of the Group.

Participation in the all-employee share plans (the HMRC approved Sharesave and Share Incentive Plan) is also offered to all UK employees on the same terms, allowing all employees to benefit from the opportunity of owning shares in the Company and helping further align the interests of all employees with shareholders.

Benefits are also offered on a consistent basis – for example, the level of employer pension contributions is 15% of base salary for Executive Directors and all UK employees and other benefits, such as private medical insurance, are offered to all UK employees on the same terms.

Most of the Jupiter remuneration policies apply on a Group-wide basis. The main differences between employees below Executive Director level and the remuneration policy for Executive Directors relate to the deferral profile for bonuses, the form of DBP awards and the performance conditions applicable to LTIP awards.

STAKEHOLDER VIEWS

The Remuneration Committee is committed to ongoing dialogue with investor bodies and investors, and consulted extensively with both in determining the approach to the Policy.

The Remuneration Committee has considered the impact of this Policy on wider stakeholders, including our clients, our employees and the wider economy. Views across and within these groups are not uniform and it is the Committee's job to navigate and reconcile these views as best as possible. The Committee has also considered the environmental, social and governance implications of the Policy and is satisfied that it takes a responsible approach to pay and guards against irresponsible behaviour or excessive risk-taking.

REMUNERATION POLICY TABLE

The policy table ("Policy Table") on pages 64 to 67 summarises each of the elements of the remuneration package for Executive Directors under the Policy.

EXPLANATION OF PERFORMANCE MEASURES

Performance measures are selected and set by the Committee at the beginning of each performance year, to support the execution of our business strategy.

For annual bonuses, the Committee believes it is appropriate to use a balanced scorecard approach. The diversity of metrics and granularity of detail brings a holistic approach to assessment, allowing multiple elements of corporate performance to be evaluated. This is in the best interests of our shareholders and clients, whilst also being in line with shareholders' expectations. Furthermore, it is in line with regulatory expectations under UCITS, AIFMD and CRD regimes.

Setting appropriately stretching targets is an area of particular focus for the Committee. We have set out our approach and process in respect of the annual bonus cycle in detail on pages 77-78.

Full vesting under the LTIP will only occur for what the Committee considers to be exceptional performance.

Risk and compliance underpins apply to all variable compensation which can reduce awards, potentially to zero. Furthermore, the Committee makes reference to a series of checkpoints as outlined in our 'Risk and reward' section on page 68, when approving the overall variable compensation pool for all employees.

SHAREHOLDING REQUIREMENTS

The Chief Executive and other Executive Directors are expected to build up shareholdings and maintain holdings of at least 300% and 200% of base salary respectively.

The Committee monitors shareholdings against these requirements annually and decides at its discretion what (if any) action should be taken, which may include requiring an individual to hold a proportion of vested shares until the requirements are met.

MALUS AND CLAWBACK

Jupiter operates a malus and clawback policy to support wider aims, including: ensuring greater alignment between risk and individual reward; discouraging excessive risk taking and short-termism; encouraging effective risk management; and promoting positive behaviours and a strong and appropriate conduct culture at Jupiter.

Malus provisions apply so that relevant awards can be withheld or reduced (including to zero) in certain circumstances. Clawback provisions apply so that relevant awards can be reclaimed in certain circumstances.

For the Deferred Bonus Plan ("DBP") and LTIP, malus and clawback provisions can apply in the following circumstances:

(i) Financial results would have been materially lower on the basis of information that comes to light after the accounts for that year are finalised (other than as a result of change of accounting policy subsequent to the end of the year);

(ii) Material failure of risk management suffered by a group company;

(iii) Gross misconduct (or material error from 2017 awards onwards) of the individual;

(iv) Material reputational damage occurring to a group company; and

(v) Performance assessment error in relation to an individual when determining the level of their award.

Malus provisions apply for all unvested DBP and LTIP awards granted in 2016 and later years in respect of any events referred to above.

Clawback provisions will apply to all vested LTIP awards granted in 2016 and later years in respect of events described in (i) to (iii), and (iv) only applies to the extent that the individual is considered to be directly responsible or directly accountable.

The clawback provisions may ordinarily be invoked at any time after the vesting date for a period of two years, in respect of a clawback event that occurs at any time between grant and the end of the clawback period.

Clawback provisions also apply in respect of bonus payments delivered as cash, such that all variable compensation is subject to malus and clawback provisions.

RECRUITMENT

In the case of the future recruitment of a new Executive Director, the Company would apply the following principles:

- Base salary: set in line with the Policy Table.
- Bonus: expected to be on the same basis as all other Executive Directors as outlined in the Policy Table. Notwithstanding this, the Committee retains the flexibility to determine that for the first year of appointment any annual incentive award will be subject to such terms as it may determine.
- DBP: awards will be granted in respect of the relevant proportion of any bonus paid in the year of recruitment, on the same basis as it applies for all other Executive Directors and the usual malus and clawback provisions would apply to any award as outlined above.
- LTIP: in the year of recruitment, any awards granted will be granted on the same terms as apply to other Executive Directors as set out in the Policy Table.
- All-employee share plans: participation in the HMRC approved Sharesave Plan and HMRC approved Share Incentive Plan will be offered on the same basis as it is for all other Executive Directors and employees.
- Benefits: pension contributions, private medical insurance, life assurance, dependants' pension and income protection will be provided on the same basis as they are for all other employees (including Executive Directors). Where the Remuneration Committee determines that such a payment is necessary for recruitment, payments such as relocation allowances and other relocation related expenses may also be paid at a level determined as appropriate by the Remuneration Committee.
- Variable remuneration: There is no maximum level of variable remuneration which may be awarded on recruitment, in line with the Policy Table, albeit all payments are capped by the aggregate variable compensation pool.

Any buy-out awards granted in addition to the elements of the remuneration package will be required to be granted on equivalent or no more favourable terms, in accordance with applicable regulatory rules and regulations, than the awards which they are buying out, in particular in respect of the: quantum of the award; timing of delivery; form of award; and existence of performance conditions.

Where necessary, any buy-out awards granted outside of the provisions of the rules of the LTIP will be granted under the Listing Rules exemption applicable to such share arrangements.

In the case of the future recruitment of a new Executive Director, the Company will disclose the full details of the recruitment package and the approach taken in the Annual Report on Remuneration following the appointment.

The other main contractual terms of the service contract would follow the same principles as those of existing Executive Directors.

Any new Non-Executive Director would be appointed with contractual terms and a fee basis in line with the other existing Non-Executive Directors.

EXIT PAYMENTS

Our overriding policy on termination payments to Executive Directors is that we do not include any contractual provisions for compensation on early termination, other than the amount due under law and that the Committee will seek to keep any other such payments to an appropriate level, reflecting performance.

In case of termination, a payment in lieu of notice may be due if such notice is not given by the Company. As set out in the summary table of Executive Director service contracts, no contractual entitlement to a bonus payment accrues or arises during the notice period. Any bonus payment that the Committee determines is appropriate to be paid in respect of an Executive Director notice period will be based on performance and may be made in such proportions of cash and shares as the Committee may determine.

Leaver provisions under both the DBP and LTIP are aligned. The respective rules provide that any awards will lapse on cessation of the individual's office or employment, other than in limited circumstances, as follows: death of the employee; the ill-health, injury or disability of the employee; redundancy; retirement; the sale of the individual's employing entity out of the group; and any other reason which the Remuneration Committee in its absolute discretion so permits. Where LTIP awards granted in 2017 vest in these circumstances, they would normally only vest to the extent the Remuneration Committee determines, taking into account the extent that performance conditions have been satisfied and, unless the Committee determines otherwise, the proportion of the vesting period that has elapsed.

The Committee reserves the right to make any other payments in connection with a Director's cessation of office or employment where the payments are made in good faith in discharge of or to mitigate an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement of any claim arising in connection with the cessation of a Director's office or employment. Any such payments may include but are not limited to paying any fees for outplacement assistance and/or the director's legal and/or professional advice fees in connection with his cessation of office or employment.

In the case of a change in control of the Company (or equivalent transaction), the Remuneration Committee may exercise its discretion to assess performance conditions applicable to outstanding LTIP awards to the date of the relevant event. The Board may determine that outstanding LTIP or DBP awards be exchanged for equivalent awards on such terms as agreed with the acquiring company. If the Company is wound up the vesting of an award will be accelerated.

SERVICE AGREEMENTS POLICY

The policy terms and effective dates of the current Executive Directors' service agreements are summarised below:

Provision	Details
Term	Not fixed
Notice period	Six months' written notice from either party, during which period salary and benefits will be provided but no contractual entitlement to any bonus payment will accrue or arise.
Service agreement dates	• 1 June 2010 for Edward Bonham Carter. • 30 March 2012 for Maarten Slendebroek. • 12 May 2016 for Charlotte Jones.
Termination arrangements	No provisions for compensation on early termination, other than those provided by the position under law. In the event that compensation for early termination is payable, the Committee's policy is to seek to keep such compensation to an appropriate level. There are no specific provisions in the service agreements providing for compensation payable by the Company on termination without cause or on a change of control of the Company. No entitlement to benefits (such as pension contributions and private medical insurance) will continue after termination of employment.

NON-EXECUTIVE DIRECTORS' FEES POLICY

Non-Executive Director fee levels are normally reviewed annually. The current annual fees comprise the following elements:

- Basic fees
- Additional fees may also apply in respect of:
  – Committee membership;
  – Committee Chairmanship (in addition to the membership fee);
  – Senior Independent Director status; and
  – In any given year, a time commitment significantly in excess of that expected at the start of the year.

The Chairman's fee is reviewed annually and comprises an all-inclusive fee.

Fees are set to reflect the time commitment and skills and experience required, based on an appropriate level against the market, and will not exceed the maximum amount permissible under the Company's Articles of Association. The fees are currently paid in cash, but the Board retains the flexibility to pay some or all of the fees in shares. Reasonable business expenses are reimbursed or settled on behalf of Non-Executive Directors and any tax arising in respect of the reimbursement or settlement of such expenses may also be settled by the Company.

LETTERS OF APPOINTMENT POLICY

The policy terms, effective dates and unexpired terms of the current Non-Executive Directors' letters of appointment are summarised below:

Provision	Details
Term	Three years from the date of appointment or renewal date.
Unexpired term (as at 31 December 2016)	• 6 months for Jonathon Bond. • 8 months for Liz Airey. • 1 year and 2 months for Polly Williams. • 1 year and 4 months for Bridget Macaskill. • 2 years and 4 months for Lorraine Trainer. • 2 years and 7 months for Karl Sternberg.
Notice period	Three months' written notice from either party.
Date of letters of appointment	• 1 July 2014 for Jonathon Bond. • 1 September 2014 for Liz Airey. • 1 March 2015 for Polly Williams. • 1 May 2015 for Bridget Macaskill. • 11 May 2016 for Lorraine Trainer. • 22 July 2016 for Karl Sternberg.
Termination arrangements	No provisions for compensation on early termination, other than those provided by the position under law.

EXECUTIVE DIRECTOR ILLUSTRATIVE PAY SCENARIOS

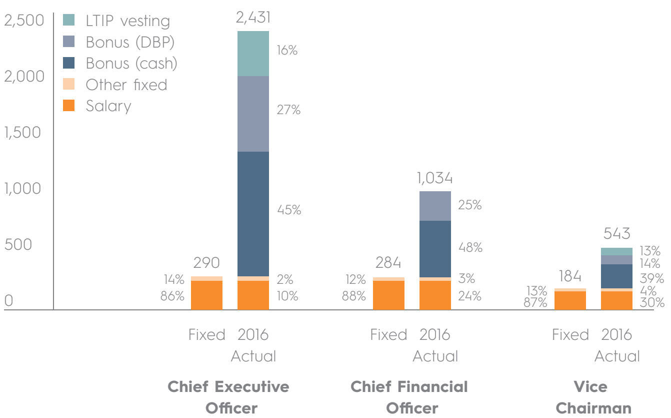
Jupiter's remuneration policy provides for a significant proportion of total compensation for Executive Directors to be delivered in the form of variable compensation, dependent on Jupiter's performance. The scenario chart below shows the minimum ("Fixed") compensation for each Executive Director in their respective roles from 1 January 2017. The annual Fixed compensation is compared against actual annualised compensation ("Actual") for 2016 from the single total figure table in the Annual Report on Remuneration.

For Charlotte Jones, Chief Financial Officer, the 2016 Actual compensation figures have been annualised to represent full year amounts in order to allow comparison against the other Executive Directors. Charlotte does not have a LTIP award vesting in April 2017 and therefore no amount is included in the scenario chart for her in respect of this element of compensation. In future years where there is LTIP vesting, her Actual compensation would also include this and may therefore be higher than that shown in the scenario chart. The value of the Joiner Plan award for Charlotte from the single figure table is also not included in the Actual compensation amount in the scenario chart below as this is a one off buy-out award in respect of deferred compensation forfeited from her previous employer, and will not be repeated in future years.

It is not possible to show maximum total compensation illustrations in the chart due to the structure of the Jupiter remuneration policy whereby capping the bonus and LTIP is achieved by way of a cap on the aggregate variable compensation pool.

Element	Assumptions
Salary	• Base salary with effect from 1 January 2017 for Fixed • Annualised salary paid in 2016 for Actual
Other fixed pay	• Annualised pension and benefits paid in 2016, together with any Sharesave options granted or SIP matching shares awarded in 2016 for Fixed and Actual
Bonus (cash)	• Annualised bonus paid in cash for 2016 performance for Actual
Bonus (DBP)	• Annualised bonus deferred into shares for 2016 performance for Actual
LTIP vesting	• Value of LTIP awards vesting in 2017 for which 2016 is the last performance year for Actual

Executive Director illustrative pay scenarios (£'000)



Remuneration policy table – components of Executive Director remuneration

	Purpose and link to strategy	Operation
Base salary	Jupiter maintains a strong cost discipline. Therefore, the Remuneration Committee caps the salaries of Executive Directors.	Base salaries are generally reviewed annually with any increases taking effect from 1 May. When determining base salary levels, the Remuneration Committee considers the individual's skills, the size and scope of their role, the market rate for the role at comparator companies and the salary increases for other employees of the Company. Salaries are subject to the salary cap.
Pension	Provides individuals with retirement benefits.	Payments may be made on a consistent basis to all employees either into a pension plan (for example, into a defined contribution plan or some other arrangement which the Committee considers to have the same economic benefit) or delivered as a cash allowance of the same equivalent cost to the Company.
Benefits	Provides individuals with market aligned benefits.	Benefits are provided on a consistent basis to all UK employees. Typical benefits include: private medical insurance, life assurance, dependants' pension and an income protection scheme to cover long-term illness. Regional differences in the level of benefits may exist for employees based outside the UK where benefits are aligned with local market practice.
All-employee share plans	Jupiter encourages employee share ownership and operates an HMRC approved Sharesave plan and an HMRC approved Share Incentive Plan. Executive Directors are eligible to participate in both plans on the same basis as other UK employees.	Under the Sharesave plan, employees enter into a three or five year savings contract and are granted linked options over shares in the Company. The Share Incentive Plan awards take the form of shares in the Company acquired by employees from pre-tax salary in conjunction with matching shares awarded.
Annual bonus and Deferred Bonus Plan ("DBP")	The annual bonus rewards corporate performance and the achievement of strategic and personal objectives. As the bonus pool is based on Jupiter's profits, this ensures bonuses are affordable. When the performance of Jupiter, or of an individual, is such that no bonus is merited, no bonus will be paid. The DBP provides a deferral element (in the form of Jupiter shares) to bonuses above a certain level to ensure there is a link to the longer-term performance of the Company.	The bonus pool to be distributed amongst employees is part of the variable compensation pool, which is calculated by reference to a percentage of adjusted available profit (net revenue less fixed costs and accounting charges, principally amortisation expenses and performance fee shares). Bonus amounts are determined based on performance against various criteria and targets that are agreed by the Remuneration Committee at the start of each year. The bonus amount determined is normally paid out in cash for the first £100,000. For bonus amounts in excess of £100,000, no less than 40% of the bonus in excess of £100,000 is normally delivered in the form of a DBP award. The Remuneration Committee has discretion to increase the extent to which the bonus is deferred in shares, if required to satisfy regulatory requirements. Awards under the DBP take the form of shares or options over shares in Jupiter. This aligns DBP award recipients with the interests of shareholders over the longer term. DBP awards normally vest at least three years after the date of grant.

Maximum opportunity	Performance measures
The base salaries of Executive Directors are subject to the applicable Jupiter salary cap, currently £250,000 per annum.	N/A
15% of salary.	N/A
There is no defined maximum. The value of other benefits will vary year on year, depending on factors such as the third party provider charges and market conditions. They are set at a level the Committee considers reasonable in the context of the local jurisdiction and the individual's circumstances.	N/A
Under the Sharesave and Share Incentive Plan, maximums are as prescribed by HMRC from time to time.	No performance conditions apply to the awards under the all-employee share plans.
The variable compensation pool is, in normal circumstances, capped at 27.5% of adjusted available profit. In any year, bonuses awarded in respect of prior year performance and the value of long-term awards granted will not exceed the available variable compensation pool. The proportion of the pool that is distributed will depend on the underlying business performance. The calculation of the variable compensation pool effectively caps total bonuses awarded and LTIP awards granted to Executive Directors and employees and ensures they are affordable.	Executive Director bonus amounts are determined by reference to performance against specific personal performance objectives and performance against the following performance measures: • **Profitability**, compared against expectations in light of market conditions, considering: profits against prior year; and profits against the target set by the Committee. • **Net flows**, compared against expectations in light of market conditions, considering: gross flows and net flows against prior year; net flows against the target set by the Committee; the margins at which those flows were achieved. • **Investment performance**, considering: the proportion of mutual funds (weighted by AUM) with first or second quartile performance; and the investment performance of other mandates and Investment Trusts. • Achievement of **strategic growth objectives**, as set by the Remuneration Committee. Clawback and malus provisions apply, to mitigate against actions and behaviours outside of Jupiter's risk appetite. All variable compensation is subject to risk and compliance assessments, under which any payments can be reduced, including to zero.

	Purpose and link to strategy	Operation
LTIP	Provides long-term reward with awards made on an annual basis. Encourages long-term outperformance and reinforces retention.	The LTIP pool (which determines the face value of LTIP awards granted in any year) is part of the variable compensation pool, which is calculated by reference to a percentage of adjusted available profit. LTIP awards will vest a minimum of three years from the date of grant, subject to continued employment and the satisfaction of performance conditions normally measured over a period of at least three financial years.

LEGACY PAYMENTS

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out above where the terms of the payment were agreed (i) before our 2014 AGM (the date the Company's first shareholder-approved Directors' Remuneration Policy came into effect); (ii) before the Policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder-approved Directors' Remuneration Policy in force at the time they were agreed; or (iii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes "payments" includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" at the time the award is granted.

COMMON AWARD TERMS

Awards under any of the Company's share plans referred to in this report may:
(a) be granted as conditional share awards or nil-cost options or in such other form that the Committee determines has the same economic effect. Alternatively, if regulations so required, awards may also be granted over fund units, in which case, references to Jupiter shares in this Policy would also include fund units;
(b) have any performance conditions applicable to them amended or substituted by the Committee if an event occurs which causes the Committee to determine an amended or substituted performance condition would be more appropriate and not materially less difficult to satisfy;
(c) incorporate the right to receive an amount (in cash or additional shares) equal to the value of dividends which would have been paid on the shares under an award that vest up to the time of vesting (or where the award is subject to a holding period, release). This amount may be calculated assuming that the dividends have been reinvested in the Company's shares on a cumulative basis;
(d) be settled in cash at the Committee's discretion; and
(e) be adjusted in the event of any variation of the Company's share capital or any demerger, delisting, special dividend or other event that may affect the Company's share price.

Maximum opportunity	Performance measures
As stated above, the variable compensation pool is, in normal circumstances, capped at 27.5% of adjusted available profit. In any year, bonuses awarded in respect of prior year performance and the value of long-term awards granted will not exceed the available variable compensation pool. The proportion of the pool that is distributed will depend on the underlying business performance. The calculation of the variable compensation pool effectively caps total bonuses awarded and LTIP awards granted to Executive Directors and employees and ensures they are affordable.	The performance conditions, applicable to 100% of any LTIP award granted to an Executive Director are as follows for awards granted under this policy (25% of the award each): • **Underlying EPS** • **Net sales** • **Investment outperformance** • **Strategic goals** The Remuneration Committee adopts such calculation methods and policies in assessing the performance conditions as it determines are appropriate. In exceptional circumstances, the Remuneration Committee retains the discretion to vary or replace a performance condition if an event occurs that means a performance condition has ceased to be appropriate, provided that any varied or new performance condition is, in its opinion, no more or less difficult to satisfy. Clawback and malus provisions apply, to mitigate against actions and behaviours outside of Jupiter's risk appetite. All variable compensation is subject to risk and compliance assessments, under which any payments can be reduced, including to zero.

Risk and reward at Jupiter

DISCUSSION

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

- When assessing the overall variable compensation pool as described on page 70, the Committee considers a number of 'checkpoints', as described in the checkpoints chart on the right hand side of this page.
- Assessment of individual performance includes consideration of a scorecard of financial and non-financial metrics. This ensures that *the way in which* 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, ensuring there is risk adjustment at an individual level.
- All employees with bonuses of over £100,000 have a portion of bonus deferred into shares and/or 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 the long-term success of the Group.
- Shareholding requirements apply to Executive Directors and Executive Committee members, further enhancing the link to the Group's long-term success.
- For Executive Directors and Executive Committee members, 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.

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

CHECKPOINTS

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 Head of Risk and the Audit and Risk Committee.

↓

Compliance

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

COMPLIANCE STATEMENT

This Remuneration report was prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. This report contains both audited and non-audited information. The information subject to audit is set out in the Annual Report on Remuneration and is identified accordingly.

During the year Jupiter has been subject to a number of regulations including CRD IV (level three) then subsequently CRD III and also parts of the firm were subject to AIFMD and UCITS V. The Committee fulfils all of its requirements under these regulations and ensures that the remuneration policy adheres to their principles. The Group has followed the requirements of the UK Corporate Governance Code.

Annual Report on Remuneration

Implementation in 2016

Single total figure

EXECUTIVE DIRECTORS' 2016 AND 2015 REMUNERATION (AUDITED INFORMATION)

Director	Edward Bonham Carter		John Chatfeild-Roberts[1]		Philip Johnson[2]		Charlotte Jones[3]		Maarten Slendebroek	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
A. Fixed pay										
Base salary	160	160	229	243	106	238	82	–	250	250
Taxable benefits[4]	2	2	2	2	1	2	0	–	6	2
Pension[5]	21	21	31	36	13	31	11	–	34	38
Total fixed pay	**183**	**183**	**262**	**281**	**120**	**271**	**93**	**–**	**290**	**290**
B. Annual bonus										
Annual bonus:										
– Delivered in cash	214	232	1,082	1,300	320	505	190	–	1,090	1,300
– Delivered in shares	76	88	660	800	–	270	60	–	660	800
Total bonus[6]	**290**	**320**	**1,742**	**2,100**	**320**	**775**	**250**	**–**	**1,750**	**2,100**
C. Pay for the performance year										
Sub-total (A+B)	**473**	**503**	**2,004**	**2,381**	**440**	**1,046**	**343**	**–**	**2,040**	**2,390**
D. Vesting of LTIP awards[7]										
For performance in multi-year periods:										
– 2013 award (2013-2015)[8]	–	234	–	234	–	257	–	–	–	326
– 2013 award (2013-2016)[9]	–	–	–	–	–	–	–	–	163	–
– 2014 award (2014-2016)[10,11]	69	–	–	–	–	–	–	–	228	–
Total value of LTIP vesting	**69**	**234**	–	**234**	–	**257**	**–**	**–**	**391**	**326**
E. Other										
Joiner Plan Award[12]	–	–	–	–	–	–	400	–	–	–
Sharesave[13]	1	–	–	8	–	–	–	–	–	–
SIP matching shares	–	–	–	–	–	2	–	–	–	–
Total other	**1**	**0**	**0**	**8**	**0**	**2**	**400**	**–**	**0**	**0**
Total remuneration (C+D+E)	**543**	**737**	**2,004**	**2,623**	**440**	**1,305**	**743**	**–**	**2,431**	**2,716**

1 Figures for John Chatfeild-Roberts reflect the period served as Executive Director to 30 November 2016.
2 Figures for Philip Johnson reflect the period served as Chief Financial Officer to 18 May 2016.
3 Figures for Charlotte Jones reflect the period served as Chief Financial Officer from 5 September 2016.
4 Comprised of private medical insurance and reimbursement of reasonable expenses incurred in the performance of their duties and payment of any tax arising.
5 Represents employer pension contributions and/or cash allowance in lieu of pension contributions. There are no defined benefit arrangements.
6 These amounts have been determined by the Remuneration Committee based on performance against the relevant annual bonus performance measures in respect of the relevant year.
7 The value of the LTIP awards vesting is based on the Remuneration Committee's determination of performance against the relevant LTIP performance measures across prior multi-year performance periods.
8 The value of the 2013 LTIP award vesting in 2016 has been restated based on a share price on the vesting date (4 April 2016) of £4.11 and vesting due to performance of 71%. Note that this award represents a buy-out award for Maarten Slendebroek for awards forfeited from a previous employer.
9 Estimated value of the 2013 LTIP award vesting in 2017 based on 49% vesting due to performance and average closing share price over the period 1 October to 31 December 2016 of £4.37 (the actual vesting date is 4 April 2017). Note that this award represents a buy-out award for Maarten Slendebroek for awards forfeited from a previous employer.
10 Estimated value of the 2014 LTIP award vesting in 2017 based on 41% vesting due to performance and average closing share price over the period 1 October to 31 December 2016 of £4.37 (the actual vesting date is 3 April 2017).
11 Estimated values of the 2014 LTIP award are not included for John Chatfeild-Roberts and Philip Johnson as neither were Executive Directors at the end of the performance period in relation to this award. For transparency, the estimated value of the 2014 LTIP award vesting in 2017 based on 41% vesting due to performance and average closing shareprice over the period 1 October to 31 December 2016 (£4.37) is £114,194 for John Chatfeild-Roberts and £85,644 for Philip Johnson.
12 Joiner Plan Award for Charlotte Jones granted in 2016 not subject to performance conditions, vesting 50% 31 January 2018, 50% 31 January 2019. This award represents a buy-out award for awards forfeited from a previous employer. Further details are on page 75.
13 Figure for Edward Bonham Carter represents cash payment in lieu of special dividend, in line with treatment for all other employees.

Single total figure continued

VARIABLE PAY AWARDS FOR 2016 PERFORMANCE

Outline of approach

Variable pay awards for 2016 performance have been determined using a three-stage process, namely:

- Determine a Group-wide variable compensation pool expressed as a percentage of Jupiter's adjusted available profit, with appropriate consideration of the checkpoints detailed on page 68.
- Assessment of corporate and individual performance.
- Allocation of awards to the individual Executive Directors out of the pool and appropriate apportionment of awards between the 2016 annual bonus and the 2017 LTIP grant.

Determining the variable compensation pool

We operate a capped Group-wide variable compensation pool to ensure that variable remuneration payments are appropriate and affordable in the context of Jupiter's overall performance. In this way, all variable compensation is capped on an aggregate basis.

The distribution of available profit continues to follow a balanced approach with distribution between various stakeholder groups including shareholders and employees as shown in further detail on page 7. The variable compensation pool is determined each year by recommendation of the Remuneration Committee to the Board as a proportion of adjusted available profit and takes into account the Group's performance. In normal circumstances, the pool is capped at 27.5% of adjusted available profit. Jupiter's adjusted available profit for 2016 was £232.4m (available profit: £236.0m). Following consideration the variable compensation pool, as determined by the Committee was £63.9m (27.5%).

The proposed variable compensation pool from this first step is then evaluated in the financial reporting context. This considers the accounting treatment for the deferred components of the pool, both in relation to the current and prior years' variable compensation, and assesses whether the overall variable and total compensation ratios (as reported in the financial review on page 27) are in the appropriate range. We expect the variable compensation ratio to remain at a high 20% level over the medium term, and the total compensation ratio to be at a low 30% level over the medium term; although they may differ from these levels in any particular year for the reasons explained on page 27. For 2016, the variable compensation ratio was 28%, (2015: 28%) comfortably within the expected range. The total compensation ratio, which factors in all fixed and variable compensation expense, was stable at 33%, also in line with 2015.

Assessing corporate financial performance

The following table sets out Jupiter's actual performance against target performance for the primary measures relating to profitability, flows and investment outperformance.

Corporate financial	Primary measure	Target performance	Actual performance	Comments
Profitability	EBITDA	£167.3m	£171.6m	Profitability has exceeded prior year and target Net revenue increased by 6.6% year on year while operating costs rose by 11.2%
Flows	Net sales	£2,603m	£1,047m	Underperformed target and prior year. Q1 and Q3 were strong but Q2 in the run up to the UK's vote on EU membership was a challenging environment with subdued client activity. Q4 was also disappointing Many active managers suffered net outflows during 2016. Jupiter's international offices, built up over the last four years, accounted for all positive net sales for the year, compensating for the tougher UK market
Investment outperformance	Proportion of Funds (weighted by AUM) achieving performance of 1st or 2nd quartile over 3 years	60%	66%	Continued strong performance in 2016. Of the 66%, 61% achieved top quartile performance 55% of funds (weighted by AUM) achieving first or second quartile performance over one year, 74% of funds achieving first or second quartile performance over five years

Assessing corporate strategic performance

The following table sets out additional supporting commentary and information the Committee referenced in assessing overall performance in each of these areas.

Corporate strategic	Commentary and discussion
Growth initiatives	• Value delivered by identifying new sources of growth, with Germany and Sweden delivering the highest contribution to growth • New offices opened in Milan and Madrid in 2016 • New product initiatives over recent years are also yielding tangible results, most notably Absolute Return, Asian Income and Global Emerging Markets funds
Risk management framework	• New risk management framework and risk appetite statement now well understood and embedded across the firm, driven by strong leadership and communication
Talent and succession management	• New leadership appointments at the Executive Committee, in Fund Management, Fund and Client Servicing, Investment Operations and Technology, coupled with an accelerated hiring programme for key regulatory and platform development projects, have significantly strengthened the team leading the growth agenda. A new CFO and a new General Counsel were appointed • Embedded corporate values and culture in the induction plan, improved employee communications programme via town halls and an all staff meeting programme with the Chief Executive • Detailed review of succession plans for Board members, Executive Committee members and the two reporting levels beneath the Executive Committee, including all critical roles, FCA Remuneration Code Staff and fund managers

Assessing individual performance

The following table sets out supporting commentary and information the Committee referenced in assessing individual performance.

Individual performance	Commentary and discussion
Maarten Slendebroek, Chief Executive Officer	Maarten has led the senior management team to achieve continued strong three-year rolling investment outperformance, good financial results and £1bn net flows despite an environment of outflows in our sector of the industry. In addition, further progress has been made on the key strategic objectives set by the Board to underpin the long-term sustainable growth in Jupiter's business. These activities comprise the acquisition of talent, including fund managers to lead significant new strategies, the associated product development, decisions on future infrastructure and broader organisational development involving key functional hires, including a new CFO and a new General Counsel. Other specific milestones include opening of Italian and Spanish offices supporting significant diversification of our client base and the launch and development of both existing and new products, diversifying our product range and supporting Jupiter's continued revenue growth.
Philip Johnson, Chief Financial Officer (4.5 months)	Philip prepared and led the company through the annual report and annual result cycle of 2015. During the spring of 2016 he continued to support the CEO and the Head of Finance on general financial matters and with specific investor relations matters.
Charlotte Jones, Chief Financial Officer (4 months)	Despite arriving well into the annual financial cycle, Charlotte was able to lead a highly effective financial planning and budget process, engage effectively with analysts and investors, and oversee a smooth year end process. Charlotte has made an immediate positive impact on the quality and availability of management information covering our increasingly complex and international revenue streams and on profitability analysis. In addition Charlotte has also worked with the finance team to develop a dynamic balance sheet management process, which will benefit the firm in future years.
Edward Bonham Carter, Vice Chairman	Consistent with 2015 performance, as Vice Chairman, Edward has continued to make a highly valued contribution to Jupiter, in particular in the public policy and governance space. He has attended many client and industry meetings and spoken at numerous events to raise Jupiter's profile. Edward has helped Maarten and the CIO with talent development, key hires and strategic decisions, drawing on his long experience as a fund manager and previously as CEO of the Company.
John Chatfeild-Roberts, Executive Director (11 months)	The important three year rolling investment performance across the Merlin range continued to improve through 2016 and now is 2nd quartile for that period. Improved performance coupled with John and the Merlin team's intensive work with clients and financial advisors paid off in the sense that Merlin related revenues were flat year on year. For the funds John manages directly, the performance ranking is second quartile over one year and first quartile over three years. John's leadership of the Merlin team includes overseeing the development of individual team members and the overall team. During 2016 John provided valuable investment insights to the Board and we continued to benefit from his deep understanding of the active asset management industry. John made the decision to step down from the Board in November 2016 to devote all his time to investing, managing the Merlin team and spending time with clients and their advisors. We are grateful for John's enormous contribution to building out Jupiter to the firm it is today and are of course looking forward to John's continued engagement outside of the Board.

Allocation of awards to Executive Directors out of the variable compensation pool and apportionment of awards between the 2016 annual bonus and the 2017 LTIP grant

Based on its holistic assessment of the performance outlined above, the shareholder and client experience in the year, assessment of risk and compliance underpins and the recommendation of the Chief Executive in respect of other Executive Directors, the Remuneration Committee applied its judgement to make the variable pay awards summarised below.

Although the overall variable compensation pool is larger in 2016 than 2015, the awards to Executive Directors are smaller than 2015 both in absolute terms and as a percentage of the pool. This primarily reflects two factors:

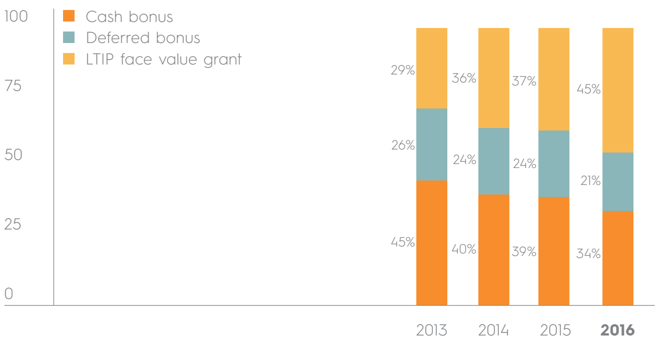
- Corporate financial performance was good in 2016, and profitability was higher than 2015, net sales were lower than 2015 and target.
- There was increased allocation of the variable compensation pool to high performing parts of the business and to the strengthened corporate and operational functions necessary to support future growth plans. Accordingly, there was reduced capacity within the pool for Executive Director awards.

Variable compensation	Maarten Slendebroek Chief Executive Officer	Philip Johnson Chief Financial Officer (for 5 months service)	Charlotte Jones Chief Financial Officer (for 4 months service)	Edward Bonham Carter Vice Chairman	John Chatfeild-Roberts Executive Director (full year)[3]
Total bonus for 2016 (included in single figure table on page 69)	**£1,750,000**	**£320,000**	**£250,000**	**£290,000**	**£1,900,000**
– Delivered as cash	£1,090,000	£320,000	£190,000	£214,000	£1,180,000
– Deferred into shares for 3 years	£660,000	-	£60,000	£76,000	£720,000
2017 LTIP award					
(face value of shares at grant)[1]	**£1,450,000**	**-**	**£500,000**	**£250,000**	**£500,000**
Total variable pay award for 2016 performance	**£3,200,000** **(2015: £3,350,000)**	**£320,000** **(2015: £775,000)**	**£750,000** **(2015: n/a)**	**£540,000** **(2015: £570,000)**	**£2,400,000** **(2015: £2,700,000)**
Variable pay award as % of variable compensation pool[2]	5.7% (2015: 6.2%)	0.6% (2015: 1.4%)	1.3% (2015: n/a)	1.0% (2015: 1.1%)	4.3% (2015: 5.0%)

1 LTIP awards will cliff vest after a three-year period, subject to the following performance measures:
25% of the award – underlying EPS growth compared to a comparator index
25% of the award – proportion of Jupiter mutual funds (weighted by AUM) that are in the first or second quartile
25% of the award – net sales compared to market adjusted targets
25% of the award – strategic goals
The targets for each of these measures will be the same as have been used for LTIP awards granted from 2013 onwards (as set out on page 73). To the extent that these targets are not satisfied, the LTIP awards will lapse. A risk and compliance underpin also applies to these awards.
2 Calculation also includes employer's social security cost.
3 John Chatfeild-Roberts stepped down as an Executive Director on 30 November 2016, however the figures included in the table above represent full year (12 month) amounts to allow for comparison to the prior year.

The 2016 outcomes reflect a further increase in the weighting of the CEO's variable pay towards LTIP awards (subject to additional three-year performance conditions) rather than annual bonus awards. As the chart below illustrates, since his appointment as an Executive Director in 2012, Maarten Slendebroek's LTIP awards have increased from 29% to 45% as a proportion of his total variable pay award. Maarten was appointed as CEO in March 2014.

Form of variable compensation for Maarten Slendebroek



Single total figure continued

PERFORMANCE CONDITION TESTING FOR 2014 LTIP AWARD, VESTING 3 APRIL 2017

The LTIP award vesting figures for Edward Bonham Carter, John Chatfeild-Roberts, Philip Johnson and Maarten Slendebroek shown in the single total figures on page 69 include LTIP awards due to vest on 3 April 2017, subject to performance conditions measured over a three year period to 31 December 2016. The performance conditions have been tested and performance against those conditions and the associated level of vesting is outlined below.

Performance condition	Performance against the condition over the performance period	Proportion of condition vesting
Underlying EPS vs index • 30% vesting for 5% growth in excess of the index; • 100% vesting for Jupiter's underlying EPS growth exceeding the index by 10% per annum; and • Straight-line vesting between these points.	Jupiter's underlying EPS grew by 5.4% on an annualised basis. The index grew by 6.4% on an annualised basis. Jupiter's annualised underlying EPS growth did not therefore exceed the index by 5%.	0% of condition vesting (0% of total award)
Actual net sales against target • 30% vesting for net sales 80% of target; • 65% vesting for net sales 100% of target; • 100% vesting for net sales 125% of target; and • Straight-line vesting between these points.	Jupiter's net sales over the performance period were £3.85bn, representing 69% of the £5.57bn target.	0% of condition vesting (0% of total award)
Investment outperformance Proportion of mutual funds achieving first and second quartile performance over three years, weighted by AUM: • 25% vesting for 50%; • 100% vesting for 80%; and • Straight-line vesting between these points.	Jupiter's investment performance was such that 66% of mutual funds achieved first and second quartile performance over the performance period, weighted by AUM.	64% of condition vesting (16% of total award)
Strategic goals • Developing existing employees and recruiting new talent to provide the performance, products and service required by clients. • Broadening the client base in the UK and internationally. • Maintaining an appropriate risk control and compliance environment.	There has been significant development in the senior management team over the performance period. This included the successful transition and succession of senior fund managers and senior executives, continued deepening of the senior leadership team, including several promotions to the Executive Committee and hiring of a new Chief Financial Officer, Head of Global Distribution and General Counsel. Over the performance period there have been further significant hires in the distribution function (both domestic and internationally), product specialists in Fund Management, and a growing number of technical experts in support functions. The Company has recruited a number of fund managers to manage new investment strategies including Asian Income and Emerging Market Debt. Considerable growth has been achieved in the UK Wealth channel over the last three years. AUM has grown from approximately £2.3bn at the start of 2014 to approximately £10.5bn at the end of 2016. Internationally, Jupiter has expanded significantly over the performance period with new offices opened in Sweden, Austria, Italy and Spain, as well as additional distribution headcount added to strengthen existing overseas offices. The growth in Jupiter's international presence has led to a substantial increase in external mutual fund assets in Jupiter's SICAVs. There have been no major risk or compliance issues over the performance period. In addition, risk and control processes have been significantly enhanced over the years through the development and implementation of an Enterprise Risk Framework.	100% of condition vesting (25% of total award)
Total		**41% vesting**

Single total figure continued

PERFORMANCE CONDITION TESTING FOR 2013 LTIP AWARD, VESTING 4 APRIL 2017

The LTIP award vesting figure for Maarten Slendebroek shown in the single total figure on page 69 includes an LTIP award due to vest on 4 April 2017, subject to performance conditions measured over a four year period to 31 December 2016. The performance conditions have been tested and performance against those conditions and the associated level of vesting is outlined below.

Performance condition	Performance against the condition over the performance period	Proportion of condition vesting
Underlying EPS vs index • 30% vesting for 5% growth in excess of the index; • 100% vesting for Jupiter's underlying EPS growth exceeding the index by 10% per annum; and • Straight-line vesting between these points.	Jupiter's underlying EPS grew by 11.6% on an annualised basis. The index grew by 7.8% on an annualised basis. Jupiter's annualised underlying EPS growth did not therefore exceed the index by 5%.	0% of condition vesting (0% of total award)
Actual net sales against target • 30% vesting for net sales 80% of target; • 65% vesting for net sales 100% of target; • 100% vesting for net sales 125% of target; and • Straight-line vesting between these points.	Jupiter's net sales over the performance period were £5.05bn, representing 68% of the £7.45bn target.	0% of condition vesting (0% of total award)
Investment outperformance Proportion of mutual funds achieving first and second quartile performance over three years, weighted by AUM: • 25% vesting for 50%; • 100% vesting for 80%; and • Straight-line vesting between these points.	Jupiter's investment performance was such that 78% of mutual funds achieved first and second quartile performance over the performance period, weighted by AUM.	95% of condition vesting (24% of total award)
Strategic goals • Developing existing employees and recruiting new talent to provide the performance, products and service required by clients. • Broadening the client base in the UK and internationally. • Maintaining an appropriate risk control and compliance environment.	Three of the four years in the performance period for this award overlap with the 2014 LTIP on the previous page. Therefore the commentary regarding performance against strategic goals for the 2014 LTIP is applicable here as well. In addition, new offices were opened in Hong Kong and Frankfurt in 2013, in combination with the hiring of a Head of Asia Pacific and Head of Germany, Switzerland and Austria to strengthen Jupiter's distribution capabilities in these regions. A new senior fund manager started with Jupiter in 2013 to run the Group's absolute return strategy. 2013 also saw growth in our non-UK presence with AUM growing by 39% during the year. In absolute terms the UK IFA channel grew by £1.7bn. There have been no major risk or compliance issues over the performance period.	100% of condition vesting (25% of total award)
Total		**49% vesting**

Single total figure continued

EXTERNAL DIRECTORSHIPS

Executive Directors are not permitted to hold external directorships or offices without the Board's prior approval. During the year Edward Bonham Carter served as a Non-Executive Director of Land Securities Group plc, for which he was paid fees of £73,810 which he retains.

APPOINTMENT OF CHARLOTTE JONES

Charlotte Jones joined the Board on 5 September 2016 as the Company's new CFO. As a senior executive, Charlotte Jones had a number of remuneration arrangements from her previous employment which were necessary to consider as part of her recruitment package. The value of the forgone remuneration was considered at the time of her recruitment to ensure that any package offered by the Company was on no more favourable terms and complied with any regulatory requirements.

Charlotte Jones' remuneration arrangements on appointment aligned with the remuneration policy in place at the time of her appointment, comprising a base salary of £250,000 per annum, participation in the annual bonus plan based on corporate and individual performance (2016 bonus pro-rated to reflect the part of the year she worked for Jupiter), including being subject to the normal deferral and malus and clawback provisions that apply to all Executive Directors. Charlotte is also eligible to receive an LTIP award of £500,000 in March/April 2017, subject to the same performance conditions applicable to all Executive Directors.

Buy-out awards

A number of deferred compensation arrangements in place at the previous employer were bought out as part of the recruitment package. These buy-out awards were granted in the form of both cash and option awards over shares in the Company as follows, on terms that were no more favourable than those in respect of the award being bought out:

- A cash payment of £530,000 payable on 28 February 2017. This payment is to mirror an identical cash award that would have been payable on the same date from her previous employer. The cash payment by Jupiter will be subject to clawback where there is gross misconduct or material damage to the reputation of the Company for which the executive is personally responsible.
- A cash payment of £214,000 payable on 1 August 2017. This payment is to mirror an identical cash award that would have been payable on the same date from her previous employer. The cash payment by Jupiter will be subject to clawback where there is gross misconduct or material damage to the reputation of the Company for which the executive is personally responsible.
- Options were granted under a one-off award under a stand alone plan (the "Joiner Plan") to buy out previous awards that vested over less than three years (the minimum vesting period permitted under the LTIP rules), the details of which are provided below. The value of the options granted under the Joiner Plan are included in the single figure table for Charlotte Jones.

Key features of Joiner Plan

- The Joiner Plan awards comprise options to acquire shares in the Company.
- The options have been granted over a total of 93,184 shares and no further grants may be made under the Joiner Plan.
- The Joiner Plan options vest and become exercisable for a period of two years (with an exercise price payable of £0.02 per share) as follows: 31 January 2018: 46,592 shares and 31 January 2019: 46,592 shares.
- The options will not be subject to performance conditions as the deferred awards being bought out did not have any performance conditions attached to them.
- To the extent they are unvested, the options granted under the Joiner Plan will lapse if Charlotte Jones ceases to be employed by Jupiter (other than for death, disability or termination without cause).
- Any gains arising on the exercise of options granted under the Joiner Plan will not be regarded as pensionable salary.
- The shares used to settle the exercise of the Joiner Plan options will not be newly issued nor treasury shares; and
- Malus and clawback provisions will apply to the awards under the Joiner Plan.

In addition to the above, a number of share awards were not bought out by Jupiter and lapsed on Charlotte Jones' resignation from her previous employer.

PAYMENTS FOR LOSS OF OFFICE

Two Directors stepped down from the Board during 2016. John Chatfeild-Roberts remains as an employee of Jupiter in his role as Head of Strategy for the Independent Funds Team. No payments were made to him in respect of his cessation as a Director. His existing LTIP and DBP awards will continue to vest on the terms which they were originally granted, with current unvested LTIP awards subject to performance condition testing.

Information regarding the cessation of Philip Johnson as a Director was fully disclosed in the 2015 Directors' Remuneration Report.

The performance period in respect of the LTIP award vesting in April 2017 for both John and Philip ended after they ceased to be Directors, however the estimated values are included as footnotes in the single figure table in the interests of transparency.

PAYMENTS TO FORMER DIRECTORS

No payments were made to former Directors during the year.

Single total figure continued

NON-EXECUTIVE DIRECTORS' 2016 AND 2015 FEES (AUDITED INFORMATION)

Director	Liz Airey		Jonathon Bond		Jon Little[1]		Bridget Macaskill[2]		Lorraine Trainer		Polly Williams[3]		Karl Sternberg[4]	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fees	225	200	75	74	50	66	68	45	98	98	83	69	30	–
Benefits[5]	5	–	–	–	–	–	10	2	14	6	1	–	–	–
Total	**230**	**200**	**75**	**74**	**50**	**66**	**78**	**47**	**112**	**104**	**84**	**69**	**30**	**–**

1 Stepped down from the Board 31 October 2016.
2 Appointed May 2015.
3 Appointed March 2015.
4 Appointed 22 July 2016.
5 Benefits comprise reimbursement of reasonable travel expenses incurred in the performance of duties and the payment of any tax arising.

Implementation in 2017

The following section provides an overview as to how each element of the Policy will be applied in 2017.

BASE SALARY

There has been no increase in salaries for Executive Directors and therefore the salaries effective from 1 January 2017 will remain as follows:

- Maarten Slendebroek: £250,000 (2016: £250,000);
- Charlotte Jones: £250,000 (2016: £250,000); and
- Edward Bonham Carter: £160,000 (2016: £160,000).

VARIABLE PAY AWARDS FOR 2017 PERFORMANCE

Variable pay awards for 2017 performance will be determined using the same structure that was used in 2016 (outlined on pages 70-72). In summary, this will comprise:

- Determination of a capped Group-wide variable compensation pool expressed as a percentage of Jupiter's adjusted available profit. In determining the appropriate percentage, the Remuneration Committee will take into account a range of relevant factors including an assessment of the appropriate distribution of profits between shareholders and employees, overall Group performance, the variable and total compensation ratios (reported on page 27 of the financial review) and risk / compliance factors. The pool is, in normal circumstances, capped at 27.5% of adjusted available profit and was 27.5% in both 2015 and 2016.
- Determination by the Remuneration Committee of awards to the individual Executive Directors out of the pool. The basis for this allocation in 2017 is outlined below. The CEO's allocation was 5.7% in 2016 as against 6.2% in 2015; the aggregate allocation for other Executive Directors was 7.2% in 2016 as against 7.5% in 2015.
- Awards will be apportioned between the 2017 annual bonus and the 2018 LTIP grant. The Remuneration Committee will determine the appropriate allocation of each individual Executive Director's variable compensation between annual bonus and LTIP awards taking into account regulatory requirements, market practice and the aim of ensuring executives have appropriate long-term alignment with shareholders. As illustrated on page 72, 45% of the CEO's 2016 variable pay award was allocated to LTIP awards compared to 37% of his 2015 variable pay award.

There will be three key changes that will affect Executive Directors' variable pay awards for 2017 performance:

1. In line with new regulatory requirements under UCITS V, a more significant proportion of any annual bonus award will be deferred in shares as set out below.

Proportion of bonus	Delivery method
25%	• Delivered as cash.
25%	• Delivered as deferred Jupiter shares. • Immediate vesting, but subject to subsequent six month post vesting holding period.
50%	• Delivered as deferred Jupiter shares. • Three year vesting period, but subject to subsequent six month post vesting holding period.

2. Executive Director variable pay awards (annual bonus plus LTIP) will be determined within a more structured framework.

A variety of factors affect Executive Director variable pay awards: the size of the variable compensation pool, demands on the pool from elsewhere in the Group, Group performance, individual Director performance and an overarching risk assessment. Determination of Executive Director variable pay awards by the Remuneration Committee, therefore, requires the exercise of judgement rather than being formulaic. This judgement is informed by clear metrics and objective measures as much as possible.

The determination of variable pay awards in relation to 2017 performance will continue to be assessed with the application of judgement, taking into account a holistic assessment of Group and individual performance. In order to provide shareholders with greater comfort about the rigour of this process, the structure of the framework that underpins the Remuneration Committee's judgment has been improved, as described in the diagram on the following page. The balanced scorecard, set out in the table on the following page, will allow the Committee to assess performance against key financial and strategic metrics. The Committee's assessment against these metrics and the decision for any variable pay awards will be clearly disclosed to shareholders using the process described below the balanced scoredcard. Notwithstanding this structure, any variable pay awards will remain subject to availability of funding from the capped variable compensation pool.

Setting targets and assessing performance

Start of the year – set targets

- The Board agrees and sets the budget for Jupiter for the performance year ahead.
- The Committee, in consultation with management, then sets the:
  - Metrics which will be assessed;
  - Mix between corporate quantitative (at least 75%) and corporate strategic and individual objectives (no more than 25%); and
  - Targets for each performance level (threshold, target and maximum) for quantitative metrics, taking in to account the level of stretch in the budget.
- Annual bonus metrics and weighting will be disclosed prospectively.

During the year – monitor performance

- Performance is monitored and evaluated against the metrics throughout the year.
- The Committee is provided with regular updates from management on performance status and from the Head of Risk on risk and compliance issues.

End of the year – assess performance

- The Committee assesses performance and determines the resulting pay-out in the first instance. Bonus determination is not formulaic and judgement is applied.
- In reaching its decision, the Committee considers actual performance (quantitative and qualitative) against each metric and the target ranges set, i.e. where performance sits between the threshold, target and maximum. This is then supplemented by the Committee considering the following to ensure they apply appropriate judgement in deciding pay-outs:
  - Is the level of the overall variable compensation pool appropriate? This includes consideration of the checkpoints on page 68.
  - Control function input from the Head of Risk and Compliance Director.
  - The context in which this performance was achieved, having reference to (but not limited to) prior year performance and associated bonus; shareholder and client experience in the year; risk and compliance underpins; and any clawback or malus events.

After the end of the year – disclosure

- Target ranges and actual performance against objective measures will be disclosed retrospectively in the Annual Report on Remuneration, with clear commentary for subjective measures.
- Commentary will also be provided on how the Committee reached its decisions, including particular challenges and any other factors which were taken in to account.

Balanced scorecard

Area	Metric	Performance measures
Corporate quantitative (75%)	**Profitability**	• Primarily measured through EBITDA • Supported by reference to net revenue, fixed costs and EPS
	Flows	• Primarily measured through net sales • Supported by reference to gross sales, market share sales growth and market conditions across different geographies
	Investment outperformance	• Primarily measured through the proportion of funds (weighted by AUM) achieving first or second quartile performance over three years • Supported by reference to the proportion of funds (weighted by AUM) achieving first or second quartile performance over one and five years, the proportion of funds (weighted by AUM) achieving top and bottom quartile over three years and the proportion of funds (weighted by AUM) achieving better than benchmark performance over one, three and five years.
	Diversification	• Level of diversification of the products, asset classes and client base in the UK and internationally
Strategic and individual (25%)	**Operating effectiveness**	• Successfully delivering planned changes to the efficient and scalable operating platform • Maintanence of appropriate operational risk control environment and regulatory compliance
	Culture and people	• Ensure we attract, develop and retain the right skills and talent to support our growth whilst adhering to our corporate values and our culture of high performance, individual responsibility and putting clients first.
	Personal performance	• Achievement against specific personal performance objectives
Underpin	**Risk and regulatory compliance**	• The Committee considers the 'checkpoints' set out on page 68 when exercising its judgement to determine the appropriate variable compensation pool, at a Group level • The Committee also receives regular and annual reports on internal control and risk management factors from the Head of Risk and the Compliance Director to consider when assessing appropriate awards, at an individual level • Any risk and compliance factors (corporate or individual) has the potential to reduce variable compensation, including to zero

3. Improved disclosure of performance targets.

As part of the process of agreeing the variable pay structure for 2017, the Remuneration Committee has set ranges ('threshold' to 'maximum') around the agreed budget figures for the primary corporate financial metrics. These ranges take into account the level of stretch in the budget and the perceived potential for out-performance or under-performance of the budget. As outlined above, determination of variable pay awards will continue to involve a holistic judgement by the Remuneration Committee rather than a formulaic assessment, however the ranges will provide greater structure to support the Committee's assessments. There will be disclosure of the ranges for the primary corporate financial and measurable strategic performance conditions in the 2017 Directors' Remuneration Report when they are no longer considered commercially sensitive.

NON-EXECUTIVE DIRECTOR FEES

Jupiter normally reviews Non-Executive Director fees annually. The Non-Executive Chairman fee was last increased with effect from 1 January 2016 and no change is proposed for 2017. The annual fees applicable for all other Non-Executive Directors were reviewed in 2016 and, as a result, an adjustment to certain fees was made with effect from 1 January 2017, reflecting the increased time commitment and regulatory complexity impacting the Company over recent years.

	2016 annual fee	2017 annual fee
Base fee	£60,000	£62,500
Senior Independent Director fee	£7,500	£10,000
Audit and Risk Committee Chairman fee (in addition to member fee)	£15,000	£18,000
Remuneration Committee Chairman fee (in addition to member fee)	£15,000	£18,000
Audit and Risk Committee member fee	£7,500	£7,500
Remuneration Committee member fee	£7,500	£7,500
Non-Executive Chairman fee (all inclusive)	£225,000	£225,000

Non-Executive Directors are reimbursed for reasonable business expenses.

The roles and committee responsibilities of the Non-Executive Directors during 2016 were as follows:

Director	Title	Roles and Committee responsibilities
Liz Airey	Independent Chairman	Nomination Committee Chairman Remuneration Committee member
Jonathon Bond	Independent Non-Executive Director	Audit and Risk Committee member Nomination Committee member Remuneration Committee member
Jon Little	Independent Non-Executive Director	No Committee roles during 2016 Stepped down from the Board 31 October 2016
Lorraine Trainer	Independent Non-Executive Director and Senior Independent Director	Audit and Risk Committee member Nomination Committee member Remuneration Committee Chairman Senior Independent Director
Bridget Macaskill	Independent Non-Executive Director	Nomination Committee member (appointed December 2016) Remuneration Committee member
Polly Williams	Independent Non-Executive Director	Audit and Risk Committee Chairman Nomination Committee member (appointed December 2016)
Karl Sternberg	Independent Non-Executive Director	Audit and Risk Committee member (appointed July 2016) Nomination Committee member (appointed December 2016)

Directors' shareholdings (audited information)

Director	Ordinary shares held at 31 December 2016 (no restrictions)	Unvested ordinary shares held at 31 December 2016 (subject to continued employment)	Total ordinary shares held at 31 December 2016	Vested but unexercised options at 31 December 2016	Unvested options, vesting not subject to performance conditions at 31 December 2016	Unvested options, vesting subject to performance conditions at 31 December 2016	Total options over ordinary shares held at 31 December 2016	Shareholding as a percentage of salary[5]
Edward Bonham Carter	11,006,323	463	11,006,786	103,746	204,158	161,669	469,573	30,065%
John Chatfeild-Roberts[1,2]	4,351,426	588	4,352,014	–	526,931	335,032	861,963	7,608%
Philip Johnson[1,3]	1,332,319	–	1,332,319	–	198,114	250,925	449,039	2,329%
Maarten Slendebroek	297,268	462	297,730	–	482,322	998,131	1,480,453	520%
Charlotte Jones	–	–	–	–	–	–	–	–
Liz Airey	45,450	–	45,450	–	–	–	–	–
Jonathon Bond	18,294	–	18,294	–	–	–	–	–
Jon Little[4]	2,513	–	2,513	–	–	–	–	–
Lorraine Trainer	24,242	–	24,242	–	–	–	–	–
Bridget Macaskill[1]	30,000	–	30,000	–	–	–	–	–
Polly Williams	–	–	–	–	–	–	–	–
Karl Sternberg	6,687	–	6,687	–	–	–	–	–

1 Includes connected person's holding.
2 Figures for John Chatfeild-Roberts are as at 30 November 2016, the date he stepped down as a Director.
3 Figures for Philip Jones are as at 18 May 2016, the date he stepped down as a Director.
4 Figures for Jon Little are as at 31 October 2016, the date he stepped down as a Director.
5 The high percentage of shares held by Edward Bonham Carter, John Chatfeild-Roberts and Philip Johnson relate to shares purchased by them during the period 2007-2010 while Jupiter was privately owned.

There have been no changes to the above interests between the year end and 23 February 2017 (the latest practicable date before the printing of the Annual Report and Accounts).

The Remuneration Committee has a policy that Executive Directors should maintain a significant holding of shares in the Company. The policy in operation for the 2016 performance year provides that Executive Directors should hold shares in the Company with a value equivalent to at least 150% of base salary. Maarten Slendebroek, Edward Bonham Carter and John Chatfeild-Roberts all hold shares with a value in excess of 150% of base salary as at 31 December 2016. Following her recent appointment to the Board, Charlotte Jones will be required to build up her required shareholding and this will be kept under review.

As detailed in the Remuneration policy review section, the Remuneration Committee have decided to increase the value of shares in the Company each Executive Director should hold to 300% of salary for the CEO and 200% of salary for all other Executive Directors.

Share awards (audited information)

DBP – OPTIONS OVER JUPITER SHARES

		Options held at start of year		Options granted during the year				Options exercised/ lapsed during the year		Options held at end of year		
Director	Year granted	Number of shares under option held as at 1 January 2016 including April 2016 Special Dividend Adjustment[8]	Market value per share at date of grant[1]	Grant date	Face value at award	Price used to determine number of shares[1]	Number of shares under option	Number of shares under option lapsed during the year	Number of shares under option exercised during the year	Number of shares under option held as at 31 December 2016	Earliest exercise date	Latest exercise date
Edward Bonham Carter	2013 (in respect of 2012)	65,643	£3.30	–	–	–	–	–	65,643[2]	–	–	–
	2014 (in respect of 2013)	142,759	£4.14	–	–	–	–	–	–	142,759	03 April 2017	03 July 2017
	2015 (in respect of 2014)	39,894	£4.12	–	–	–	–	–	–	39,894	27 March 2018	27 June 2018
	2016 (in respect of 2015)	–	–	01 April 2016	£88,000	£4.09	21,505	–	–	21,505	01 April 2019	01 July 2019
John Chatfeild-Roberts[9]	2013 (in respect of 2012)	92,062	£3.30	–	–	–	–	–	92,062[3]	–	–	–
	2014 (in respect of 2013)	163,154	£4.14	–	–	–	–	–	–	163,154	03 April 2017	03 July 2017
	2015 (in respect of 2014)	159,579	£4.12	–	–	–	–	–	–	159,579	27 March 2018	27 June 2018
	2016 (in respect of 2015)	–	–	01 April 2016	£800,000	£4.09	195,503	–	–	195,503	01 April 2019	01 July 2019
Philip Johnson[9]	2013 (in respect of 2012)	59,238	£3.30	–	–	–	–	–	59,238[4]	–	–	–
	2014 (in respect of 2013)	61,181	£4.14	–	–	–	–	–	61,181[5]	–	–	–
	2015 (in respect of 2014)	64,829	£4.12	–	–	–	–	–	64,829[6]	–	–	–
	2016 (in respect of 2015)	–	–	01 April 2016	£270,000	£4.09	65,982	–	57,648[7]	8,334	01 April 2019	01 October 2019
Maarten Slendebroek	2014 (in respect of 2013)	117,266	£4.14	–	–	–	–	–	–	117,266	03 April 2017	03 July 2017
	2015 (in respect of 2014)	169,553	£4.12	–	–	–	–	–	–	169,553	27 March 2018	27 June 2018
	2016 (in respect of 2015)	–	–	01 April 2016	£800,000	£4.09	195,503	–	–	195,503	01 April 2019	01 July 2019

1 Average closing share price from three trading days prior to date of grant.
2 Closing share price on date of exercise, 8 June 2016, was £4.35. This resulted in a value of shares on exercise of £285,547.
3 Closing share price on date of exercise, 13 April 2016, was £4.18. This resulted in a value of shares on exercise of £384,819.
4 Closing share price on date of exercise, 19 April 2016, was £4.21. This resulted in a value of shares on exercise of £249,392.
5 Closing share price on date of exercise, 23 June 2016, was £4.47. This resulted in a value of shares on exercise of £273,479.
6 Closing share price on date of exercise, 4 October 2016, was £4.54. This resulted in a value of shares on exercise of £294,324.
7 Closing share price on date of exercise, 9 June 2016, was £4.37. This resulted in a value of shares on exercise of £251,922.
8 Outstanding share awards were adjusted by 2.76% as a result of the 8 April 2016 Special Dividend. See below.
9 John Chatfeild-Roberts and Philip Johnson stepped down as Directors on 30 November 2016 and 18 May 2016 respectively.

Key terms:

- no performance measures are attached to options granted under the DBP, although malus provisions may apply (see the remuneration policy table for further details);
- no exercise price is payable on the exercise of DBP options; and
- holders of unvested share option awards are not entitled to cash dividend payments as the holders are not the legal owners of the shares. The Remuneration Committee determined that it was appropriate for holders of share option awards (under both the DBP and LTIP schemes) to benefit from the 8 April 2016 Special Dividend. This took place by means of adjusting upwards the number of shares over which options were held by a factor of 2.76% as permitted under the rules of the plans. This factor is equivalent to the value the holder of a share option award would have received had they been entitled to receive the Special Dividend as a cash payment.

Share awards (audited information) continued

DBP – OPTIONS OVER UNITS IN JUPITER FUNDS

		Options held at start of year		Options granted during the year				Options exercised during the year	Options held at end of year		
Director	Year granted	Number of units under option held as at 1 January 2016	Market value per unit at date of grant	Grant date	Face value at award	Price used to determine number of units	Number of units under option	Number of shares under option exercised during the year	Number of units under option held as at 31 December 2016	Earliest exercise date	Latest exercise date
Edward Bonham Carter	2013 (in respect of 2012)	317,042[1]	£0.65	–	–	–	–	317,042[3]	–	–	–
John Chatfeild-Roberts[5]	2013 (in respect of 2012)	220,154[2]	£1.31	–	–	–	–	220,154[4]	–	–	–

1 Options over units in Jupiter Japan Income Accumulation Fund.
2 Options over units in Jupiter Merlin Balanced Accumulation Fund.
3 Closing fund unit price on 11 April 2016, was £0.80. This resulted in a value of fund units on exercise of £253,634.
4 Closing fund unit price on 11 April 2016, was £1.48. This resulted in a value of fund units on exercise of £325,828.
5 John Chatfeild-Roberts stepped down as a Director on 30 November 2016.

Key terms:
- no performance measures are attached to options granted under the DBP as they represent deferral of bonus, although malus provisions apply (see the remuneration policy table for further details);
- no exercise price is payable on the exercise of DBP options; and
- unless a requirement of regulation, Executive Directors can no longer elect to receive any part of their DBP award in the form of options over units in Jupiter funds for grants from 2014 (in respect of 2013) and beyond.

Share awards (audited information) continued

LTIP

		Options held at start of year		Options granted during the year				Options exercised/lapsed during the year		Options held at end of year		
Director	Year granted	Number of shares under option held as at 1 January 2016 including April 2016 Special Dividend Adjustment[5]	Market value per share at date of grant[1]	Grant date	Face value at award	Price used to determine number of shares[1]	Number of shares under option	Number of shares under option lapsed during the year	Number of shares under option exercised during the year	Number of shares under option held as at 31 December 2016	Earliest exercise date	Latest exercise date
Edward Bonham Carter	2012	46,909	£2.39	–	–	–	–	–	–	46,909	02 April 2015	02 April 2017
	2013	80,054	£3.30	–	–	–	–	23,217	–	56,837	04 April 2016	04 April 2018
	2014	38,238	£4.14	–	–	–	–	–	–	38,238	03 April 2017	03 April 2019
	2015	62,336	£4.12	–	–	–	–	–	–	62,336	27 March 2018	27 March 2020
	2016	–	–	01 April 2019	£250,000	£4.09	61,095	–	–	61,095	01 April 2019	01 April 2021
John Chatfeild-Roberts[6]	2013	80,054	£3.30	–	–	–	–	23,217	56,837[2]	–	04 April 2016	04 April 2018
	2014	63,732	£4.14	–	–	–	–	–	–	63,732	03 April 2017	03 April 2019
	2015	124,672	£4.12	–	–	–	–	–	–	124,672	27 March 2018	27 March 2020
	2016	–	–	01 April 2016	£600,000	£4.09	146,628	–	–	146,628	01 April 2019	01 April 2021
Philip Johnson[6]	2013	88,059	£3.30	–	–	–	–	25,538	62,521[3]	–	04 April 2016	04 October 2016
	2014	63,732	£4.14	–	–	–	–	15,933	–	47,799	03 April 2017	03 October 2017
	2015	124,672	£4.12	–	–	–	–	72,725	–	51,947	27 March 2018	27 September 2018
Maarten Slendebroek	2012	79,568	£2.26	–	–	–	–	–	79,568[4]	–	31 January 2016	31 January 2018
	2012	81,765	£2.26	–	–	–	–	–	–	81,765	31 January 2017	31 January 2019
	2012	81,766	£2.26	–	–	–	–	–	–	81,766	31 January 2018	31 January 2020
	2013	111,865	£3.30	–	–	–	–	32,442	79,423[4]	–	04 April 2016	04 April 2018
	2013	76,158	£3.30	–	–	–	–	–	–	76,158	04 April 2017	04 April 2019
	2013	76,158	£3.30	–	–	–	–	–	–	76,158	04 April 2018	04 April 2020
	2014	127,465	£4.14	–	–	–	–	–	–	127,465	03 April 2017	03 April 2019
	2015	249,344	£4.12	–	–	–	–	–	–	249,344	27 March 2018	27 March 2020
	2016	–	–	01 April 2016	£1,250,000	£4.09	305,475	–	–	305,475	01 April 2019	01 April 2021

1 Average closing share price from three trading days prior to date of grant.
2 Closing share price on date of exercise, 13 April 2016 was £4.18. This resulted in a value of shares on exercise less the exercise price of £236,442.
3 Closing share price on date of exercise, 6 September 2016 was £4.27. This resulted in a value of shares on exercise less the exercise price of £265,714.
4 Closing share price on date of exercise, 19 April 2016 was £4.21. This resulted in a value of shares on exercise less the exercise price of £666,172.
5 Outstanding share awards were adjusted by 2.76% as a result of the 8 April 2016 Special Dividend.
6 John Chatfeild-Roberts and Philip Johnson stepped down as Directors on 30 November 2016 and 18 May 2016 respectively.

Key terms:

- performance conditions for LTIP awards granted in 2011 and 2012 are underlying EPS, net sales and strategic goals (with the exception of Maarten Slendebroek's 2012 LTIP awards, where no performance conditions are attached as part of buy-out arrangements). For LTIP awards granted from 2013 onwards, the performance conditions are: underlying EPS, net sales, investment outperformance and strategic goals. These performance conditions are measured over the period 1 January in the year of grant to 31 December in the year prior to vesting and the targets are consistent with those for the 2014 award as shown on page 73;
- an exercise price of £0.02 per share is payable on the exercise of LTIP options; and
- the number of shares under award were adjusted as a result of the Special Dividend, as described under the DBP share table above.

Share awards (audited information) continued

JOINER PLAN

		Options held at start of year		Options granted during the year				Options exercised during the year	Options held at end of year		
Director	Year granted	Number of shares under option as at 1 January 2016	Market value per share at date of grant	Grant date	Face value at award	Price used to determine number of shares	Number of shares under option	Number of shares under option exercised during the year	Number of shares under option as at 31 December 2016	Earliest exercise date	Latest exercise date
Charlotte Jones	2016	–	–	07 September 2016	£200,000	£4.29	46,592	–	46,592	31 January 2018	31 January 2020
	2016	–	–	07 September 2016	£200,000	£4.29	46,592	–	46,592	31 January 2019	31 January 2021

Key terms:
- the options granted under the Joiner Plan are one-off awards made as a buy-out of awards foregone by Charlotte Jones on resignation from her previous employer, in order to join Jupiter. To match the terms of the awards foregone, no performance conditions are attached to the options granted under the Joiner Plan;
- an exercise price of £0.02 per share is payable on the exercise of Joiner Plan options;
- the options granted under the Joiner Plan will not be settled with newly issued shares; and
- malus and clawback provisions apply to the Joiner Plan awards.

SHARESAVE

	Options held at start of year		Options granted during the year				Options exercised/lapsed during the year		Options held at end of year		
Director	Number of shares under option as at 1 January 2016	Market value per share at date of grant[1]	Grant date	Face value at award	Price used to determine number of shares	Number of shares under option	Number of shares under option lapsed during the year	Number of shares under option exercised during the year	Number of shares under option as at 31 December 2016[2]	Earliest exercise date	Latest exercise date
Edward Bonham Carter	3,092	£3.64	–	–	–	–	–	3,092	–	–	–
Philip Johnson[3]	3,092	£3.64	–	–	–	–	3,092	–	–	–	–
	3,030	£3.43	–	–	–	–	3,030	–	–	–	–
John Chatfeild-Roberts[3]	8,695	£4.31	–	–	–	–	–	–	8,695	01 December 2020	31 May 2021

1 Average closing share price from three trading days prior to date of grant.
2 To ensure participants were not adversely impacted by the 21 April 2015 and 8 April 2016 Special Dividend payments, all participants with unvested awards outstanding at the date of the Special Dividend payments will receive a cash payment upon vesting to compensate for the decrease in value of Sharesave interests.
3 Philip Johnson and John Chatfeild-Roberts stepped down as Directors on 18 May 2016 and 30 November 2016 respectively.

Key terms:
- no performance conditions are attached to Sharesave options; and
- the exercise price for Sharesave options is equal to the price used to determine the number of shares.

Share awards (audited information) continued

SIP

Director	Awards held at start of year		Awards granted during the year				Awards released/ forfeited during the year		Awards held at end of year	
	Number of shares subject to award as at 1 January 2016	Market value per share at award[1]	Award date	Face value at award	Price used to determine number of shares[1]	Number of shares granted during the year	Number of shares released during the year	Number of shares forfeited during the year	Number of shares subject to award as at 31 December 2016	Earliest vesting date
Edward Bonham Carter	457	£3.28	–	–	–	–	–	–	457	02 May 2016
	462	£3.90	–	–	–	–	–	–	462	02 May 2017
	1	£3.50	–	–	–	–	–	–	1	02 October 2017
John Chatfeild-Roberts[2]	38	£3.28	–	–	–	–	–	–	38	02 May 2016
	38	£3.24	–	–	–	–	–	–	38	03 June 2016
	43	£2.91	–	–	–	–	–	–	43	02 July 2016
	35	£3.56	–	–	–	–	–	–	35	02 August 2016
	36	£3.46	–	–	–	–	–	–	36	02 September 2016
	34	£3.72	–	–	–	–	–	–	34	02 October 2016
	32	£3.94	–	–	–	–	–	–	32	04 November 2016
	32	£3.90	–	–	–	–	–	–	32	02 December 2016
	32	£3.86	–	–	–	–	–	–	32	02 January 2017
	34	£3.68	–	–	–	–	–	–	34	03 February 2017
	30	£4.20	–	–	–	–	–	–	30	03 March 2017
	29	£4.26	–	–	–	–	–	–	29	02 April 2017
	463	£3.89	–	–	–	–	–	–	463	02 May 2017
Philip Johnson[2]	457	£3.28	–	–	–	–	457	–	–	–
	462	£3.90	–	–	–	–	–	462	–	–
	1	£3.50	–	–	–	–	–	1	–	–
	418	£4.30	–	–	–	–	–	418	–	–
Maarten Slendebroek	462	£3.89	–	–	–	–	–		462	02 May 2017

1 Market price on the date of purchase of SIP shares.
2 John Chatfeild-Roberts and Philip Johnson stepped down as Directors on 30 November 2016 and 18 May 2016 respectively.

Dilution

Our policy regarding dilution from employee share awards is to ensure that dilution will be no more than 10% in any rolling 10 year period and no more than 5% from employee share awards granted to Executive Directors of the Company in any rolling 10 year period.

As at 31 December 2016, share awards granted under the DBP, LTIP and Sharesave in the six and a half years since Jupiter's Listing were outstanding over 17.6m shares (including 2.0m granted to Executive Directors). This represented 3.85% (0.45% to Executive Directors) of the Company's issued share capital. Our current intention is to settle all share awards outstanding as at 31 December 2016 with market purchased shares and our ongoing practice is to purchase shares in the market to settle obligations. No new shares have been issued since Listing in 2010. Therefore, we are currently operating within the relevant dilution targets by a comfortable margin.

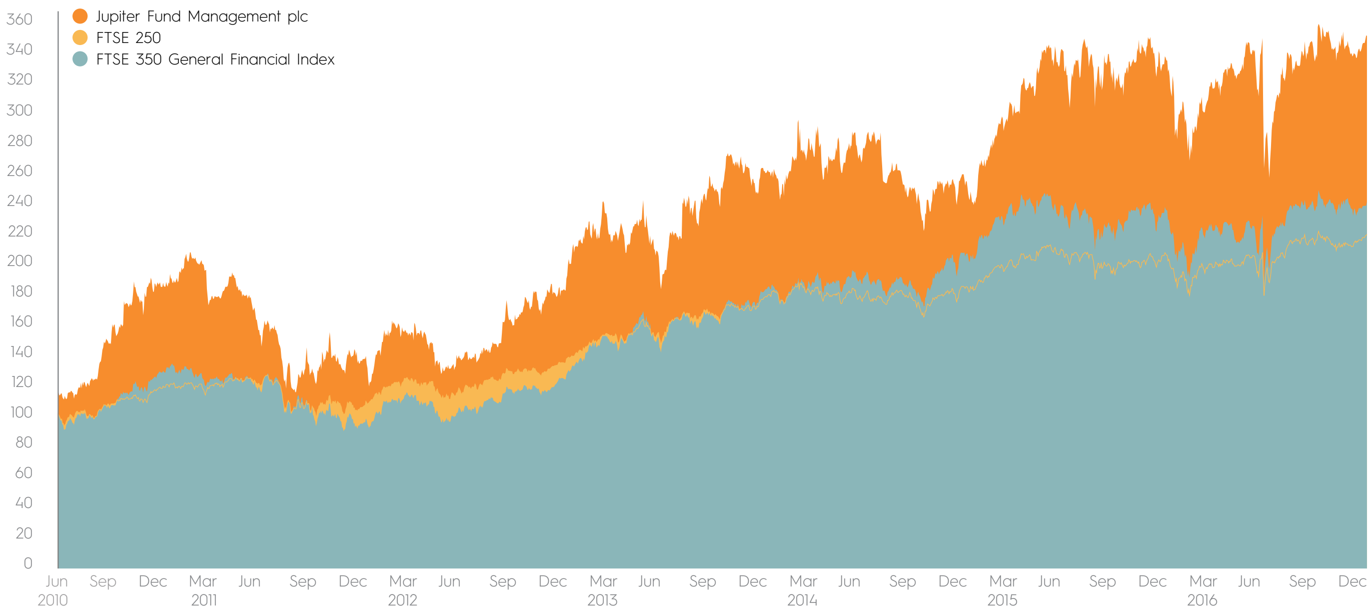
Notwithstanding the target outlined above, as a business exposed to both market shocks and critical people issues, we believe we should retain flexibility to act very quickly to take steps that could increase dilution up to a maximum of 15% on a temporary and short-term basis, if the Remuneration Committee and Board believe it is clearly in shareholders' interests to do so.

If dilution were to exceed 10% in any rolling 10 year period, this would be on an exceptional basis and for a short time period. The Remuneration report for the relevant year would also contain the necessary justifications for such an outcome. The Remuneration Committee and Board would ensure that dilution levels returned to within the 10% level in any rolling 10 year period as soon as practicable thereafter.

Pay vs performance

Total shareholder return (per cent.)

Source: Datastream



The chart above shows the Company's share price performance (based on total shareholder return, with dividends reinvested net of tax) in the period since Listing on 21 June 2010, compared with the movement of the FTSE 250 Index and the FTSE 350 General Financial Index. These two indices were chosen as the Company is in the FTSE 250 and the FTSE 350 General Financial Index includes UK listed financial stocks, including asset managers.

TABLE OF HISTORIC LEVELS OF CEO PAY

	2010	2011	2012	2013	2014	2015	2016
CEO single figure of total remuneration (£'000)	2,035	1,785	1,634	1,789	2,301[1]	2,708	2,431
Long-term incentive vesting rates against maximum opportunity[2]	N/A	N/A	N/A	N/A	46%	71%	44%[3]

1 Calculated as Edward Bonham Carter's remuneration to 17 March 2014 and Maarten Slendebroek's from 17 March 2014 when he took on the role of CEO, plus the value of Edward Bonham Carter's LTIP award vesting based on performance to 31 December 2014.
2 No LTIP awards vested 2010 to 2013 as the first LTIP awards granted to the CEO after Listing were in 2012.
3 Maarten Slendebroek has two separate LTIP awards included in the 2016 single figure, both of which had performance periods ending during that financial year. The 44% vesting is a weighted average of the vesting outcomes for both awards combined.

Change in CEO pay vs employees

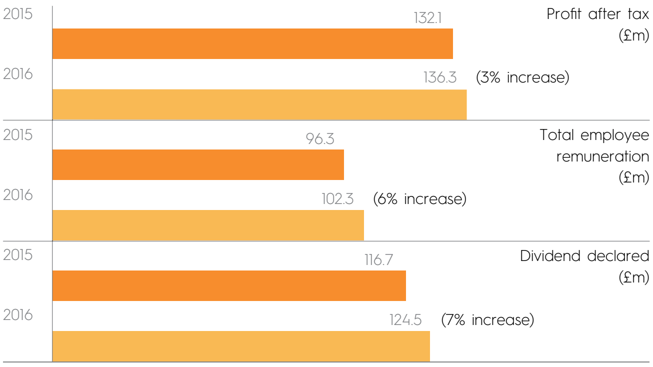
The percentage change in the CEO's pay (defined for these purposes as salary, taxable benefits, cash bonus and DBP awards in respect of the relevant year) between 2015 and 2016, and the same information, on an averaged basis, for all employees (excluding Executive Directors) is shown in the table below:

	CEO percentage change (2015 to 2016)	All employees (excluding Executive Directors) percentage change (2015 to 2016)
Base salary	0%	2%
Benefits[1]	6%	6%
Bonus (including DBP portion)	(17)%	(4)%

1 Benefits include taxable value of private medical insurance

Relative importance of spend on pay

The following chart shows the Group's profit after tax, total employee remuneration and dividends declared on ordinary shares for 2016 and 2015. Additional illustration of how Jupiter's available profit is distributed between stakeholders is demonstrated on page 7 of this report.



Shareholder voting

The following table sets out the voting outcomes in respect of the most recent AGM votes on the Annual Report on Remuneration and the Directors' Remuneration Policy.

	For	Percentage of total votes cast	Against	Percentage of total votes cast	Withheld
Annual Report on Remuneration at 2016 AGM	242,683,520	88.97	30,100,002	11.03	104,124,385
Directors' Remuneration Policy at 2014 AGM	322,158,578	96.93	10,216,245	3.07	4,799,064

Advisers

Deloitte LLP is the appointed adviser to the Remuneration Committee. Deloitte is a member of the Remuneration Consultants' Group and, as such, voluntarily operates under the code of conduct in relation to executive remuneration consulting in the UK. The Committee is satisfied as to Deloitte's independence. Fees paid to Deloitte for executive remuneration consulting were £158,951 in 2016. Deloitte also provides advice to the Company relating to regulatory matters. The Remuneration Committee does not consider that the other advice provided has any impact on Deloitte's independence as adviser to the Remuneration Committee.

In addition, the Chief Executive Officer, Company Secretary, HR Director and Head of Reward are invited to and attend Remuneration Committee meetings to contribute to the Committee's deliberations. In addition, the Compliance Director, Head of Risk and Chief Investment Officer are invited to and attend Remuneration Committee meetings to provide specific input, where requested. No individual is present when their remuneration is being discussed.

On behalf of the Board

Lorraine Trainer
Chairman of the Remuneration Committee
23 February 2017

The Directors present their report and the Group's audited financial statements for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES AND RESULTS

The Company's principal activity is to act as a holding company for a group of investment management companies. Our business model is based on investment performance, growing value and effective distribution and is explained in the Strategic report. The Group operates principally in the United Kingdom and has branches of Jupiter Asset Management Limited operating overseas, together with three overseas trading subsidiaries.

The Company is incorporated with Company Number 6150195 and is domiciled in England and Wales.

Other information, which forms part of this Directors' report, can be found in the following sections of the Annual Report and is deemed to form part of this report:

- Commentary on the development and performance in the year ended 31 December 2016, and likely future developments in the Group's business, is included in the Strategic report.
- Descriptions of the Group's financial risk management objectives and policies, and its exposure to risks arising from its use of financial instruments, are set out in Note 5.3 to the Accounts.
- Information concerning Directors' contractual arrangements and entitlements under share-based remuneration arrangements is given in the Remuneration report.
- The Group's environmental performance data, including the absolute Scope 1 and 2 emissions for 2016, can be found in the Corporate Responsibility section of the Strategic report.
- Information concerning the involvement of employees in the business is also given in the Corporate Responsibility section of the Strategic report.

DISCLOSURE REQUIRED UNDER THE LISTING RULES AND THE DISCLOSURE GUIDANCE AND TRANSPARENCY RULES DTR 4.1.5R,DTR 4.1.8R AND DTR 4.1.11R

Information which is the required content of the Management report can be found in the Strategic report and in this Directors' report.

LR 9.8.4R

The following table is disclosed pursuant to Listing Rule 9.8.4R. The information required to be disclosed, where applicable to the Company, can be located in the Annual Report and Accounts at the references set out below:

Information	Location
Interest capitalised	Not applicable
Shareholder waiver of dividends	Notes to Accounts 4.3
Shareholder waiver of future dividends	Notes to Accounts 4.3
Agreements with controlling shareholders	Not applicable
Provision of services by a controlling shareholder	Not applicable
Details of long-term incentive schemes	Remuneration report and notes to the Accounts 1.5
Waiver of emoluments by a Director	Not applicable
Waiver of future emoluments by a Director	Not applicable
Significant contracts	Governance report
Non-pre-emptive issues of equity for cash	Not applicable
Non-pre-emptive issues of equity for cash in relation to major subsidiary	Not applicable
Participation by parent of a placing by a listed subsidiary	Not applicable
Publication of unaudited financial information	Other Information

All the information cross-referenced above is incorporated by reference into this Directors' report.

COMPLIANCE STATEMENT – DTR 7.2

This statement has been provided by the Chairman in her introduction to the Governance section and is deemed to form part of this Directors' report.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS – DTR 7.2.5

A description of the Company's financial reporting processes and the main features of its internal control and risk management processes can be found in the Audit and Risk Committee report.

STRUCTURE OF CAPITAL AND VOTING RIGHTS – DTR 7.2.6

As at 31 December 2016 and 23 February 2017, there were 457,699,916 fully paid ordinary shares of 2p, amounting to £9,153,998. Each share in issue is listed on the Official List maintained by the FCA in its capacity as the UK Listing Authority. There were no changes to the share capital during the year. The Company has one class of ordinary shares which carry the right to attend, speak and vote at general meetings of the Company. The holders of ordinary shares have the right to participate in dividends and other distributions according to their respective rights and interests in the profits of the Company and a return of capital on a winding-up of the Company. Full details regarding the exercise of voting rights in respect of the resolutions to be considered at the AGM to be held on 17 May 2017 are set out in the Notice of Annual General Meeting. To be valid, the appointment of a proxy to vote at a general meeting must be received not less than 48 hours before the time appointed for holding the meeting.

None of the ordinary shares carries any special rights with regard to control of the Company.

SHARES HELD IN EMPLOYEE BENEFIT TRUSTS

Under the rules of the Jupiter Share Incentive Plan (the "SIP"), which was introduced in 2013, eligible employees are entitled to acquire ordinary shares in the Company. The SIP shares are held in trust for participants by Yorkshire Building Society (the "SIP Trustee"). Voting rights are exercised by the SIP Trustee on receipt of participants' instructions. If a participant does not submit an instruction to the SIP Trustee, no vote is registered. In addition, the SIP Trustees do not vote on any unallocated shares held in trust. As at 17 February 2017, the SIP Trustee held 0.13 per cent. of the Company's issued share capital.

RBC cees Trustee Limited, as trustee of the Jupiter Employee Benefit Trust (the "EBT Trustee"), holds ordinary shares in trust for the benefit of the Group's employees. Where the EBT Trustee has allocated shares held in the trust in respect of specific awards granted under the Jupiter Employee Share Plan, the holders of such awards may recommend to the EBT Trustee as to how it should exercise voting rights relating to such shares. To the extent that a participant does not make such recommendations, no vote is registered. In addition, the EBT Trustee does not vote on any unallocated shares held in the trust. As at 17 February 2017, the EBT Trustee held 2.14 per cent. of the Company's issued share capital.

BOARD OF DIRECTORS

During the year, Philip Johnson stepped down as Chief Financial Officer, John Chatfeild-Roberts stepped down as an Executive Director and Jon Little stepped down as a Non-Executive Director. Karl Sternberg joined the Board as a Non-Executive Director and Charlotte Jones was appointed to the Board as Chief Financial Officer. Biographies for Karl Sternberg and Charlotte Jones are set out in the Governance section.

The Directors who served during the year are as follows:

Liz Airey
Edward Bonham Carter
Jonathon Bond
John Chatfeild-Roberts (to 30 November)
Philip Johnson (to 18 May)
Charlotte Jones (from 5 September)
Jon Little (to 31 October)
Bridget Macaskill
Maarten Slendebroek
Karl Sternberg (from 22 July)
Lorraine Trainer
Polly Williams

DIRECTORS AND DIRECTORS' INTERESTS

The Directors' interests in the Company's shares are set out in the Remuneration report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

This statement, which is included later in this section, is deemed to form part of this Directors' report.

APPOINTMENT AND REPLACEMENT OF DIRECTORS

The Company's Articles of Association provide that Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director holds office only until the next AGM. The Articles of Association have detailed provisions regarding the retirement of Directors by rotation.

In accordance with the Code's requirements, all Directors offer themselves for election or re-election at the AGM in 2017.

In addition to any powers under the Companies Act 2006 (the "Act") to remove Directors from office, the Company may, by passing an ordinary resolution, remove any Director from the Board before the expiration of his or her period in office. The Company may, subject to the Articles of Association, appoint by ordinary resolution another person who is willing to be a Director in his or her place. The Company's Articles of Association may be amended by special resolution of the shareholders.

The Directors are advised of their statutory duty to avoid conflicts of interest with those of the Company. All actual and potential conflicts are brought to the attention of the Board. The operation of the Company's policy on conflicts of interest is described in the Governance section.

The rights and obligations attaching to the Company's ordinary shares, as well as the powers of the Company's Directors, are set out in detail in the Company's Articles of Association, which are made available for inspection by the Company's shareholders at the AGM.

SUBSTANTIAL SHARE INTERESTS

As at 31 December 2016 and 17 February 2017, the Company had received notifications from the following shareholders of their direct or indirect shareholding of 3%. or more in the Company's issued share capital. This information is disclosed pursuant to the FCA's Disclosure Guidance and Transparency Rules.

Name	Number of shares as at 31 December 2016	Percentage Interest (%)
Silchester International Investors LLP	39,372,052	8.60
Baillie Gifford & Co Ltd	38,174,924	8.34
Invesco Ltd	21,845,376	4.77
M&G Investment Management Ltd	20,893,916	4.56
BlackRock Inc	17,703,741	3.87
Marathon Asset Management LLP	16,592,737	3.63
Legal & General Investment Management Ltd	16,059,597	3.51

Name	Number of shares as at 17 February 2017	Percentage Interest (%)
Silchester International Investors LLP	45,724,221	9.99
Baillie Gifford & Co Ltd	38,094,246	8.32
Invesco Ltd	21,866,503	4.78
M&G Investment Management Ltd	21,158,916	4.62
BlackRock Inc	17,448,048	3.81
Legal & General Investment Management Ltd	16,828,164	3.68
Marathon Asset Management LLP	16,650,122	3.64

CREST

The Company's ordinary shares are in CREST, the settlement system for stocks and shares traded on the London Stock Exchange.

RESTRICTIONS ON TRANSFER OF SHARES

There are no restrictions on voting rights or the transfer of shares in the Company and the Company is not aware of any agreements between holders of shares that result in such restrictions.

EMPLOYEES

The Group gives full and fair consideration to applications for employment from disabled persons, where a disabled person can adequately fulfil the job's requirements. Where existing employees become disabled, the Group's policy, wherever practicable, is to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees.

Further details of the Company's employment procedures and practices are set out in the Corporate Responsibility section of the Strategic report.

DIVIDENDS

As set out in last year's Annual Report, the Board changed its approach to dividends for 2015 onwards to enable prompt payment alongside potential future special dividends, with the expectation that payment of dividends can be made in early April. Accordingly, the Directors have not recommended a final dividend but have approved a full year dividend in respect of 2016 of 10.2p per ordinary share (2015: 10.6p per ordinary share). Payment of this dividend is not subject to approval by shareholders at the AGM. The Directors have also declared a special dividend of 12.5p per ordinary share (2015: 10.9p per ordinary share). Both dividends will be paid on 7 April 2017, to shareholders on the register at the close of business on 10 March 2017.

POWERS OF THE DIRECTORS

The Directors manage the Company under the powers set out in the Company's Articles of Association. These powers include the Directors' ability to issue or buy back shares. An ordinary resolution was passed at the AGM on 18 May 2016, authorising the Directors to allot new ordinary shares up to an aggregate nominal amount of £6,102,664, representing approximately two-thirds of the Company's issued share capital. The Directors intend to seek shareholders' approval for the renewal of this authority at the AGM, to allot and grant rights to subscribe for ordinary shares up to an aggregate nominal amount of £3,051,332, representing approximately one-third of the Company's issued share capital as at 23 February 2017. If approved, this authority will expire on 30 June 2018 or, if earlier, at the conclusion of the AGM in 2018.

At the AGM in 2016, shareholders approved a resolution authorising the Company to make purchases of its own shares. As at 23 February 2017, the Directors have not used this authority. A special resolution will be proposed at the AGM to renew the Company's limited authority to purchase its own ordinary shares. The authority will be limited to a maximum of 45,769,950 ordinary shares (approximately 10 per cent. of the Company's issued share capital as at 23 February 2017) and will set out the minimum and maximum prices which the Company may pay for any such purchase. If approved, this authority will expire on 30 June 2018, or, if earlier, at the conclusion of the AGM in 2018.

INDEPENDENT AUDITORS AND AUDIT INFORMATION

PwC were re-appointed as external auditors following a tender conducted in 2014. In accordance with the FRC's recommendations as set out in the Code, the Audit will be retendered within 10 years of that appointment.

GOING CONCERN

The Strategic Report discusses the Group's business activities, together with the factors likely to affect its future development, performance and position. In addition, it sets out the Group's financial position, cash flows, liquidity position and borrowing facilities. The financial risk management note to the Financial Statements sets out the Group's objectives, policies and processes for managing capital and its financial risk management objectives, together with details of financial instruments and exposure to credit and liquidity risk.

The Group has access to the financial resources required to run the business efficiently and has a strong gross cash position. The Group's forecasts and projections, which are subject to rigorous sensitivity analysis, show that the Group will be able to operate within its available resources. As a consequence, the Directors consider it appropriate to prepare the annual Financial Statements on a going concern basis of accounting.

STATEMENT OF VIABILITY

In accordance with provision C.2.2 of the Code, the Directors have assessed the prospects of the Group over a longer period than the 12 months required by the Going Concern provision. Details of the assessment can be found in the Financial Review section of the Strategic Report.

CHANGE OF CONTROL

The Company does not have agreements with any Director or employee that would provide compensation for loss of office or employment resulting from a change of control following a takeover bid, except that provisions of the Company's share schemes may cause options and awards granted under such schemes to vest in those circumstances.

DIRECTORS' INDEMNITIES

The Company's Articles of Association permit the provision of indemnities to the Directors. In accordance with the Articles of Association, the Company has entered into a deed of indemnity in favour of each Director (which is a qualifying third-party indemnity provision under the Act) pursuant to which the Director has been granted the right to indemnification as permitted under the Act. These arrangements were in place throughout the year and up to the date of approval of this report and applied to the current and previous Directors. In addition, during the year the Company has maintained Director's and Officer's liability insurance cover for Directors.

DIRECTORS' SERVICE AGREEMENTS

Each Executive Director has a written service agreement, which may be terminated by either party on not less than six months' notice in writing.

NON-EXECUTIVE DIRECTORS' LETTERS OF APPOINTMENT

The letters of appointment of the Non-Executive Directors are issued for an initial period of three years, which may be renewed for further terms as appropriate. All appointments are subject to a review by the Nomination Committee upon the third anniversary and on extension a further review is undertaken at the sixth anniversary at which the Board's succession plans and the need to refresh the Board's skills and experiences are carefully considered.

The role and responsibilities of each Director are clearly set out and include the duties of a Director provided in the Act. It is made clear that these duties do not include any management function but an indication that the Director is expected to support and challenge management and help in the development of the Group's strategy. Three months' notice in writing is required to be served by either party to terminate the appointment.

The Non-Executive Directors' letters of appointment are available for inspection at the Company's registered office during normal business hours and at the AGM (for 15 minutes prior to, and during, the Meeting).

COMPENSATION FOR LOSS OF OFFICE

With reference to Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (paragraph 13(2)(k)), there are no agreements in place between the Company and any director or employee for loss of office in the event of a takeover.

POLITICAL DONATIONS

The Group made no political donations or contributions during the year (2015: £nil).

EVENTS AFTER THE REPORTING PERIOD

On 23 February 2017, the Board reviewed and approved a plan to align the pricing of the Group's unit trust range with that of its SICAV range through the introduction of single pricing for buying and selling fund units. On implementation of this plan, the Group will cease to earn box profits. In addition, the Group intends to bear the costs of research for all products through its own income statement, with no change in the management fee. These costs were previously borne directly by the funds.

An estimation of the financial impact of this decision, which is expected to come into force from the start of 2018, can be found in the Chief Executive's review within the Strategic report.

ANNUAL GENERAL MEETING

The AGM will take place on 17 May 2017. All shareholders are invited to attend and will have the opportunity to put questions to the Board. The Notice of the AGM will be circulated to all shareholders at least 20 working days before the meeting and the details of the resolutions to be proposed will be set out in that Notice. This document will be available on the Company's website at www.jupiteram.com.

By order of the Board

Adrian Creedy
Company Secretary
23 February 2017

DIRECTORS' RESPONSIBILITY AND COMPLIANCE STATEMENTS

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 International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU"), and related IFRS IC interpretations and with the provisions of the Companies Act 2006 (the "Act") applicable to companies reporting under IFRS.

THE DIRECTORS' REVIEW OF THE FINANCIAL STATEMENTS

The Directors undertook a detailed review of the Financial Statements in January and February 2017. Following this examination, the Board was satisfied that the Financial Statements for 2016 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 and consistently applied;
- the judgements and accounting estimates that have been made were reasonable, necessary and prudent; and
- where applicable IFRSs as adopted by the EU have been adopted they have been followed and that there were no material departures.

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 Company's position and performance, business model and strategy.

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 risks in the business making use of the Enterprise Risk Framework which is now functioning 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 'Risks to our Strategy' pages of the Strategic report. The Board subjected the Enterprise Risk Framework to a detailed review in May. 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 have examined the accounting records kept in the business and have determined that they are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements and the Directors' Remuneration report comply with the requirements of the Act and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Each of the Directors (whose names and functions are listed in the Directors' profiles set out in the Governance section) confirms that, to the best of his or her knowledge:

- the Group Financial Statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group; 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, together with a description of the principal risks and uncertainties that it faces.

In accordance with Section 418 of the Act, the Directors' report includes a statement, in the case of each Director in office at the date the Directors' report is approved, that:

(a) so far as the Director is aware, there is no relevant audit information (as defined in section 418(3)) of the Act of which the Company's auditors are unaware; and

(b) he/she has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board

Charlotte Jones
Chief Financial Officer
23 February 2017

FINANCIAL STATEMENTS: GROUP

Consolidated income statement for the year ended 31 December 2016

	Notes	2016 £m	2015 £m
Revenue	1.1	401.8	403.5
Fee and commission expenses	1.1	(50.4)	(74.0)
Net revenue	1.1, 1.2	**351.4**	**329.5**
Administrative expenses	1.3	(182.1)	(163.8)
Operating earnings	1.6	**169.3**	**165.7**
Other gains	1.7	5.1	1.7
Amortisation of intangible assets	3.2	(3.3)	(3.2)
Operating profit		**171.1**	**164.2**
Finance income	1.8	0.5	0.6
Finance costs	1.9	(0.2)	(0.2)
Profit before taxation		**171.4**	**164.6**
Income tax expense	1.10	(35.1)	(32.5)
Profit for the year		**136.3**	**132.1**
Earnings per share			
Basic	1.11	30.3p	29.4p
Diluted	1.11	29.6p	28.5p

Consolidated statement of comprehensive income for the year ended 31 December 2016

	Notes	2016 £m	2015 £m
Profit for the year		**136.3**	**132.1**
Items that may be reclassified subsequently to profit or loss			
Exchange movements on translation of subsidiary undertakings	4.2	0.5	0.1
Items reclassified to the income statement			
Realised foreign exchange gains transferred to the income statement	4.2	(5.0)	–
Other comprehensive (loss)/income for the year net of tax		**(4.5)**	**0.1**
Total comprehensive income for the year net of tax		**131.8**	**132.2**

Notes to the Group financial statements – Income statement

INTRODUCTION

The Group's financial statements have been split into sections to assist with their navigation and align with the Financial review. Accounting policies are contained within relevant notes and are boxed, with the basis of preparation and general policies collected in Section 5. An explanation of the use of alternative performance measures ("APMs") is provided on page 30.

1.1. NET REVENUE

The Group's primary source of revenue is management fees. Management fees are based on an agreed percentage of the assets under management. Initial charges and commissions include fees based on a set percentage of certain flows into our funds and profits earned on dealing within the unit trust manager's box, known as box profits. Performance fees are 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.

Revenue

Revenue comprises the fair value of the consideration received or receivable for the provision of investment management services. Revenue is shown net of any value added tax, rebates and discounts. Our primary revenue components are accounted for as follows:

- management fees are recognised in the period in which the service is performed and are calculated as a percentage of net fund assets managed in accordance with individual management agreements;
- initial charges and commissions on sales of unit trusts are deferred and amortised over the anticipated period of the provision of investment management services. Box profits are calculated as the difference between the cost of purchasing redeemed units at cancellation prices and reselling them at creation prices. Such box profits are recognised when the related transaction occurs; and
- performance fees are calculated as a percentage of the appreciation in the net asset value of a fund above a defined hurdle and are recognised when the fee amount can be estimated reliably and it is virtually certain that the fee will be received. Such fees are normally recognised at the end of the relevant reporting period of the fund.

Fee and commission expenses

These are paid to third parties for ongoing services under distribution agreements and are charged to the income statement over the period in which the service is expected to be provided. The services provided include the provision of access to a basket of fund products, information on financial products, promotional materials, ongoing services to clients and transaction processing.

	2016 £m	2015 £m
Management fees	**377.4**	370.1
Initial charges and commissions	**18.2**	18.8
Performance fees	**6.2**	14.6
Revenue	**401.8**	**403.5**
Fee and commission expenses	**(50.4)**	(74.0)
Total net revenue	**351.4**	**329.5**

1.2. 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, the Board, 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 earnings, a non-GAAP measure (see page 30), for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

Net revenue by location of clients	2016 £m	2015 £m
UK	292.3	285.8
Continental Europe	39.8	36.1
Rest of the world	19.3	7.6
Total net revenue by location	**351.4**	**329.5**

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.

1.2. SEGMENTAL REPORTING CONTINUED

Non-current assets for the Group (excluding financial instruments and deferred tax assets) are domiciled in the UK , Continental Europe and Asia, as set out below:

Non-current assets for the Group	2016 £m	2015 £m
UK	355.0	357.9
Continental Europe	0.1	0.1
Rest of the world	0.1	0.2
Non-current assets by location	**355.2**	**358.2**

1.3. ADMINISTRATIVE EXPENSES

The largest administrative expense is staff costs. The other administrative expenses category includes certain significant costs such as administration fees, marketing and IT costs.

Operating leases

Operating leases are leases where the lessor retains substantially all the risks and benefits of ownership of the asset. All of the Group's leases are operating leases and rental payments are charged to the income statement on a straight line basis over the term of the lease.

Administrative expenses comprise:

	2016 £m	2015 £m
Staff costs (Note 1.4)	114.9	110.4
Depreciation of property, plant and equipment (Note 3.3)	2.2	1.1
Auditors' remuneration (see below)	1.1	0.9
Office closure costs	–	0.8
Operating lease rentals for land and buildings	4.5	3.4
Other administrative expenses	59.4	47.2
Total administrative expenses	**182.1**	**163.8**

Auditors' remuneration	2016 £m	2015 £m
Fees payable to the Company's auditors and their associates for the audit of the parent company and consolidated financial statements	0.1	0.1
Fees payable to the Company's auditors and their associates for other services to the Group:		
Audit of the Company's subsidiaries pursuant to legislation	0.3	0.3
Audit-related assurance services	0.3	0.1
Tax advisory services	0.1	0.1
Other assurance services	0.1	0.1
Other non-audit services	0.2	0.2
Total auditors' remuneration	**1.1**	**0.9**

1.4. STAFF COSTS

Staff costs include wages and salaries, share-based payments, pension costs and redundancy costs, along with associated social security costs, and are recognised on an accruals basis as services are provided to the Group.

Pension costs

The Group contributes to a number of defined contribution pension schemes for the benefit of its employees. Contributions in respect of the UK employees (at the rate of 15% of gross salary) are made into the Jupiter Pension Scheme whose financial statements are available from the trustees at the registered office of the Company. No liability is included in the balance sheet as no obligations were outstanding at the balance sheet date.

Contributions made by the Group are charged to the consolidated income statement as they become payable in accordance with the rules of the schemes.

	2016 £m	2015 £m
Wages and salaries	79.8	78.1
Share-based payments (Note 1.5)	18.1	13.9
Social security costs	12.4	14.0
Pension costs	4.4	4.3
Redundancy costs	0.2	0.1
	114.9	**110.4**

Fund units

As described in Note 1.5(ii), deferred bonuses can be deferred into either options over the Company's shares or a cash equivalent to units in the Group's funds. The expense included within wages and salaries in the income statement in relation to fund units for the year ended 31 December 2016 was £3.0m (2015: £2.9m).

Where bonuses are deferred into fund units, the fair value of the award is spread over the vesting period and included within staff costs. The liability is revalued at each balance sheet date to the expected settlement amount, being the current market value of the underlying fund unit. Any increase or decrease in value is recognised in the income statement within staff costs. The liability is included in the balance sheet as part of accrued expenses within trade and other payables (see Note 3.9).

The Group hedges its exposure to price fluctuations in the underlying fund units by purchasing the fund units at the date of grant. These are included within financial assets at fair value through profit or loss ("FVTPL") on the balance sheet. Any change in the fair value of the units is recognised in the income statement within other gains.

Average number of employees

The monthly average number of persons employed by the Group during the year, including executive Directors, by activity is:

	2016	2015
Fund management	66	61
Distribution and marketing	119	108
Infrastructure and operations	278	267
	463	**436**

Information regarding Directors' aggregate emoluments of £6.2m (2015: £7.5m) is given in the Remuneration report.

1.5. SHARE-BASED PAYMENTS

The Group engages in share-based payment transactions in respect of services receivable from certain employees by granting the right to either shares or options over shares, subject to certain vesting conditions and exercise prices. These have been accounted for as equity-settled share-based payments.

The fair value of the awards granted in the form of shares or share options is recognised as an expense over the appropriate performance and vesting period. The corresponding credit is recognised in retained earnings within total equity. The fair value of the awards is calculated using an option pricing model, the principal inputs being the market value on the date of award, discounted for dividends foregone over the holding period of the award, and an adjustment for expected and actual levels of vesting which includes estimating the number of eligible employees leaving the Group and the number of employees satisfying the relevant performance conditions. These estimates are reviewed regularly and the charge to the income statement is adjusted appropriately (at the end of the relevant scheme as a minimum). Shares and options vest on the occurrence of a specified event under the rules of the relevant plan.

The fair value of shares and options granted during the year to be charged over the vesting period was £17.6m (2015: £20.3m).

A summary of the charge taken to the income statement (excluding social security) for each share-based payment arrangement is shown below:

	2016 £m	2015 £m
Interests in options under pre-Listing Share Plan	0.1	0.2
Deferred Bonus Plan (DBP)	6.3	5.3
Long-term Incentive Plan (LTIP)	11.0	7.7
Sharesave Plan (SAYE)	0.4	0.4
Share Incentive Plan (SIP)	0.3	0.3
Total (Note 1.4)	**18.1**	**13.9**

The fair value of the services provided by employees has been calculated indirectly by reference to the fair value of the equity instruments granted. Fair value amounts for the options granted under the DBP, LTIP and SAYE schemes were determined using a Black Scholes option-pricing method and the following assumptions:

	2016			2015		
	DBP 2015	LTIP 2016	SAYE 2016	DBP 2014	LTIP 2015	SAYE 2015
Weighted average share price (£)	4.10	4.11	4.54	4.10	4.21	4.25
Exercise price (£)	–	0.02	3.43	–	0.02	3.45
Weighted average expected volatility (%)	27.7	28.0	30.4	27.1	29.0	27.7
Weighted average option life (years)	3.1	3.2	3.7	3.1	3.7	3.9
Weighted average dividend yield (%)	3.6	3.6	3.3	3.2	3.2	3.1
Weighted average risk-free interest rate (%)	0.5	0.5	0.2	0.7	0.9	0.9

Expected volatility for options granted in 2016 and 2015 has been calculated using the historical volatility of the Group.

The numbers above in relation to the LTIP include Joiner Plans as both schemes have a similar structure.

(i) Interests in options under pre-Listing Share Plan

These options were granted to certain employees prior to Listing in June 2010 and allowed them to acquire shares at nominal value, subject to satisfying certain vesting and performance conditions. The terms of the options allowed individuals to make a payment to the Company entitling them to take up rights to shares between one and five years after the grant date, depending on the individual award. The interests in options under pre-Listing Share Plan were granted at the nominal price of £0.02, which gives them the characteristics of nil cost options and therefore the fair value of these awards is based on the market price at the date of the award.

The following table illustrates the number and weighted average exercise price ("WAEP") of, and movement in, share options during the year:

	2016		2015	
Options outstanding	Number	WAEP £	Number	WAEP £
At 1 January	930,000	0.02	2,237,055	0.02
Exercised	(70,000)	0.02	(1,213,305)	0.02
Forfeited	–	–	(93,750)	0.02
At 31 December	**860,000**	**0.02**	**930,000**	**0.02**
Exercisable at 31 December	**–**	**–**	**–**	**–**

The weighted average share price at the date of exercise of these options was £4.14 (2015: £4.41) per ordinary share.

No options were granted under this plan in 2016 or 2015. For the options granted in 2010, the weighted average fair value per option granted was £1.48.

The weighted average remaining contractual life for the share options outstanding as at 31 December 2016 is 1.7 years (31 December 2015: 2.0 years).

(ii) Deferred Bonus Plan ("DBP")

All employees of the Group who are eligible for a bonus over a certain level, as determined by the Remuneration Committee, are required to participate in the DBP. The DBP provides for compulsory deferral of a proportion of bonus. Deferrals can be made into either options over the Company's shares or a cash amount equivalent to the value of units in the Group's funds (see Note 1.4 for information on the treatment of fund units). The awards in respect of DBP are granted after the year end to which they relate. The first year of this award was related to 2010 performance, with the first options granted in April 2011. The awards made in 2015 and 2016 in relation to 2014 and 2015 performance were granted in the form of nil cost options over the Company's shares, at a price calculated as the market price immediately prior to the date of the award. Awards will also be made in 2017 in relation to 2016 performance, thus a charge for these awards has been taken to the income statement in 2016.

	2016		2015	
Options outstanding	Number	WAEP £	Number	WAEP £
At 1 January	4,854,647	–	5,959,702	–
Granted	2,108,710	–	1,787,352	–
Exercised	(1,844,245)	–	(2,892,407)	–
Forfeited	(103,518)	–	–	–
At 31 December	**5,015,594**	**–**	**4,854,647**	**–**
Exercisable at 31 December	**–**	**–**	**330,614**	**–**

There were 1,844,245 options exercised under this plan in 2016 (2015: 2,892,407). The weighted average share price at the date of exercise of these options was £4.26 (2015: £4.30).

The weighted average fair value of options granted under this plan during the year was £3.67 (2015: £3.49).

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2016 was 1.6 years (31 December 2015: 1.2 years).

1.5. SHARE-BASED PAYMENTS CONTINUED

(iii) Long-term Incentive Plan ("LTIP")

All employees are eligible to participate in the LTIP. Awards are made at the discretion of the Remuneration Committee and may be granted in the form of options (either at market value, nominal value or nil cost), restricted shares or conditional share awards over the Company's shares. The LTIP awards granted in 2016 and 2015 took the form of nominal cost options over the Company's shares.

	2016		2015	
Options outstanding	Number	WAEP £	Number	WAEP £
At 1 January	11,259,501	0.02	9,696,012	0.02
Granted	3,761,623	0.02	4,565,891	0.02
Exercised	(2,881,629)	0.02	(2,625,905)	0.02
Forfeited	(769,770)	0.02	(376,497)	0.02
At 31 December	**11,369,725**	**0.02**	**11,259,501**	**0.02**
Exercisable at 31 December	**568,222**	**0.02**	**294,241**	**0.02**

There were 2,881,629 options exercised under this plan in 2016 (2015: 2,625,905). The weighted average share price at the date of exercise of these options was £4.32 (2015: £4.27).

The weighted average fair value of options granted under this plan during the year was £3.65 (2015: £3.73).

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2016 was 3.3 years (31 December 2015: 1.5 years).

(iv) Sharesave Plan

All eligible UK employees may participate in the Group's Sharesave Plan, which was introduced in 2010. Under the terms of this plan, employees may enter into contracts to save up to the maximum amount permitted under legislation and, at the expiry of a fixed three or five year term, have the option to use these savings to acquire shares in the Company at a discounted price, calculated under the rules of the plan (currently a 20% discount to the market price at the date of award). Participants in the plan have six months from the date of vesting to exercise their option.

	2016		2015	
Options outstanding	Number	WAEP £	Number	WAEP £
At 1 January	1,357,707	2.86	1,478,693	2.50
Granted	408,112	3.43	311,695	3.45
Exercised	(254,207)	2.31	(278,251)	1.86
Forfeited/converted to new scheme	(92,363)	2.83	(154,430)	2.53
At 31 December	**1,419,249**	**3.13**	**1,357,707**	**2.86**
Exercisable at 31 December	**110,095**	**2.11**	**23,619**	**1.96**

The weighted average share price at the date of exercise of these options was £4.27 (2015: £4.18) per ordinary share.

The weighted average fair value of the options granted under this plan during the year was £1.19 (2015: £1.04).

The range of exercise prices of options granted under this plan is between £1.69 and £3.45.

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2016 was 2.5 years (31 December 2015: 2.1 years).

(v) Share Incentive Plan (SIP)

All eligible UK employees may participate in the Group's Share Incentive Plan, which was introduced in 2013. Under the terms of this plan, employees may contribute from pre-tax salary up to the maximum amount permitted under legislation in any tax year, to be used to acquire shares in the Company at the market price on the relevant date. Matching shares are then awarded by the Company on a one matching share for each share purchased basis. The matching shares are subject to forfeiture where the employee leaves employment with the Group within three years of their award.

The number of matching shares purchased under this scheme during the year was 41,731 (2015: 75,491).

1.6. OPERATING EARNINGS

Operating earnings are defined as net revenue less administrative expenses and do not include investment income and returns, other gains and amortisation of intangible assets. These are items which the Group considers are not indicative of the ongoing income and costs of its operations. The Group believes that operating earnings, while not a GAAP measure, gives relevant information on the profitability of the Group and its ongoing operations (see page 30). Operating earnings may not be comparable with similarly titled measures used by other companies.

1.7. OTHER GAINS

	2016 £m	2015 £m
Foreign exchange gains on liquidation of subsidiaries	5.0	–
Dividend income	0.5	0.2
Other (losses)/gains	(0.4)	1.5
Total other gains	**5.1**	**1.7**

During the period, the Group liquidated two of its overseas subsidiaries. On liquidation, the cumulative amount of foreign exchange gains of £5.0m relating to those subsidiaries was transferred from the foreign currency translation reserve, where it had previously been credited, to the income statement.

1.8. FINANCE INCOME

The Group earns income as a result of holding cash in bank deposits.

Interest on cash and cash equivalents is recognised on an accruals basis using the effective interest method.

	2016 £m	2015 £m
Interest on bank deposits	0.5	0.6
	0.5	**0.6**

1.9. FINANCE COSTS

The majority of the finance costs are associated with the Revolving Credit Facility ("RCF"). See section 3.8 for further details.

Interest payable is charged on an accruals basis using the effective interest method.

Finance costs include ancillary charges for commitment fees and non-utilisation fees that are charged as incurred.

1.10. INCOME TAX EXPENSE

The Group's headquarters are based in the UK. The Group pays taxes according to the rates applicable in the countries in which it operates. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). Tax is charged to equity when the tax benefit exceeds the cumulative income statement expense on share plans.

The Group provides for current tax according to the tax laws of each jurisdiction in which it operates using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is recognised when it is considered recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax that has arisen in respect of equity items such as share-based payments is recognised directly in equity and not in the income statement.

	2016 £m	2015 £m
Current tax – UK corporation tax		
Tax on profits for the year	34.6	33.7
Adjustments in respect of prior years	1.0	(0.1)
	35.6	**33.6**
Deferred tax		
Origination and reversal of temporary differences	(0.3)	(1.2)
Adjustments in respect of prior years	(0.2)	(0.1)
Impact of changes in corporation tax rate	–	0.2
Total deferred tax (Note 3.5)	**(0.5)**	**(1.1)**
	35.1	**32.5**

Total tax expense

The UK corporation tax rate remained at 20% throughout 2016. The tax charge in the year is higher (2015: lower) than the standard rate of corporation tax in the UK and the differences are explained below:

Factors affecting tax expense for the year	2016 £m	2015 £m
Profit before taxation	171.4	164.6
Taxation at the standard corporation tax rate (2016: 20%; 2015: 20.25%)	34.3	33.3
Non-taxable expenditure/(income)	0.2	(0.3)
Other permanent differences	0.7	(0.5)
Adjustments in respect of prior years	0.8	(0.2)
Effect of differences in overseas tax rates	(0.9)	–
Impact of tax rate change on deferred tax balances	–	0.2
Total tax expense	**35.1**	**32.5**

1.11. EARNINGS PER SHARE

Basic earnings per share ("EPS") is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year less the weighted average number of own shares held. Own shares are shares held in an Employee Benefit Trust ("EBT") for the benefit of employees under the vesting, lock-in and other incentive arrangements in place.

Diluted EPS is calculated by dividing the profit for the year 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 into ordinary shares.

For the purposes of calculating EPS, the share capital of the parent is calculated as the weighted average number of ordinary shares in issue over the years reported. The weighted average number of ordinary shares used in the calculation of EPS is as follows:

Weighted average number of shares	2016 Number m	2015 Number m
Issued share capital	457.7	457.7
Less own shares held	(8.4)	(7.7)
Weighted average number of ordinary shares for the purpose of basic EPS	**449.3**	**450.0**
Add back weighted average number of dilutive potential shares	10.5	12.9
Weighted average number of ordinary shares for the purpose of diluted EPS	**459.8**	**462.9**

Earnings per share	2016 p	2015 p
Basic	30.3	29.4
Diluted	29.6	28.5

Consolidated statement of cash flows for the year ended 31 December 2016

	Notes	2016 £m	Restated 2015 (see Note 2.2) £m
Cash flows from operating activities			
Cash generated from operations	2.1	181.2	186.5
Income tax paid		(33.9)	(30.2)
Net cash inflows from operating activities		**147.3**	**156.3**
Cash flows from investing activities			
Purchase of property, plant and equipment	3.3	(2.8)	(7.7)
Purchase of intangible assets	3.2	(0.9)	(1.4)
Purchase of financial assets at FVTPL	2.2	(34.7)	(48.7)
Proceeds from disposal of financial assets at FVTPL	2.2	29.9	36.5
Dividend income received		0.5	0.2
Finance income received		0.5	0.6
Net cash outflows from investing activities		**(7.5)**	**(20.5)**
Cash flows from financing activities			
Dividends paid	4.3	(116.8)	(112.1)
Purchase of shares by EBT		(26.6)	(20.9)
Finance costs paid		(0.2)	(0.2)
Third-party subscriptions into consolidated funds	2.2	4.6	8.9
Third-party redemptions from consolidated funds	2.2	(1.2)	(3.1)
Distributions paid by consolidated funds	2.2	(0.1)	–
Net cash outflows from financing activities		**(140.3)**	**(127.4)**
Net (decrease)/increase in cash and cash equivalents		**(0.5)**	**8.4**
Cash and cash equivalents at beginning of year		259.4	251.0
Cash and cash equivalents at end of year	3.7	**258.9**	**259.4**

Notes to the Group financial statements – Consolidated statement of cash flows

2.1. CASH FLOWS FROM OPERATING ACTIVITIES

	2016 £m	2015 £m
Operating profit	171.1	164.2
Adjustments for:		
Amortisation of intangible assets	3.3	3.2
Depreciation of property, plant and equipment	2.2	1.1
Other gains/(losses)	(14.6)	0.6
Share-based payments	18.1	13.7
Cash inflows on exercise of share options	0.4	0.6
(Increase)/decrease in trade and other receivables	(3.2)	4.3
Increase/(decrease) in trade and other payables	3.9	(1.2)
Cash generated from operations	**181.2**	**186.5**

2.2. RECONCILIATION OF CASHFLOWS FROM INVESTING AND OPERATING ACTIVITIES

Certain items within the consolidated statement of cash flows on page 104 have been restated to include gross cash flows within funds consolidated by the Group. There is no overall impact on the net movement in cash and cash equivalents:

	2015		
	As previously stated £m	Adjustment £m	Restated £m
Purchase of financial assets at FVTPL	(27.4)	(21.3)	(48.7)
Proceeds from disposal of financial assets at FVTPL	21.0	15.5	36.5
Net impact on cash outflows from investing activities	**(6.4)**	**(5.8)**	**(12.2)**
Third-party subscriptions into consolidated funds	–	8.9	8.9
Third-party redemptions from consolidated funds	–	(3.1)	(3.1)
Distributions paid by consolidated funds	–	–	–
Net impact on cash outflows from financing activities	**–**	**5.8**	**5.8**
Other net cash flow movements	14.8	–	14.8
Net movement in cash and cash equivalents	**8.4**	**–**	**8.4**

SECTION 3: ASSETS AND LIABILITIES

Consolidated balance sheet at 31 December 2016

	Notes	2016 £m	2015 £m
Non-current assets			
Goodwill	3.1	341.2	341.2
Intangible assets	3.2	4.0	6.4
Property, plant and equipment	3.3	8.8	8.3
Deferred tax assets	3.5	11.3	12.4
Trade and other receivables	3.6	1.2	2.2
		366.5	**370.5**
Current assets			
Investments in associates	3.4	7.3	5.3
Financial assets at fair value through profit or loss	3.4	70.9	58.2
Trade and other receivables	3.6	97.4	93.2
Cash and cash equivalents	3.7	258.9	259.4
		434.5	**416.1**
Total assets		**801.0**	**786.6**
Equity attributable to shareholders			
Share capital	4.1	9.2	9.2
Own share reserve	4.2	(0.2)	(0.2)
Other reserve	4.2	8.0	8.0
Foreign currency translation reserve	4.2	2.8	7.3
Retained earnings	4.2	590.6	578.6
Total equity		**610.4**	**602.9**
Non-current liabilities			
Trade and other payables	3.9	8.2	8.9
Deferred tax liabilities	3.5	0.2	1.0
		8.4	**9.9**
Current liabilities			
Financial liabilities at fair value through profit or loss	3.4	13.4	9.9
Trade and other payables	3.9	153.6	149.0
Current income tax liability		15.2	14.9
		182.2	**173.8**
Total liabilities		**190.6**	**183.7**
Total equity and liabilities		**801.0**	**786.6**

The financial statements on pages 94 to 124 were approved by the Board of Directors and authorised for issue on 23 February 2017. They were signed on its behalf by

Charlotte Jones
Chief Financial Officer

Notes to the Group financial statements – Assets and liabilities

3.1. 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.

On 19 June 2007, the Group acquired the entire share capital of Knightsbridge Asset Management Limited, giving rise to a goodwill asset being recognised.

	2016 £m	2015 £m
Goodwill	341.2	341.2
	341.2	**341.2**

No additional goodwill was recognised in the year (2015: £nil).

The Group has determined that it has a single CGU for the purpose of assessing the carrying value of goodwill. In performing the impairment test, management prepares a calculation of the recoverable amount of the goodwill and compares this to the carrying value.

The recoverable amount for the acquired share capital was 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 reference to the Group's projected cash flows and cost of capital. A significant headroom was noted, and therefore no impairment was implied. No impairment losses have been recognised in the current or preceding years.

3.2. INTANGIBLE ASSETS

In 2007, the Group acquired the entire share capital of Knightsbridge Asset Management Limited. This acquisition gave rise to the recognition of intangible assets relating to investment management contracts and the trade name of the Group. The other intangible assets recognised are computer software.

Following initial recognition, intangible assets are held at cost less any accumulated amortisation and any provision for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).

Intangible assets acquired separately are measured on initial recognition at cost.

The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. In relation to the investment management contracts and the trade name, the useful lives are assessed as being finite and they are amortised over their useful economic lives and assessed for impairment whenever there is an indication of impairment. The amortisation period and the amortisation method for these assets are reviewed at least at each financial year end. The useful economic lives of the trade name and individual management contracts acquired are currently assessed as a maximum of ten years and seven years, respectively. The remaining amortisation period of the trade name is 0.5 years; the investment management contracts are fully amortised. The amortisation expense on intangible assets with finite lives is recognised in the consolidated income statement on a straight line basis.

Computer software licences acquired are capitalised at the cost incurred to bring the software into use and are amortised on a straight line basis over their estimated useful lives, which are estimated as being five years. Costs associated with developing or maintaining computer software programs that do not meet the capitalisation criteria under IAS 38 are recognised as an expense as incurred.

Gains and losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying value of the asset. The difference is then recognised in the income statement.

An assessment is made at each reporting date as to whether there is any indication that an asset in use may be impaired. If any such indication exists and the carrying values exceed the estimated recoverable amount at that time, the assets are written down to their recoverable amount. The recoverable amount is measured as the greater of fair value less costs to sell and value in use. Non-financial assets that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The Directors have reviewed the intangible assets as at 31 December 2016 and have concluded there are no indicators of impairment (2015: same).

3.2. INTANGIBLE ASSETS CONTINUED

	2016				2015			
	Investment management contracts £m	Trade name £m	Computer software £m	Total £m	Investment management contracts £m	Trade name £m	Computer software £m	Total £m
Cost								
At 1 January	**258.0**	**18.7**	**8.3**	**285.0**	**258.0**	**18.7**	**11.0**	**287.7**
Additions	–	–	0.9	0.9	–	–	1.4	1.4
Disposals	–	–	–	–	–	–	(4.1)	(4.1)
At 31 December	**258.0**	**18.7**	**9.2**	**285.9**	**258.0**	**18.7**	**8.3**	**285.0**
Accumulated amortisation								
At 1 January	**258.0**	**16.1**	**4.5**	**278.6**	**258.0**	**14.2**	**7.4**	**279.6**
Charge for the year	–	1.9	1.4	3.3	–	1.9	1.3	3.2
Disposals	–	–	–	–	–	–	(4.2)	(4.2)
At 31 December	**258.0**	**18.0**	**5.9**	**281.9**	**258.0**	**16.1**	**4.5**	**278.6**
Net book value								
At 31 December	**–**	**0.7**	**3.3**	**4.0**	**–**	**2.6**	**3.8**	**6.4**

3.3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost, less accumulated depreciation and any provision for impairment. Cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenditures are charged to the income statement during the financial period in which they were incurred. Depreciation is calculated on a straight line basis to allocate the cost of each asset over its estimated useful life as follows:

Leasehold improvements	19 years (the remaining period of the lease)
Office furniture and equipment	5 years

The assets' useful economic lives and residual values are reviewed at each financial period end and adjusted if appropriate. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on the disposal of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the item, is included in the income statement in the year the item is sold or retired.

	2016			2015		
	Leasehold improvements £m	Office furniture & equipment £m	Total £m	Leasehold improvements £m	Office furniture & equipment £m	Total £m
Cost						
At 1 January	**4.7**	**6.4**	**11.1**	**0.7**	**6.3**	**7.0**
Additions	0.5	2.3	2.8	4.5	3.2	7.7
Disposals	–	(0.2)	(0.2)	(0.5)	(3.1)	(3.6)
At 31 December	**5.2**	**8.5**	**13.7**	**4.7**	**6.4**	**11.1**
Accumulated depreciation						
At 1 January	**0.2**	**2.6**	**2.8**	**0.6**	**4.7**	**5.3**
Charge for the year	0.4	1.8	2.2	0.1	1.0	1.1
Disposals	–	(0.1)	(0.1)	(0.5)	(3.1)	(3.6)
At 31 December	**0.6**	**4.3**	**4.9**	**0.2**	**2.6**	**2.8**
Net book value						
At 31 December	**4.6**	**4.2**	**8.8**	**4.5**	**3.8**	**8.3**

3.4. FINANCIAL INSTRUMENTS HELD AT FAIR VALUE

Financial instruments

Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of an instrument. They are initially measured at fair value adjusted for transaction costs, except for financial assets classified as at fair value through profit or loss where transaction costs are immediately recognised in the income statement. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or where they have been transferred and the Group has also transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability has been discharged, cancelled or has expired.

Financial assets

The Group's financial assets include cash and short-term deposits, trade and other receivables, seed capital investments and derivative financial instruments. Financial assets are classified as being designated at FVTPL on initial recognition or as loans and receivables. The classification adopted by the Group depends on the purpose for which the financial assets were acquired and is determined at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at FVTPL include investments in open-ended investment companies and unit trusts which are designated as at FVTPL as they are managed and evaluated on a fair value basis, in accordance with the documented strategy. A financial asset is classified in this category if it has been acquired principally for the purpose of selling in the short term. Financial assets at FVTPL are carried at fair value, with gains and losses recognised in the income statement within other gains in the period in which they arise. Assets in this category are classified as current assets. Where the Group is deemed to have control, the investment is consolidated. Where the Group is deemed to have significant influence, the investment is classified as an investment in associate. Further information is included in the Basis of consolidation in Note 5.1.

Financial liabilities

The Group's financial liabilities include trade and other payables, derivative financial instruments and the non-controlling interests in funds that have been consolidated as subsidiaries.

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL are carried at fair value, with gains and losses recognised in the income statement within other gains in the period in which they arise. Financial liabilities at FVTPL relate to non-controlling interests in consolidated funds which are designated as at FVTPL. Further information is provided in Note 5.1.

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

	Notes	2016 £m	2015 £m
Investments in associates	5.4	7.3	5.3
Financial assets at FVTPL	5.4	70.9	58.2
Financial liabilities at FVTPL		(13.4)	(9.9)
		64.8	**53.6**

3.5. DEFERRED TAX

Analysis of the Group's deferred tax assets and liabilities is shown below:

	Intangible assets £m	Deferred income/ expense £m	Share-based payments £m	Other £m	Total £m
Assets	–	0.8	9.5	2.1	12.4
Liabilities	(0.5)	–	–	(0.5)	(1.0)
At 31 December 2015	**(0.5)**	**0.8**	**9.5**	**1.6**	**11.4**
Assets	–	0.4	9.1	1.8	11.3
Liabilities	(0.2)	–	–	–	(0.2)
At 31 December 2016	**(0.2)**	**0.4**	**9.1**	**1.8**	**11.1**

Movements in temporary differences between the balance sheet dates have been reflected in the income statement and the statement of changes in equity as follows:

	Intangible assets £m	Deferred income/ expense £m	Share-based payments £m	Other £m	Total £m
At 1 January 2015	**(0.9)**	**1.4**	**9.5**	**0.1**	**10.1**
Credited/(charged) to the income statement	0.4	(0.6)	(0.2)	1.5	1.1
Credited to equity	–	–	0.2	–	0.2
At 31 December 2015	**(0.5)**	**0.8**	**9.5**	**1.6**	**11.4**
Credited/(charged) to the income statement	0.3	(0.4)	0.4	0.2	0.5
Charged to equity	–	–	(0.8)	–	(0.8)
At 31 December 2016	**(0.2)**	**0.4**	**9.1**	**1.8**	**11.1**

The other deferred tax balances at 31 December 2015 and 2016 include short-term timing differences and temporary differences between depreciation and capital allowances.

Changes to UK corporation tax rates were substantively enacted as part of the Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions of the main rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

3.6. TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When a trade receivable is uncollectible, it is written off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement.

Trade and other receivables, including loans to employees, are included in current assets except where they have maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Accrued income relates to accrued interest and accrued management, performance and registration fees. It is based on the latest available information and therefore involves a degree of estimation related to the valuation of underlying AUM.

Current	2016 £m	2015 £m
Trade receivables	67.5	66.7
Prepayments and accrued income	28.6	23.4
Deferred acquisition and commission costs	1.3	3.1
	97.4	**93.2**
Non-current		
Deferred acquisition and commission costs	1.2	2.2
	1.2	**2.2**

Trade receivables are non-interest bearing and are generally collected within four working days. An analysis of the ageing profile of trade receivables is disclosed in Note 5.3.

3.7. CASH AND CASH EQUIVALENTS

	2016 £m	2015 £m
Cash at bank and in hand	128.4	103.2
Short-term deposits	124.0	150.0
Cash held by EBT and seed capital subsidiaries	6.5	6.2
	258.9	**259.4**

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. Short-term deposits are made for varying periods of between one day and three months, depending on the forecast cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Cash held by EBT and seed capital subsidiaries was not available for use by the Group.

3.8. LOANS AND BORROWINGS

The Group renewed its revolving credit facility ("RCF") of £50.0m (2015: £50.0m) during the year. The facility expires in July 2019 and was undrawn at 31 December 2015 and 31 December 2016.

Interest on the RCF is payable at a rate per annum of LIBOR plus a margin of 0.7%. A non-utilisation fee is payable on the RCF at a rate of 0.25% per annum on the undrawn balance. A utilisation fee is also payable at a rate of 0.3% per annum when more than 66% of the facility is drawn, and 0.1% per annum when 33% to 66% of the facility is drawn. No utilisation fee is payable when less than 33% of the facility is drawn.

3.9. TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Accruals are based on the latest information and, therefore, involve a degree of estimation. The most significant accruals at the year end relate to bonuses. The Group recognises a provision for bonuses based on a formula that takes into consideration the operating profitability of the Group. At the end of each financial year, the Group recognises a liability for bonuses accrued but not yet paid in respect of service attributable to that year. This provision is recognised within accrued expenses.

Deferred income relates to initial charges being spread over the expected life of the contract on a straight line basis.

Current	2016 £m	2015 £m
Trade payables	68.7	72.3
Accrued expenses	66.6	57.4
Deferred income	2.9	5.2
Social security and other taxes	13.6	13.7
Accruals relating to private client transaction	0.3	0.4
Other payables	1.5	–
	153.6	**149.0**

Non-current	2016 £m	2015 £m
Deferred income	4.1	5.7
Accrued expenses	4.1	3.2
	8.2	**8.9**

Accrued expenses of £4.1m (2015: £3.2m) included within non-current trade and other payables and £1.6m (2015: £2.8m) included within current trade and other payables relate to deferred bonus awards whose settlement amount will be based on the value of units in the Group's funds. See Note 1.4.

SECTION 4: EQUITY

Consolidated statement of changes in equity for the year ended 31 December 2016

	Share capital £m	Own share reserve £m	Other reserve £m	Foreign currency translation reserve £m	Retained earnings £m	Total equity £m
At 1 January 2015	**9.2**	**(0.2)**	**8.0**	**7.2**	**562.0**	**586.2**
Profit for the year	–	–	–	–	132.1	132.1
Exchange movements on translation of subsidiary undertakings	–	–	–	0.1	–	0.1
Other comprehensive income	**–**	**–**	**–**	**0.1**	**–**	**0.1**
Total comprehensive income	**–**	**–**	**–**	**0.1**	**132.1**	**132.2**
Vesting of ordinary shares and options	–	0.1	–	–	0.6	0.7
Dividends paid	–	–	–	–	(112.1)	(112.1)
Purchase of shares by EBT	–	(0.1)	–	–	(20.8)	(20.9)
Share-based payments	–	–	–	–	13.7	13.7
Current tax	–	–	–	–	2.9	2.9
Deferred tax	–	–	–	–	0.2	0.2
Total transactions with owners	**–**	**–**	**–**	**–**	**(115.5)**	**(115.5)**
At 31 December 2015	**9.2**	**(0.2)**	**8.0**	**7.3**	**578.6**	**602.9**
Profit for the year	–	–	–	–	136.3	136.3
Exchange movements on translation of subsidiary undertakings	–	–	–	(4.5)	–	(4.5)
Other comprehensive loss	**–**	**–**	**–**	**(4.5)**	**–**	**(4.5)**
Total comprehensive income	**–**	**–**	**–**	**(4.5)**	**136.3**	**131.8**
Vesting of ordinary shares and options	–	–	–	–	0.4	0.4
Dividends paid	–	–	–	–	(116.8)	(116.8)
Purchase of shares by EBT	–	–	–	–	(26.6)	(26.6)
Share-based payments	–	–	–	–	18.1	18.1
Current tax	–	–	–	–	1.4	1.4
Deferred tax	–	–	–	–	(0.8)	(0.8)
Total transactions with owners	**–**	**–**	**–**	**–**	**(124.3)**	**(124.3)**
At 31 December 2016	**9.2**	**(0.2)**	**8.0**	**2.8**	**590.6**	**610.4**
Notes	4.1	4.2	4.2	4.2	4.2	

Notes to the Group financial statements – Equity

4.1. SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Authorised, issued, allotted, called-up and fully paid	2016 £m	2015 £m
457.7m ordinary shares of 2p each	9.2	9.2
	9.2	**9.2**

4.2. 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 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.

At 31 December 2016, 9.5m ordinary shares (2015: 8.1m), with a par value of £0.2m (2015: £0.2m), were held as own shares within the Group's EBT for the purpose of satisfying share option obligations to employees.

(ii) Other reserve

The other reserve of £8.0m (2015: £8.0m) relates to the conversion of Tier 2 preference shares in 2010.

(iii) Foreign currency translation reserve

The foreign currency translation reserve of £2.8m (2015: £7.3m) is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. During the period, £5.0m (2015: £nil) was transferred to the income statement following the liquidation of overseas subsidiaries.

(iv) Retained earnings

Retained earnings of £590.6m (2015: £578.6m) are the amount of earnings that are retained within the Group after dividend payments and other transactions with owners.

4.3. DIVIDENDS

Dividend distributions to the Company's shareholders are recognised in the accounting period in which the dividends are paid and, in the case of final dividends, when these are approved by the Company's shareholders.

	2016 £m	2015 £m
Full year dividend (10.6p per ordinary share) (final dividend 2015: 9.5p per ordinary share)	47.6	42.5
Interim dividend (4.5p per ordinary share) (2015: 4.0p per ordinary share)	20.2	18.1
Special dividend (10.9p per ordinary share) (2015: 11.5p per ordinary share)	49.0	51.5
	116.8	**112.1**

Full year, final and special dividends are paid out of profits recognised in the year prior to the year in which the dividends are 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 2016 were £2.2m (2015: £2.4m).

A full year dividend for 2016 of 10.2p per share (2015: 10.6p) and a special dividend of 12.5p per share (2015: 10.9p) have been declared by the Directors. These dividends amount to £46.7m and £57.2m respectively (before adjusting for any dividends waived on shares in the EBT) and will be accounted for in 2017. Including the interim dividend for 2016 of 4.5p per share (2015: 4.0p), this gives a total dividend per share of 27.2p (2015: 25.5p).

SECTION 5: OTHER NOTES

Notes to the Group financial statements – Other

5.1. BASIS OF PREPARATION AND OTHER ACCOUNTING POLICIES

Basis of preparation

The Group financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and IFRS IC Interpretations ("IFRS as adopted by the EU") and with the provisions of the Companies Act 2006 applicable to companies reporting under IFRS.

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 balance sheet date.

Basis of accounting

The consolidated financial statements for the year ended 31 December 2016 include the consolidated financial information of the Company and its subsidiaries. The accounting policies set out those policies that have been applied consistently in preparing the Group financial statements. No new policies have been adopted for the year ended 31 December 2016. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed later in this note within the section titled "Critical accounting estimates, judgements and assumptions".

Basis of consolidation

(i) Subsidiaries

Subsidiaries are those entities over which the Group has control. The Group controls an investee if the Group has all of the following:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including: the purpose and design of an investee, relevant activities, substantive and protective rights, and voting rights and potential voting rights. The Group assesses whether it is acting as an agent or principal for its holdings in its seed capital investments. Where the Group concludes it is acting as a principal the entity is consolidated. This assessment is based on the Group's total exposure. This incorporates direct holdings and income earned from management and performance fees. There is no fixed minimum percentage at which the Group consolidates, and each exposure is reviewed individually. The Group re-assesses whether or not it controls an investee if facts or circumstances indicate that there are changes to one or more of the three elements of control.

A list of subsidiaries can be seen in Note 6.3. Consistent accounting policies are applied across all Group companies and intra-group transactions, balances, income and expenses are eliminated on consolidation. Seed capital investments are accounted for as subsidiaries, associates or other financial investments depending on the holdings of the Group and on the level of influence and control that the Group is judged to have. The transactions and balances of subsidiaries are consolidated in these financial statements from the date that control commences until the date that control ceases. Where external investors hold shares or redeemable shares in funds controlled by the Group, the portion of profit or loss and net assets held by these non-controlling interests is included within other gains in the consolidated income statement and as liabilities at fair value through profit or loss in the consolidated balance sheet respectively.

(ii) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control. Generally, it is presumed that the Group has significant influence where it has voting rights of 20% or more, but not control of the investee. Seed capital investments over which the Group has significant influence, but not control, are carried in the balance sheet at fair value as permitted by IAS 28, Investment in Associates, with changes in fair value recognised in the consolidated income statement. The fair value of investments in associates is determined by reference to the quoted price or net asset value of the underlying investments at the close of business on the balance sheet date. The Group has no other investments in associates and, therefore, no associates are currently accounted for using the equity method.

Foreign currency

(i) Functional and presentational currency

Items included in the financial information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in sterling, which is both the Company's functional and presentational currency as well as the currency in which the majority of the Group's revenue streams, assets and liabilities are denominated.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement within administrative expenses.

Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit or loss, are recognised in the consolidated income statement as part of other gains.

(iii) Group companies

The assets and liabilities of Group entities that have a functional currency different from the presentational currency are translated at the closing rate at the balance sheet date, with income and expenses translated at average exchange rates. Resulting exchange differences are recognised as a separate component of other comprehensive income and are recycled to the income statement on disposal or liquidation of the relevant branch or subsidiary.

5.1. BASIS OF PREPARATION AND OTHER ACCOUNTING POLICIES CONTINUED

New standards and interpretations not applied

The International Accounting Standards Board and IFRS Interpretations Committee have issued a number of new accounting standards, amendments to existing standards and interpretations. The following new standards are not applicable to these financial statements, but are expected to have an impact when they become effective. The Group plans to apply these standards in the reporting period in which they become effective.

Not yet endorsed by the EU	Summary	Effective for periods beginning on or after
IFRS 9 Financial Instruments	Replacement project on financial instruments consists of three phases: • Phase 1: Classification and measurement of financial assets and financial liabilities; • Phase 2: Impairment methodology; and • Phase 3: Hedge accounting	1 January 2018
IFRS 15 Revenue from Contracts with Customers	Establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It will supersede the current revenue standard IAS 18 Revenue	1 January 2018
IFRS 16 Leases	Provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. It will supersede the current guidance found in IAS 17 Leases	1 January 2019

There are no other IFRSs or IFRS IC interpretations that are not yet effective that would be expected to have a material impact on the Group. The adoption of the accounting standards endorsed but not yet applied above are not expected to have a significant impact on the financial statements of the Group, except for IFRS 16.

The Group expects the adoption of IFRS 16 to significantly increase the Group's total assets and liabilities as a result of the requirement to capitalise both the right to use leased assets and the contractual payments to be made under lease obligations. As a result of the liability being calculated using discounting, the income statement charge for lease payments is expected to be larger in the earlier years of a lease, and smaller in the later years. In addition, the rental charge, previously recognised as a single administrative charge within the income statement, will be split into a depreciation charge relating to the capitalised asset (within administrative expenses) and a finance cost representing the unwinding of the discount.

Critical accounting estimates, judgements and assumptions

The preparation of the financial information requires management to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. If such estimates and assumptions, which are based on management's best judgement at the date of preparation of the financial information, deviate from actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. The areas where assumptions and estimates are significant to the Group financial statements are discussed in the following notes:

1.5 Share-based payments
3.1Impairment of goodwill
3.6 Accrued income
3.9 Accrued expenses

5.2. FINANCIAL COMMITMENTS

The future aggregate minimum lease payments under non-cancellable operating leases on office properties are shown below.

	2016 £m	2015 £m
Not later than one year	0.9	0.6
Later than one year and not later than five years	13.9	9.6
More than five years	62.7	66.5
	77.5	**76.7**

The commitments above take into account any early break clauses exercisable by the Group. There are no special terms for renewal or purchase options for the Group's leasehold property, nor are there any restrictions on dividends, additional debt or further leasing imposed from the leasing arrangements.

5.3. FINANCIAL RISK MANAGEMENT

Financial instruments by category

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

2016	Financial assets designated at FVTPL £m	Loans and receivables £m	Financial liabilities designated at FVTPL £m	Other financial liabilities £m	Total financial instruments £m	Non-financial instruments £m	Total £m
Goodwill	–	–	–	–	–	341.2	341.2
Intangible assets	–	–	–	–	–	4.0	4.0
Property, plant and equipment	–	–	–	–	–	8.8	8.8
Deferred tax assets	–	–	–	–	–	11.3	11.3
Non-current trade and other receivables*	–	–	–	–	–	1.2	1.2
Investments in associates	7.3	–	–	–	7.3	–	7.3
Financial assets at FVTPL	70.9	–	–	–	70.9	–	70.9
Current trade and other receivables*	–	89.5	–	–	89.5	7.9	97.4
Cash and cash equivalents	–	258.9	–	–	258.9	–	258.9
Non-current trade and other payables*	–	–	–	(4.1)	(4.1)	(4.1)	(8.2)
Deferred tax liabilities	–	–	–	–	–	(0.2)	(0.2)
Current trade and other payables*	–	–	–	(137.1)	(137.1)	(16.5)	(153.6)
Current income tax liability	–	–	–	–	–	(15.2)	(15.2)
Financial liabilities at FVTPL	–	–	(13.4)	–	(13.4)	–	(13.4)
Total	**78.2**	**348.4**	**(13.4)**	**(141.2)**	**272.0**	**338.4**	**610.4**

2015	Financial assets designated at FVTPL £m	Loans and receivables £m	Financial liabilities designated at FVTPL £m	Other financial liabilities £m	Total financial instruments £m	Non-financial instruments £m	Total £m
Goodwill	–	–	–	–	–	341.2	341.2
Intangible assets	–	–	–	–	–	6.4	6.4
Property, plant and equipment	–	–	–	–	–	8.3	8.3
Deferred tax assets	–	–	–	–	–	12.4	12.4
Non-current trade and other receivables*	–	–	–	–	–	2.2	2.2
Investments in associates	5.3	–	–	–	5.3	–	5.3
Financial assets at FVTPL	58.2	–	–	–	58.2	–	58.2
Current trade and other receivables*	–	84.7	–	–	84.7	8.5	93.2
Cash and cash equivalents	–	259.4	–	–	259.4	–	259.4
Non-current trade and other payables*	–	–	–	(3.2)	(3.2)	(5.7)	(8.9)
Deferred tax liabilities	–	–	–	–	–	(1.0)	(1.0)
Current trade and other payables*	–	–	–	(130.1)	(130.1)	(18.9)	(149.0)
Current income tax liability	–	–	–	–	–	(14.9)	(14.9)
Financial liabilities at FVTPL	–	–	(9.9)	–	(9.9)	–	(9.9)
Total	**63.5**	**344.1**	**(9.9)**	**(133.3)**	**264.4**	**338.5**	**602.9**

*Prepayments, deferred income, deferred acquisition and commission costs and social security and other taxes do not meet the definition of financial instruments.

For financial instruments held at 31 December 2016 and 31 December 2015, there was no material difference between the carrying value and fair value.

5.3. FINANCIAL RISK MANAGEMENT CONTINUED

Gains and losses recognised in the income statement during the year ended 31 December 2016 by category are shown below:

	2016				2015			
	Financial assets designated at FVTPL £m	Financial liabilities designated at FVTPL £m	Other income and expense £m	Total £m	Financial assets designated at FVTPL £m	Financial liabilities designated at FVTPL £m	Other income and expense £m	Total £m
Revenue	–	–	401.8	401.8	–	–	403.5	403.5
Fee and commission expenses	–	–	(50.4)	(50.4)	–	–	(74.0)	(74.0)
Administrative expenses	–	–	(182.1)	(182.1)	–	–	(163.8)	(163.8)
Other gains	0.1	–	5.0	5.1	1.8	–	(0.1)	1.7
Amortisation of intangible assets	–	–	(3.3)	(3.3)	–	–	(3.2)	(3.2)
Finance income	–	–	0.5	0.5	–	–	0.6	0.6
Finance costs	–	–	(0.2)	(0.2)	–	–	(0.2)	(0.2)
Income tax expense	–	–	(35.1)	(35.1)	–	–	(32.5)	(32.5)
	0.1	–	**136.2**	**136.3**	**1.8**	–	**130.3**	**132.1**

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).

As at 31 December 2016, the Group held the following financial instruments measured at fair value:

2016	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Investments in associates	7.3	–	–	7.3
Financial assets at FVTPL	70.9	–	–	70.9
Financial liabilities at FVTPL	(13.0)	(0.4)	–	(13.4)
	65.2	**(0.4)**	**–**	**64.8**

As at 31 December 2015, the Group held the following financial instruments measured at fair value:

2015	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Investments in associates	5.3	–	–	5.3
Financial assets at FVTPL	58.2	–	–	58.2
Financial liabilities at FVTPL	(9.9)	–	–	(9.9)
	53.6	**–**	**–**	**53.6**

Level 1 financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market prices at the balance sheet date.

Investments in associates and financial assets at FVTPL
These relate to seed capital investments and hedges of awards in fund units in mutual funds. Details are included in Note 5.4.

Financial liabilities at FVTPL
These relate to non-controlling interests in funds that have been consolidated as subsidiaries.

Level 2 financial instruments

The fair value of financial instruments are valued based on a compilation of observable market data from readily available from external sources.

Derivative financial instruments
Derivatives are held to hedge specific exposures and have maturities designed to match the exposures they are hedging. The derivatives are held at fair value which represents the price to exit the instruments at the balance sheet date. Movements in the fair value are included in the income statement.

The Group enters into swap arrangements and foreign exchange forward contracts to hedge certain of its seed capital investments. Gains and losses arising from fair value movements in the swap and forward contracts are recognised in the consolidated income statement within other gains and are settled periodically, in accordance with the terms of the contract. Any cash settlements due from or to the counterparty in relation to the swap arrangements, which are required to be settled at the end of each month, are recorded within current assets or current liabilities as trade receivables or other payables, as appropriate. The fair value of the foreign exchange contracts, which are required to be settled at periods other than at the month end, are recorded within financial assets or liabilities at FVTPL, as appropiate.

At 31 December 2016, the notional value of the swaps was £39.3m (2015: £30.7m) and the foreign exchange forward contracts was £28.4m (2015: £12.7m). The settlement amount of the swaps at 31 December 2016 was £0.8m, which was due to the counterparty and is included within trade and other payables (2015: £0.8m due from the counterparty and included within trade and other receivables). The fair value of the foreign exchange forward contracts was £0.4m and is included within financial liabilities at FVTPL (2015: £0.3m).

Financial risk management objectives and policies

The Group is subject to a number of financial risks throughout its business, the principal risks being market risk (including price, foreign exchange and interest rate risk), credit risk and liquidity risk. The Board is accountable for risk and is responsible for oversight of the risk management process. The Board has ultimate responsibility for the risk strategy of the Group, and for determining an appropriate risk appetite and tolerance levels within which the Group must operate. By defining these, the Board demonstrates that it is aware of and, where appropriate, has taken steps to mitigate the impact of risks that may have a material impact on the Group.

The Executive Committee reviews the key corporate risks facing the Group. The Chief Executive Officer has ultimate responsibility for the governance of the risk management of the firm, but delegates the risk and control framework to the Head of Risk, who has responsibility for the monitoring and reporting of risk and controls, and through the Risk Committee manages the ongoing development of the Group's risk and control framework. Jupiter embeds risk management within the business, with independent oversight and challenge being provided by the risk function.

Price risk

Price risk is the risk that a decline in the value of assets will adversely impact the profitability of the Group. Management has identified price risk as the exposure to unfavourable movements in the value of financial assets held by the Group, which would result in a loss recognised in the consolidated income statement. The Group is not exposed to commodity price risk.

The Group holds listed equity investments in its seed capital portfolio which are exposed to the risk of changes in equity markets. At 31 December 2016, the fair value, and therefore maximum exposure to listed securities, was £58.7m (2015: £47.3m).

The Group's policy is to hedge the equity market and currency exposure of its seed capital investments depending on the fund mandate and whether available transactions are cost effective. As at 31 December 2016 and 31 December 2015, the Group held swap instruments to act as hedges against risk exposures arising from certain holdings in seed fund investments.

Price risk sensitivity analysis on financial assets

The Directors believe that 10% gives a reasonable measure of the Group's sensitivity to price risk. An increase or decrease of 10% in equity markets would have the following impact on the profit before taxation and equity of the Group. There is no material impact on the Group's equity.

Impact on the income statement of change in equity markets	2016 £m	2015 £m
+10%	3.9	3.3
-10%	(3.9)	(3.3)

The sensitivity analysis takes account of the relevant derivative transactions the Group has entered into in order to provide a hedge against such movements.

Foreign exchange risk

Foreign exchange risk is the risk that the Group will sustain losses through adverse movements in currency exchange rates. The Group predominantly operates in the UK, with some transactions from overseas third parties in foreign currencies, which create exposure to non-sterling income and expenses. The Group's policy is to hold the minimum amount of currency required to cover operational needs and to convert foreign currency on receipt. Direct exposures are limited to operational cash held in overseas subsidiaries, short-term outstanding currency fee debts and investments in seed capital denominated in a foreign currency. The Group does not normally hedge this risk, other than in the case of certain seed capital investments, which are hedged using foreign exchange forward contracts. These contracts are measured at fair value at the balance sheet date. Foreign currency risk is monitored closely and managed by the finance function.

Foreign exchange rate sensitivity analysis

The Directors believe that 10% gives a reasonable measure of the Group's sensitivity to foreign exchange risk. The following table demonstrates the sensitivity to a possible change in foreign exchange rates, with all other variables held constant, of the Group's profit before tax. The exposure to foreign exchange risk arises principally through operational cash balances held in foreign currencies and seed capital investments held in non-Sterling share classes. There is no material impact on the Group's equity.

	2016		2015	
Impact on the income statement of change in exchange rates	+10% £m	-10% £m	+10% £m	-10% £m
Sterling against Euro	(0.1)	0.1	(0.8)	0.9
Sterling against US Dollar	(0.3)	0.4	(0.3)	0.4
Sterling against HK Dollar	(0.2)	0.2	(0.1)	0.2

The sensitivity analysis takes account of the relevant derivative transactions the Group has entered into in order to provide a hedge against such exposures.

5.3. FINANCIAL RISK MANAGEMENT CONTINUED

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk relates primarily to the Group's cash balances (Note 3.7). The Group manages interest rate risk via the finance function monitoring of the interest rate cash flow risks and returns. The Group puts cash on deposit at fixed rates of interest for periods of up to three months.

Interest rate sensitivity analysis

The Directors believe that a movement in interest rates of 50bps gives a reasonable measure of the Group's sensitivity to interest rate risk. The following table demonstrates the sensitivity to a possible change in interest rates, with all other variables held constant, of the Group's profit before tax (mainly through the impact on floating rate cash deposits). There is no material impact on the Group's equity.

Impact on the income statement of change in interest rates	2016 £m	2015 £m
+50 bps	1.3	1.3
–50 bps	(0.8)	(0.8)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss in the Group's operating activities.

The Group is exposed to credit risk primarily from its treasury activities, including deposits with banks and financial institutions, but also from its trade receivables and, in certain circumstances, financial assets at fair value through profit or loss. Trade receivables arise principally within the Group's investment management business and amounts are monitored regularly. Historically, default levels have been insignificant. Financial assets at fair value through profit or loss expose the Group to credit risk where seed capital investments in funds are consolidated and those funds hold investments in debt instruments or derivative positions with a positive fair value. The Group's maximum exposure to credit risk is £335.0m (2015: £337.2m), represented by the carrying value of its non-equity financial assets at FVTPL (£8.6m (2015: £11.1m)), trade receivables (£67.5m (2015: £66.7m)) and cash and cash equivalents (£258.9m (2015: £259.4m)).

The fair values of the Group's financial liabilities at FVTPL are not affected by changes in the Group's credit risk. There is no difference between the carrying amount of financial liabilities at FVTPL and the amount the Group would be contractually required to pay at maturity.

With regard to credit risk related to financial instruments, the Group's policy is to place deposits only with financial institutions which satisfy minimum ratings and other criteria set by the Counterparty Review Group ("CRG"). Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and thereby mitigate the possibility of financial loss through counterparty failure. The CRG monitors the Group's counterparty exposures.

The table below contains an ageing analysis of current and overdue trade receivables:

	2016 £m	2015 £m
Neither past due nor impaired	66.9	65.3
Days past due		
< 30	0.3	1.1
30-60	0.3	0.2
61-90	–	–
> 90	–	0.1
	67.5	**66.7**

None of the receivables past due were considered to be impaired.

The table below contains an analysis of financial assets held by the Group for which credit ratings are available:

	2016				2015			
	Financial assets at FVTPL	Trade receivables £m	Cash and cash equivalents £m	Total £m	Financial assets at FVTPL	Trade receivables £m	Cash and cash equivalents £m	Total £m
AAA	1.8	–	–	1.8	2.9	–	–	2.9
AA	0.6	–	8.0	8.6	0.3	–	163.8	164.1
A	0.5	0.1	136.8	137.4	1.0	0.8	–	1.8
BBB-B	5.7	–	0.1	5.8	6.9	–	95.6	102.5
Not rated	62.3	67.4	114.0	243.7	47.1	65.9	–	113.0
Total	**70.9**	**67.5**	**258.9**	**397.3**	**58.2**	**66.7**	**259.4**	**384.3**

Financial assets at fair value through profit or loss which are not rated comprise equity investments.

Trade and other receivables which are not rated comprise cancellations of units in unit trusts and sales of units in unit trusts, title to which is not transferred until settlement is received.

Liquidity risk

Liquidity risk is the risk that the Group may be unable to meet its payment obligations as they fall due or only at a significantly higher cost. The Group produces cash flow forecasts to assist in the efficient management of the collection and payment of liquid assets and liabilities.

The Group's objectives in respect of liquidity are:

- ensuring both the Group as a whole and individual entities within the Group have access to sufficient liquid funds to trade solvently and meet trading liabilities as they fall due;
- allowing the Group to maintain a flexible dividend policy, taking reference to prior year and prospective profitability, captal requirements and cash flow; and
- providing the Group with appropriate flexibility over the transferability of its capital and cash balances.

Surplus cash held by the operating entities over and above the balances required for working capital management is held in interest bearing deposits of up to three months. Regulated companies ensure that sufficient capital is maintained to meet regulatory requirements.

During the year, the Group renewed its revolving credit facility ("RCF") of £50m which was unutilised at 31 December 2016 (2015: same). The facility expires in 2019.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2016 and 31 December 2015 based on contractual undiscounted payments:

Financial liabilities	2016				2015			
	Within 1 year or repayable on demand £m	1-5 years £m	> 5 years £m	Total £m	Within 1 year or repayable on demand £m	1-5 years £m	> 5 years £m	Total £m
Trade and other payables	137.1	4.1	–	141.2	130.1	3.2	–	133.3
Financial liabilities at FVTPL	13.4	–	–	13.4	9.9	–	–	9.9
Total	**150.5**	**4.1**	**–**	**154.6**	**140.0**	**3.2**	**–**	**143.2**

Capital management

The Group's objectives when managing its capital and funding structure are to safeguard the Group's ability to continue as a going concern, maintain appropriate financial resources, maximise shareholder value, maintain an optimal capital structure to reduce the cost of capital and to meet working capital requirements.

	2016 £m	2015 £m
Cash and short-term deposits	258.9	259.4
Net cash	**258.9**	**259.4**
Equity	17.0	17.0
Retained earnings and foreign currency translation reserve	593.4	585.9
Total capital	**610.4**	**602.9**

Regulatory capital requirements

The Group considers its share capital and reserves to constitute its total capital. The subsidiaries within the Group which are regulated are required to maintain capital resources to comply with the regulatory capital requirements of the FCA and certain overseas financial regulators. All regulated entities within the Group complied with the externally imposed regulatory capital requirements. Headroom over regulatory capital is discussed by the Balance Sheet Management Committee. Further information on the Balance Sheet Management Committee can be found in the "Management Committees" overview within the Governance section.

In addition to the capital held to meet the regulatory capital requirements, the Group maintains sufficient cash resources to meet its liabilities as and when they fall due, based on regularly produced cash forecasts, modelling both normal and stressed conditions. Liquidity risk is mitigated by the availability of the RCF and the high level of cash in the business.

5.4. INTERESTS IN STRUCTURED ENTITIES

IFRS 12 requires certain disclosures in respect of interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities.

A structured entity is defined as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements. The Group has assessed whether the funds it manages are structured entities and concluded that mutual funds and investment trusts managed by the Group are structured entities unless substantive removal or liquidation rights exist.

The Group has interests in these funds through the receipt of management and other fees and, in certain funds, through ownership of fund units. The Group's investments in these funds are subject to the terms and conditions of the respective fund's offering documentation and are susceptible to market price risk. The investments are included in financial assets at fair value through profit or loss in the statement of financial position.

Where the Group has no equity holding in a fund it manages, the investment risk is borne by the external investors and therefore the Group's maximum exposure to loss relates to future management fees and any uncollected fees at the balance sheet date. Where the Group does have an equity holding, the maximum exposure to loss constitutes the future and uncollected management fees plus the fair value of the Group's investment in that fund.

The Group does not sponsor any of the structured entities and there are no guarantees or commitments.

Direct holdings in unconsolidated structured entities

Direct investments in unconsolidated structured entities comprise seed capital investments and hedges of awards in fund units in mutual funds, details of which are given below:

	Number of funds	Net AUM of funds £bn	Financial assets at FVTPL £m	Investment in associates £m	Investment management/ performance fees in the year £m	Management/ performance fees receivable £m
As at 31 December 2016	33	23.3	70.9	7.3	220.1	12.7
As at 31 December 2015	32	26.5	58.2	5.3	290.3	11.7

Subsidiaries and associates

Information about seed capital investments judged to be subsidiaries and associates at 31 December 2016 is given below:

Name	Category	Country of incorporation	Principal activities	Financial assets at FVTPL £m	Investment in associates £m	Percentage of total shares held	Share class held by the Group	Date of the end of the fund's reporting period
Jupiter Global Fund SICAV: UK Dynamic Growth	Subsidiary	Luxembourg	SICAV sub-fund	3.6	–	100%	D GBP Acc and L GBP Acc	30 September
Jupiter Global Fund SICAV: Global Emerging Markets Unconstrained	Subsidiary	Luxembourg	SICAV sub-fund	21.1	–	79%	D USD Acc and L USD Acc	30 September
Jupiter Enhanced Distribution Fund	Subsidiary	England & Wales	Unit trust	18.1	–	57%	I Class Acc	31 March
Jupiter US Small and Midcap Companies Fund	Associate	England & Wales	Unit trust	–	7.3	27%	I Instl Acc	30 June

Related undertakings other than subsidiaries and associates

Entities in which the Group holds more than 20 per cent. of the shares in any single share class, but over which the Group neither has control nor significant influence, are summarised overleaf:

Name	Share class held by the Group	Country of incorporation	Principal activities	Financial assets at FVTPL £m	Percentage of share class held by the Group	Percentage of total shares held	Date of the end of the fund's reporting period
Jupiter Global Emerging Markets Fund	R Acc	England & Wales	Unit trust	3.8	29%	7%	31 May
Jupiter Global Fund SICAV: Asia Pacific Income	L Inc GBP	Luxembourg	SICAV sub-fund	3.3	88%	17%	30 September
Jupiter Global Fund SICAV: Asia Pacific Income	L Inc SGD	Luxembourg	SICAV sub-fund	0.5	95%	17%	30 September
Jupiter Global Fund SICAV: Dynamic Bond	L Acc GBP	Luxembourg	SICAV sub-fund	0.5	47%	0%	30 September
Jupiter Global Fund SICAV: Europa	L EUR A	Luxembourg	SICAV sub-fund	5.6	42%	13%	30 September
Jupiter Global Fund SICAV: Global Equities	D GBP Acc	Luxembourg	SICAV sub-fund	0.3	100%	0%	30 September
Jupiter Global Fund SICAV: Global Absolute Return	L EUR Acc	Luxembourg	SICAV sub-fund	0.8	29%	6%	30 September
Jupiter Global Fund SICAV: Global Absolute Return	D CHF Acc	Luxembourg	SICAV sub-fund	0.8	94%	6%	30 September
Jupiter Global Fund SICAV: Global Financials	L USD Acc	Luxembourg	SICAV sub-fund	0.5	69%	1%	30 September
Jupiter Global Fund SICAV: Strategic Total Return	L CHF Acc	Luxembourg	SICAV sub-fund	–	21%	0%	30 September

The registered offices of the Group's subsidiaries, associates, and unconsolidated structured entites are detailed in Note 6.3.

Summarised financial information for associate seed capital investments are given below:

	2016 US small and midcap companies fund £m	2015 US small and midcap companies fund £m
Current assets	27.0	23.6
Current liabilities	(0.3)	(0.1)
Total equity	**26.7**	**23.5**
Revenue	0.2	(0.1)
Profit for the year	6.8	(0.3)
Other comprehensive income	–	–
Total comprehensive income	**6.8**	**(0.3)**

5.5. RELATED PARTIES

The Group manages a number of investment trusts, unit trusts and overseas funds and receives management and, in some instances, 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 1.1.

The Group acts as manager for 38 (2015: 37) authorised unit trusts. Each unit trust is jointly administered with the trustees, National Westminster Bank plc. The aggregate total value of transactions for the year was £3,187m (2015: £2,481m) for unit trust creations and £3,616m (2015: £2,984m) for unit trust redemptions. The actual aggregate amount due to the trustees at the end of the accounting year in respect of transactions awaiting settlement was £11.7m (2015: £6.5m). The Company also acts as the management company for the Jupiter Global Fund and Jupiter Merlin Fund SICAVs, made up of 20 sub funds (2015: 17) and four sub funds (2015: four) respectively.

The amounts received in respect of gross management and registration charges were £295.7m (2015: £327.1m) for unit trusts, £91.5m (2015: £54.2m) for SICAVs, £7.8m (2015: £7.2m) for investment trusts and £15.9m (2015: £15.3m) for segregated mandates. At the end of the year, there was £15.0m (2015: £11.2m) accrued for annual management fees and £3.0m (2015: £2.1m) in respect of registration fees.

Included within the financial instruments note are seed capital investments and hedges of awards in fund units in mutual funds managed by the Group. At 31 December 2016, the Group had a total net investment in such funds of £65.2m (2015: £53.6m) and received distributions of £0.5m (2015: £0.2m). During 2016, it invested £13.3m (2015: £27.4m) in these funds and received £11.6m (2015: £21.0m) from disposals.

Key management compensation

Transactions with key management personnel also constitute related party transactions. Key management personnel are defined as the executive Directors or members of the Executive Committee. The aggregate compensation paid or payable to key management for employee services is shown below:

	2016 £m	2015 £m
Short-term employee benefits	7.5	6.8
Share-based payments	4.6	3.2
Post-employment benefits	0.3	0.2
Other long-term benefits	–	0.1
	12.4	**10.3**

5.6. EVENTS AFTER THE REPORTING PERIOD

On 23 February 2017, the Board reviewed and approved a plan to align the pricing of the Group's unit trust range with that of its SICAV range through the introduction of single pricing for buying and selling fund units. On implementation of this plan, the Group will cease to earn box profits. In addition, the Group intends to bear the costs of research for all products through its own income statement, with no change in the management fee. These costs were previously borne directly by the funds.

An estimation of the financial impact of this decision, which is expected to come into force from the start of 2018, can be found in the Chief Executive's review within the Strategic report.

FINANCIAL STATEMENTS
COMPANY

Company balance sheet at 31 December 2016

	Notes	2016 £m	2015 £m
Non-current assets			
Investment in subsidiary undertakings	6.2	182.3	164.2
		182.3	**164.2**
Current assets			
Trade and other receivables	6.4	99.6	13.6
Cash and cash equivalents	6.5	6.2	5.0
		105.8	**18.6**
Total assets		**288.1**	**182.8**
Equity capital and reserves			
Share capital	4.1	9.2	9.2
Own share reserve	4.2	(0.2)	(0.2)
Other reserve	4.2	8.0	8.0
Retained earnings at 1 January		144.4	238.9
Profit for the year		251.2	24.1
Other movements		(124.9)	(118.6)
Retained earnings		270.7	144.4
Total equity		**287.7**	**161.4**
Current liabilities			
Trade and other payables	6.7	0.4	21.4
Total liabilities		**0.4**	**21.4**
Total equity and liabilities		**288.1**	**182.8**

The financial statements of Jupiter Fund Management plc (registered number 6150195) on pages 126 to 131 were approved by the Board of Directors and authorised for issue on 23 February 2017. They were signed on its behalf by

Charlotte Jones
Chief Financial Officer

Company statement of cash flows for the year ended 31 December 2016

	Notes	2016 £m	2015 £m
Cash flows from operating activities			
Cash generated from operations	6.6	144.8	134.3
Net cash inflows from operating activities		**144.8**	**134.3**
Cash flows from financing activities			
Purchase of shares by EBT		(26.6)	(20.9)
Finance costs paid		(0.2)	(0.1)
Dividends paid	4.3	(116.8)	(112.1)
Net cash outflows from financing activities		**(143.6)**	**(133.1)**
Net increase in cash and cash equivalents		**1.2**	**1.2**
Cash and cash equivalents at beginning of year		5.0	3.8
Cash and cash equivalents at end of year	6.5	**6.2**	**5.0**

Company statement of changes in equity for the year ended 31 December 2016

	Share capital £m	Own share reserve £m	Other reserve £m	Retained earnings £m	Total £m
At 1 January 2015	**9.2**	**(0.2)**	**8.0**	**238.9**	**255.9**
Profit for the year	–	–	–	24.1	24.1
Total comprehensive income	**–**	**–**	**–**	**24.1**	**24.1**
Vesting of ordinary shares and options	–	0.1	–	0.6	0.7
Dividends paid	–	–	–	(112.1)	(112.1)
Share-based payments	–	–	–	13.7	13.7
Purchase of shares by EBT	–	(0.1)	–	(20.8)	(20.9)
Total transactions with owners	**–**	**–**	**–**	**(118.6)**	**(118.6)**
At 31 December 2015	**9.2**	**(0.2)**	**8.0**	**144.4**	**161.4**
Profit for the year	–	–	–	251.2	251.2
Total comprehensive income	**–**	**–**	**–**	**251.2**	**251.2**
Vesting of ordinary shares and options	–	–	–	0.4	0.4
Dividends paid	–	–	–	(116.8)	(116.8)
Share-based payments	–	–	–	18.1	18.1
Purchase of shares by EBT	–	–	–	(26.6)	(26.6)
Total transactions with owners	**–**	**–**	**–**	**(124.9)**	**(124.9)**
At 31 December 2016	**9.2**	**(0.2)**	**8.0**	**270.7**	**287.7**
Notes	4.1	4.2	4.2		

Notes to the Company financial statements

6.1. ACCOUNTING POLICIES

Basis of preparation

The separate financial statements of the Company have been prepared in accordance with IFRS as adopted by the European Union and IFRS IC interpretations ("IFRS adopted by the EU") and with the provisions of the Companies Act 2006 applicable to companies reporting under IFRS. The principal accounting policies adopted are the same as those set out in Sections 1 – 5 of the Group's financial statements.

The financial statements have been prepared on the historical cost basis. The Company has taken advantage of the exemption in section 408 of the Act not to present its own income statement. The Company's profit for the year was £251.2m (2015: £24.1m).

Investments in subsidiary undertakings

Investments in subsidiary undertakings are held at cost less provision for impairment.

Share-based payments

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to the investment in subsidiary undertakings, with a corresponding credit to equity in the Company financial statements.

6.2. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	2016 £m	2015 £m
At 1 January	**164.2**	**150.5**
Share-based payments	18.1	13.7
At 31 December	**182.3**	**164.2**

During 2016 and 2015, a number of subsidiary companies granted options to their employees over the shares of Jupiter Fund Management plc. For accounting purposes, these grants are recorded as investments by the Company in its subsidiary undertakings.

6.3. RELATED UNDERTAKINGS

The following information relates to the Company's operating subsidiaries. At 31 December 2016 and 2015, with the exception of Jupiter Fund Management Group Limited, these were all indirectly held, although the Company has some direct investments in operating subsidiaries for accounting purposes as a result of share-based payment awards (see Note 6.2). All subsidiaries have the same reporting dates and period of reporting as the parent Company. The parent held directly or indirectly all of the issued ordinary shares and controlled all of the voting rights in all of the subsidiaries in 2016 and 2015. All subsidiaries have been consolidated in the Group financial statements.

Name	Registered office	Principal activities
Jupiter Asset Management (Asia) Private Limited	30 Raffles Place, No. 11-00 Chevron House, Singapore	Investment management
Jupiter Asset Management (Canada) Limited	45 O'Connor Street, Ottawa, Canada	Dormant
Jupiter Asset Management Group Limited	70 Victoria Street, London	Investment holding company
Jupiter Asset Management (Hong Kong) Limited	17th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong	Investment management
Jupiter Asset Management Limited	70 Victoria Street, London	Investment management
Jupiter Asset Management (N America) Inc	1209 Orange Street, Wilmington, USA	Dormant
Jupiter Asset Management (Switzerland) AG	Bahnhofstrasse 98-100, 8001 Zurich	Investment management
Jupiter Fund Management Group Limited	70 Victoria Street, London	Investment holding company
Jupiter Investment Management Group Limited	70 Victoria Street, London	Investment holding company
Jupiter Investment Trust Limited (formerly The Knightsbridge Trust Limited)	70 Victoria Street, London	Dormant
Jupiter Unit Trust Managers Limited	70 Victoria Street, London	Unit trust management
Knightsbridge Asset Management Limited	70 Victoria Street, London	Investment holding company
Tyndall Holdings Limited	70 Victoria Street, London	Investment holding company
Tyndall Investments Limited	70 Victoria Street, London	Investment holding company

The following subsidiaries were liquidated during 2016:

Name	Registered office	Principal activities
Jupiter Asset Management (Bermuda) Limited	41 Cedar Avenue, Hamilton, Bermuda	Dormant
Jupiter International Holdings Limited	41 Cedar Avenue, Hamilton, Bermuda	Investment holding company

6.3. RELATED UNDERTAKINGS CONTINUED

The following information relates to seed capital investments which are judged to be subsidiaries or associates of the Group at 31 December 2016:

Name	Registered office	Principal activities	Percentage of ordinary shares indirectly held by the Company
Jupiter Global Fund SICAV: UK Dynamic Growth	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund	100%
Jupiter Global Fund SICAV: Global Emerging Markets Unconstrained	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund	79%
Jupiter Enhanced Distribution Fund	70 Victoria Street, London	Unit trust	57%
Jupiter US Small and Midcap Companies Fund	70 Victoria Street, London	Unit trust	27%

The following information relates to seed capital investments where the Group holds more than 20 per cent. of the shares in any single share class, but over which the Group has neither control nor significant influence:

Name	Registered office	Principal activity
Jupiter Global Emerging Markets Fund	70 Victoria Street, London	Unit trust
Jupiter Global Fund SICAV: Europa	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund
Jupiter Global Fund SICAV: Asia Pacific Income	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund
Jupiter Global Fund SICAV: Global Financials	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund
Jupiter Global Fund SICAV: Global Equities	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund
Jupiter Global Fund SICAV: Dynamic Bond	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund
Jupiter Global Fund SICAV: Global Absolute Return	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund
Jupiter Global Fund SICAV: Strategic Total Return	6 Route de Trèves, Senningerberg, Luxembourg	SICAV sub-fund

6.4. TRADE AND OTHER RECEIVABLES

	2016 £m	2015 £m
Amounts owed from subsidiaries	98.9	12.8
Trade receivables	0.5	0.7
Prepayments and accrued income	0.2	–
Social security and other taxes	–	0.1
	99.6	**13.6**

6.5. CASH AND CASH EQUIVALENTS

	2016 £m	2015 £m
Cash at bank and in hand	1.4	0.2
Cash held by EBT	4.8	4.8
	6.2	**5.0**

6.6. CASH FLOWS FROM OPERATING ACTIVITIES

	2016 £m	2015 £m
Operating profit	251.4	24.3
Adjustments for:		
(Increase)/decrease in trade and other receivables	(86.0)	95.7
(Decrease)/increase in trade and other payables	(21.0)	13.7
Cash inflows on exercise of share options	0.4	0.6
Cash generated from operations	**144.8**	**134.3**

6.7. TRADE AND OTHER PAYABLES

	2016 £m	2015 £m
Accruals	0.3	0.2
Amounts due to subsidiary undertakings	–	21.2
Other payables	0.1	–
	0.4	**21.4**

6.8. FINANCIAL INSTRUMENTS

Financial instruments by category

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

2016	Loans and receivables £m	Other financial liabilities £m	Total financial instruments £m	Non-financial instruments £m	Total £m
Investment in subsidiary undertakings	–	–	–	182.3	182.3
Current trade and other receivables	99.6	–	99.6	–	99.6
Cash and cash equivalents	6.2	–	6.2	–	6.2
Current trade and other payables	–	(0.4)	(0.4)	–	(0.4)
Total	**105.8**	**(0.4)**	**105.4**	**182.3**	**287.7**

2015	Loans and receivables £m	Other financial liabilities £m	Total financial instruments £m	Non-financial instruments £m	Total £m
Investment in subsidiary undertakings	–	–	–	164.2	164.2
Current trade and other receivables	13.5	–	13.5	0.1	13.6
Cash and cash equivalents	5.0	–	5.0	–	5.0
Current trade and other payables	(21.2)	(0.2)	(21.4)	–	(21.4)
Total	**(2.7)**	**(0.2)**	**(2.9)**	**164.3**	**161.4**

At 31 December 2016 and 2015 the Company did not hold any financial instruments measured at fair value. The Company's exposure to price, foreign exchange, interest rate, credit and liquidity risk is not considered to be material and, therefore, no further information is provided.

6.9. RELATED PARTIES

Investment in subsidiary undertakings are disclosed in Note 6.2 and the amounts due from and to subsidiaries in Notes 6.4 and 6.7 respectively.

Key management compensation

The Company also considers transactions with its key management personnel as related party transactions. Key management personnel is defined as the Directors together with other members of the Executive Committee. The aggregate compensation paid or payable to key management for employee services is shown below:

	2016 £m	2015 £m
Short-term employee benefits	1.7	1.7
Share-based payments	0.9	0.6
Post-employment benefits	–	0.1
	2.6	**2.4**

With the exception of non-executive Directors, key management personnel compensation is paid for by a Group subsidiary and no recharge is made to the Company.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JUPITER FUND MANAGEMENT PLC

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion:

- Jupiter Fund Management plc's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2016 and of the Group's profit and the Group's and the Company's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

What we have audited

The financial statements, included within the Annual Report and Accounts 2016 (the "Annual Report"), comprise:

- the Consolidated and Company balance sheets as at 31 December 2016;
- the Consolidated income statement and Consolidated statement of comprehensive income for the year then ended;
- the Consolidated and Company statements of cash flows for the year then ended;
- the Consolidated and Company statements of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union and, as regards the company financial statements, as applied in accordance with the provisions of the Companies Act 2006, and applicable law.

Our audit approach

Context
Jupiter Fund Management plc is a FTSE 250 active fund manager, listed in 2010. Jupiter has a large presence in the UK, covering both retail and institutional clients, and increasing distribution activities overseas, particularly in European and Asian markets. Jupiter offers a range of products such as Unit Trusts, SICAVs, Investments Trusts and Segregated Mandates.

The scope of our audit and our areas of focus
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)").

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Our audit approach – **overview**

- Overall Group materiality: £8.6m which represents 5% of profit before tax.

- We conducted an audit of the complete financial information of Jupiter Asset Management Limited and Jupiter Unit Trust Managers Limited because they each represent more than 15% of the profit before tax of the Group.
- We also performed audit procedures on the Group consolidation adjustments and the financial statement disclosures.
- Taken together, our audit work accounted for more than 95% of Group revenues and Group profit before tax.

- Revenue recognition
- Share based payments expense
- Impairment of goodwill
- Current and deferred income tax

Area of focus	How our audit addressed the area of focus
Revenue recognition *Refer to Note 1.1. Net revenue and Note 5.1. Basis of preparation and other accounting policies.* Revenue is the most significant balance in the Consolidated income statement. Revenue is made of a number of streams including: – Management fees £377.4m; – Performance fees, £6.2m; and – Initial charges and box profits, £18.2m; and result from the business activities of the Group. We focused on a number of aspects of revenue as follows: **Management fees** Management fees consist of gross management fees from Unit Trusts, SICAVs and Segregated Mandates/Investment Trusts, less rebates. The calculation of Unit Trust and SICAV gross management fees, which make up the majority of the revenue balance, is calculated as a percentage of the AUM of the funds managed by the Group; The revenue from Segregated Mandates/Investment Trusts is manually calculated as a percentage, per Investment Management Agreements ('IMAs'), of the segregated mandates/investment trust holdings. The value of the holdings is provided by either the administrator or the segregated mandates/investment trusts, which are clients of the Group. The manual calculation of this revenue increases the risk of error; and Rebates are calculated by a combination of in-house systems and external parties mandated by the Group to sell units/ shares of funds it manages, with the outputs of both processes being monitored and stored on spreadsheets which increases the risk of error. **Performance fees** Performance fees are often one-off or infrequent and involve manual and complex calculations and this increases the risk of error. **Initial charges and box profits** Initial charges vary per different client and contractual terms and the calculation of these fees are thus more susceptible to the risk of error; and Box profits vary from one transaction to another and are quite complex due to the various different terms and pricing in place and as such there is an increased risk of error.	We understood and evaluated the design and implementation of key controls, including relevant Information Technology systems and controls, in place around revenue. This included outsourced activities at HSBC Security Services UK Limited (HSBC), J.P Morgan Bank Luxembourg S.A (JP Morgan), J.P Morgan Chase Bank N.A (JP Morgan) and International Financial Data Services Limited (IFDS). To obtain audit evidence over the key controls at the outsourced providers, supporting the calculation and recognition of revenue, we assessed the control environment in place to the extent that it was relevant to our audit. This involved obtaining and reading the reports issued by the independent auditor of the third party providers in accordance with generally accepted assurance standards for such work. We then identified those key controls on which we could place reliance to provide audit evidence. Where the controls reports we relied on were not prepared as at 31 December 2016, we obtained a bridging letter and assessed the period not covered. We found that the key controls on which we placed reliance for the purposes of our audit were designed, implemented and operating effectively. The specific audit evidence over each revenue stream is summarised below: **Unit Trust and SICAV management fees** – For the Unit Trusts we obtained evidence over the valuation of AUM by identifying those key controls in the HSBC control reports and performed detailed testing which included repricing and existence testing over investments to corroborate the AUM valuation; – For the SICAVs we obtained evidence over the valuation of AUM by identifying and relying on those key controls in the JP Morgan controls report as mentioned above; – We obtained AUM and management fee evidence direct from JP Morgan and HSBC. We recalculated and then reconciled management fees to amounts included in the Group financial statements; – We reconciled a sample of management fee rates to the prospectuses published on Jupiter's website or other supporting documentation; and – To test completeness we checked that the data received from the outsource provider included all Jupiter funds. **Segregated Mandates/Investment Trusts management fees** – HSBC are appointed the administrator for Segregated Mandates unless the client specifies otherwise. For those in our testing sample administered by HSBC we obtained evidence over the AUM as explained above. – For the Investment Trusts we obtained evidence over the AUM through confirming the operating effectiveness of key controls in the JP Morgan controls report; and – We reperformed the management fee calculation over a sample of invoices agreeing a sample of the key inputs back to source documentation including the IMA and compared to amounts booked. **Rebates** – We used data auditing techniques on the underlying data to recalculate the SICAV rebates computed by JP Morgan. We relied on controls at JP Morgan for the value of the holdings and pricing, agreed a sample of rates to discount forms and reconciled the amounts back to the general ledger; and – We used data auditing techniques to recalculate the Unit Trust rebates computed by IFDS or Jupiter's rebate calculator system. We obtained evidence over the AUM as explained above and agreed a sample of rates to discount forms.

Area of focus	How our audit addressed the area of focus
	Performance fees – For a sample of performance fees we assessed whether the fee had crystallised and hence had been recognised in the appropriate year; – We reperformed the computation of performance fees for that sample to check that it had been calculated in accordance with the signed IMAs; and – To test for completeness we checked, for a sample of funds, whether a performance fee had been earned in the year. **Initial charges and box profits** – We used data auditing techniques to recompute initial charges and box profits calculated by Jupiter's calculation system and reconciled the results back to the general ledger; – Based on work over controls explained above we relied on key controls at IFDS; and – Agreed the rate and terms to the discount forms for a sample of clients paying initial charges. **Conclusion:** Revenue has been appropriately measured and recognised in accordance with the various contractual agreements in place.
Share based payments expense *Refer to the Audit and Risk Committee report, Note 1.5. Share based payment and Note 5.1. Basis of preparation and other accounting policies.* The share based payment expense is judgemental in nature, including management determining the fair value of the awards, which involves estimating performance, service conditions and leaver rate. Also involved is the interpretation of complex terms in the scheme agreements, the number of schemes in operation, the required record keeping and the manual nature of the calculations.	We understood and evaluated the design and implementation of the control environment in place over the share based payment expense and performed the following to address the risks identified for each type of share based payment transaction: – Obtained and read the Deeds of Grant for new and amended awards in the year; – Tested each of the new awards in the year by checking that they were appropriately authorised, consistent with scheme plans, classified correctly as equity or cash settled and used an appropriate share price; – Obtained and read valuation reports for new schemes and grants made in the year and tested those valuations by agreeing key inputs used to source documentation and independently recalculated the value of the award using an industry accepted pricing model; – For cash settled parts of the awards, for example, national insurance, we calculated current charge for the year based on year-end share price information; – Assessed the reasonableness of the estimates in relation to performance conditions and/or service conditions for existing awards. The key assumptions in calculating the share based payment expense are the leaver rate and performance conditions. We assessed the reasonableness of management's judgements by examining historical data and performing sensitivity analyses; – Tested a sample of options exercised during the year to check they were exercised in accordance with the terms of the grant, recorded at the correct value and appropriately authorised; – Obtained details of all outstanding awards and checked that the charge was spread in accordance with the appropriate period of the award; and – Assessed whether all disclosures required by IFRS 2 'Share based payment' had been made and appropriately reflected the scheme agreements and the calculations and estimates made. **Conclusion** Based on our work, the treatment and disclosures relating to the schemes were determined to be consistent with the requirements of IFRS 2. Furthermore, we found that the pricing model used to value the awards was in line with accepted market practice and that the assumptions made by management were appropriate.

Area of focus	How our audit addressed the area of focus
Impairment of goodwill *Refer to the Audit and Risk Committee report, Note 3.1. Goodwill and Note 5.1. Basis of preparation and other accounting policies.* Goodwill is the most significant balance in the Consolidated balance sheet. Management are required by IAS 36 'Impairment of assets' to perform an annual impairment review and consider if there are any impairment indicators in respect of the carrying value of goodwill. The carrying value of the cash generating unit containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Management has assumed that the Group is made of one operating segment, investment management. As such the Group is one cash generating unit. Management have modelled the fair value less costs to sell approach under IAS 36. As they have not identified any impairment they have not considered value in use. The impairment review involves a number of significant judgements to be made by management such as forecasts and discount rates.	We obtained management's impairment review and checked that it was in compliance with the requirements of IAS 36 and performed the following: – We evaluated management's models, checking the relevant inputs to supporting documentation, this included challenging management on key assumptions within the calculations. In particular we compared the cash flow forecasts to the 3 year Board approved budget; – We evaluated the sensitivity analysis performed and discussed with management the likelihood and impacts of such changes; – We determined that there was reasonable headroom in management's fair value less costs to sell calculations; and – We also read and assessed the disclosures made in the financial statements and determined that they were sufficient. **Conclusion** Based on our work, we found that management's goodwill impairment review was consistent with the requirements of IAS 36 and that appropriate matters had been considered by management as part of that review.
Current and deferred income tax *Refer to Note 1.10. Income tax expense, Note 3.5. Deferred tax and Note 5.1. Basis of preparation and other accounting policies.* The manual processes and judgements involved increase the risk of misstatement and as such, we have considered current and deferred taxation to be an area of focus. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable items. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Management establish provisions where appropriate on the basis of amounts expected to be paid to tax authorities. Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The calculation of the current and deferred tax is produced manually and is based on a number of supporting complex calculations including share based payments, deferred bonuses, the spreading of initial charges and commissions.	In assessing the current and deferred income tax, we: – Assessed whether management had reflected appropriately the changes in UK corporation tax in their current and deferred income tax calculations; – Obtained and read tax working papers for the Group's material legal entities and obtained supporting evidence; – Obtained the deferred tax calculations and assessed the recoverability of the deferred tax assets. We evaluated whether the temporary difference will reverse in the future and whether there is sufficient taxable profit available against which the temporary difference can be utilised; and – Tested whether the tax disclosures and presentation in the Annual Report complied with IAS 1 'Presentation of financial statements' and IAS 12 'Income taxes'. We also evaluated whether the Group had met its compliance obligations for the material territories in which the Group operates, and as such we: – Evaluated the tax reporting and compliance position of the Group including consideration of ongoing or new tax audits being undertaken by various fiscal authorities in the UK; and – Assessed the conclusions reached by management in relation to the current transfer pricing arrangements, worldwide debt cap, changes to the Group structure and controlled foreign companies' position. **Conclusion** Based on our work performed above, management's assumptions and judgements in respect of the Group's current and deferred tax positions are in line with supporting documentation The tax disclosures presented within the financial statements are in line with IAS 1 and IAS 12.

How we tailored the audit scope
We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account the geographic structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group is structured along a single business line being investment management. The Group is composed of the Company, incorporated in the United Kingdom, and subsidiary entities in the United Kingdom and abroad, and certain consolidated Jupiter funds. The Group is operated centrally from the UK.

We conducted an audit of the complete financial information of Jupiter Asset Management Limited and Jupiter Unit Trust Managers Limited because they each represent more than 15% of the profit before tax of the Group. We also performed audit procedures on the Group consolidation adjustments and the financial statement disclosures.

Taken together, our audit work accounted for more than 95% of Group revenues and Group profit before tax.

Materiality
The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall Group materiality	£ 8.6m (2015: £7.9m).
How we determined it	5% of profit before tax. This is in line with what was used in 2015.
Rationale for benchmark applied	We believe that profit before tax is the primary measure used by the shareholders in assessing the performance of the Group, and is a generally accepted auditing benchmark.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £0.4m (2015: £0.4m) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern
Under the Listing Rules we are required to review the Directors' statement, set out on page 90, in relation to going concern. We have nothing to report having performed our review.

Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to the Directors' statement about whether they considered it appropriate to adopt the going concern basis in preparing the financial statements. We have nothing material to add or to draw attention to.

As noted in the Directors' statement, the Directors have concluded that it is appropriate to adopt the going concern basis in preparing the financial statements. The going concern basis presumes that the Group and Company have adequate resources to remain in operation, and that the Directors intend them to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the Directors' use of the going concern basis is appropriate. However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Group's and Company's ability to continue as a going concern.

OTHER REQUIRED REPORTING

Consistency of other information

Companies Act 2006 opinions
In our opinion:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group, the company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

ISAs (UK & Ireland) reporting

Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:

• information in the Annual Report is: – materially inconsistent with the information in the audited financial statements; or – apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group and Company acquired in the course of performing our audit; or – otherwise misleading.	We have no exceptions to report.
• the statement given by the Directors on page 92, in accordance with provision C.1.1 of the UK Corporate Governance Code (the "Code"), that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Group's and Company's position and performance, business model and strategy is materially inconsistent with our knowledge of the Company acquired in the course of performing our audit.	We have no exceptions to report.
• the section of the Annual Report on pages 50-55, as required by provision C.3.8 of the Code, describing the work of the Audit and Risk Committee does not appropriately address matters communicated by us to the Audit and Risk Committee.	We have no exceptions to report.

The Directors' assessment of the prospects of the Group and of the principal risks that would threaten the solvency or liquidity of the Group

Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to:

• the directors' confirmation on page 92 of the Annual Report, in accordance with provision C.2.1 of the Code, that they have carried out a robust assessment of the principal risks facing the group, including those that would threaten its business model, future performance, solvency or liquidity.	We have nothing material to add or to draw attention to.
• the disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.	We have nothing material to add or to draw attention to.
• the directors' explanation on page 29 of the Annual Report, in accordance with provision C.2.2 of the Code, as to how they have assessed the prospects of the group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.	We have nothing material to add or to draw attention to.

Under the Listing Rules we are required to review the Directors' statement that they have carried out a robust assessment of the principal risks facing the Group and the Directors' statement in relation to the longer-term viability of the Group. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the Code; and considering whether the statements are consistent with the knowledge acquired by us in the course of performing our audit. We have nothing to report having performed our review.

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Directors' remuneration report – Companies Act 2006 opinion
In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Other Companies Act 2006 reporting
Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Corporate governance statement

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to ten further provisions of the Code. We have nothing to report having performed our review.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 92, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's and the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

Jeremy Jensen (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

23 February 2017

(a) The maintenance and integrity of Jupiter Fund Management plc's website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

OTHER INFORMATION

HISTORICAL SUMMARY (UNAUDITED)

For the year ended 31 December 2016

	2016 £m	2015 £m	2014 £m	2013 £m	2012 £m
Net revenue	351.4	329.5	303.0	288.5	244.5
Administrative expenses	(182.1)	(163.8)	(149.2)	(142.1)	(128.4)
Operating earnings	169.3	165.7	153.8	146.4	116.1
Other gains/(losses)	5.1	1.7	26.1	9.5	(0.9)
Amortisation of intangible assets	(3.3)	(3.2)	(20.2)	(39.7)	(39.7)
Operating profit before exceptional costs	**171.1**	**164.2**	**159.7**	**116.2**	**75.5**
Exceptional items	–	–	–	–	5.0
Operating profit	**171.1**	**164.2**	**159.7**	**116.2**	**80.5**
Finance income	0.5	0.6	0.5	1.0	0.5
Finance costs	(0.2)	(0.2)	(0.2)	(3.1)	(7.4)
Profit before taxation	**171.4**	**164.6**	**160.0**	**114.1**	**73.6**
Income tax expense	(35.1)	(32.5)	(34.2)	(25.5)	(17.4)
Profit for the year	**136.3**	**132.1**	**125.8**	**88.6**	**56.2**
Earnings per share					
Basic (p/share)	30.3	29.4	28.4	21.1	14.9
Diluted (p/share)	29.6	28.5	27.2	20.0	14.2
Dividends per share					
Interim (p/share)	4.5	4.0	3.7	3.5	2.5
Final (p/share)	10.2	10.6	9.5	9.1	6.3
Special (p/share)	12.5	10.9	11.5	–	–
Total dividends paid out of current year profit	**27.2**	**25.5**	**24.7**	**12.6**	**8.8**
Assets under management at year end (£bn)	40.5	35.7	31.9	31.7	26.3
Average headcount (number)	463	436	459	455	432
Operating earnings to adjusted EBITDA reconciliation					
Operating earnings	169.3	165.7	153.8	146.4	116.1
Add: charge for options over pre-Listing shares	0.1	0.5	0.7	4.2	7.3
Add: depreciation	2.2	1.1	1.1	0.9	0.8
Add: office closure costs	–	0.8	–	–	–
Adjusted EBITDA	**171.6**	**168.1**	**155.6**	**151.5**	**124.2**
Net cash (£m)	258.9	259.4	251.0	160.8	69.0
Net cash inflows from operating activities (£m)	147.3	156.3	122.8	123.4	110.6
Underlying earnings per share (p)	29.4	29.2	26.4	25.2	19.0

SHAREHOLDER INFORMATION

SHAREHOLDER ENQUIRIES

All enquiries relating to holdings of shares in Jupiter Fund Management plc, including notification of change of address, queries regarding dividend/interest payments or the loss of a share certificate, should be addressed to the Company's Registrars:

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
Tel: 0871 664 0300 (Calls cost 12p per minute plus access charge)
Overseas tel: +44 020 8639 3399. Calls outside the UK will be charged at the applicable international rate.
Lines are open (UK only) 9.00am-5.30pm Monday to Friday.
Email: shareholderenquiries@capita.co.uk
Other shareholder queries should be addressed to the Company Secretary.

SHARE DEALING SERVICE

There is a share dealing service offered by the Registrars. It is a simple way to buy and sell shares via the internet or telephone with quick settlement. For information visit: www.capitadeal.com
For telephone purchases:
Tel: 0371 664 0445 (UK only) lines are open 8.00am to 4.30pm, Monday to Friday.
UK calls are charged at the standard geographic rate.
Calls outside the UK will be charged at the applicable international rate.

FINANCIAL CALENDAR

Event	Date
Ex-dividend date for full year and special dividends	9 March 2017
Record date for full year and special dividends	10 March 2017
Full year dividend payment date	7 April 2017
Trading update	26 April 2017
Annual General Meeting	17 May 2017
Interim results announcement	26 July 2017
Interim dividend payment date	30 August 2017
Trading update	12 October 2017

COMPANY DETAILS AND PRINCIPAL OFFICE

Jupiter Fund Management plc
The Zig Zag Building
70 Victoria Street
London SW1E 6SQ
Registered number: 6150195
Company Secretary
Adrian Creedy
Tel: 020 3817 1287

WEBSITE

The Company has a corporate website, which holds, amongst other information, copies of its latest annual report and copies of all press announcements released.
This site can be found at www.jupiteram.com

SHARE INFORMATION

The Company's ordinary shares are traded on the London Stock Exchange:

ISIN	GB00B53P2009
SEDOL	B53P200
TICKER	JUP.LN

GLOSSARY OF TERMS

A

Act
Companies Act 2006 (as amended, supplemented or replaced from time to time)

AGM
Annual General Meeting

AUM
Assets under management

Available profit
Net revenue less fixed costs

B

Board
The Board of Directors of the Company

Box profits
Profit on dealings in mutual funds by the Group representing the difference between the cost of purchasing redeemed units at cancellation prices and reselling those units at higher creation prices on the same day (rather than cancelling those units), in each case after brokerage fees

Bps
One one-hundredth of a percentage point (0.01 per cent.)

C

CASS
The FCA's Client Asset Sourcebook rules

CGU
Cash generating unit

Code
UK Corporate Governance Code adopted by the Financial Reporting Council in 2014

Company
Jupiter Fund Management plc

CREST
The system for paperless settlement of trades in listed securities, of which Euroclear UK & Ireland Limited is the operator

D

DBP
Deferred Bonus Plan

E

EBT
The Jupiter employee benefit trust established pursuant to a trust deed dated 22 April 2004

EMIR
The European Market Infrastructure Regulation, a body of European legislation for the regulation of over-the-counter derivatives

EPS
Earnings per share

EU
The European Union

F

FCA
Financial Conduct Authority of the United Kingdom

FCA Remuneration Code
The code whereby firms regulated by the FCA are required to establish, implement and maintain remuneration policies consistent with effective risk management

FCA Rules
The FCA Handbook of Rules and Guidance made by the FCA under FSMA for firms regulated by the FCA

FRC
Financial Reporting Council

FSMA
Financial Services and Markets Act 2000, (as amended, supplemented or replaced from time to time)

FVTPL
Fair value through profit or loss

G

GAAP
Generally Accepted Accounting Principles

GHG
Greenhouse gas

GRI
Global Reporting Initiative

Group
The Company and all of its subsidiaries

I

IA
Investment Association

IAS
International Accounting Standard(s)

ICAAP
Internal Capital Adequacy Assessment Process

IFA
Independent financial adviser

IFDS
International Financial Data Services

IFRS
International Financial Reporting Standard(s)

IFRS IC
IFRS Interpretations Committee

ISA
Individual savings account

J

Jupiter
The Company and all of its subsidiaries

K

KPI
Key performance indicator

L

LIBOR
London Interbank Offered Rate

Listing
The Company's Listing on the London Stock Exchange on 21 June 2010

Listing Rules
Regulations subject to the oversight of the FCA applicable to the Company following Listing

LTIP
Long-term Incentive Plan for retention

M

MBO
The purchase by management and other parties in 2007 of the Group (as at that date)

MiFID II
The second version of the Markets in Financial Instruments Directive as defined by EC Council Directive 2014/65/EU

Mutual funds
Collective investments where a group of investors pool their money (buying units or a portion of the mutual fund)

N

Net cash
Net cash is defined as the gross cash less any bank debt outstanding and overdrafts

O

Overseas Regulated Entities
Jupiter Asset Management (Hong Kong) Limited
Jupiter Asset Management (Switzerland) AG

P

PBT
Profit before tax

Platforms
Service providers that enable investors to buy and hold in a single place a range of investments from multiple providers with different tax wrappers

R

RCF
Revolving credit facility

Registrar
Capita Asset Services

S

SAYE
Save As You Earn

SEDOL
Stock Exchange Daily Official List

Segregated mandates
An investment strategy run exclusively for institutional clients

SICAV
Société d'Investissement à Capital Variable; an open-ended collective investment scheme that derives its value by the number of participating investors

SIP
Share Incentive Plan

T

TCF
Treating customers fairly

U

UCITS
Undertaking for Collective Investment in Transferable Securities as defined by EC Council Directive 85/611/EEC, as amended

W

WAEP
Weighted average exercise price

Registered address:
The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ

www.jupiteram.com

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JUPITER FUND MANAGEMENT PLC

JUPITER